

MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE
HELD AT 7PM WEDNESDAY 4TH NOVEMBER 2009
IN THE COUNCIL CHAMBER, VILLAGE WAY, CRANLEIGH

Cllr B Arendell* (Chairman of Committee)
Cllr J Bainbridge* (Vice Chairman of Committee) (arrived late and extended apologies)
Cllr BH Cheesman*
Cllr Mrs J Dodd*
Cllr BA Ellis
Cllr Mrs P Ellis* standing in for Cllr Mrs M Foryszewski

PRESENT*

Pauline Whitehead, the Clerk to the Committee, was in attendance.

1. MINUTES

The Minutes of the Finance and General Purposes Meeting held on 10th June 2009 were APPROVED and signed by the Chairman of the Committee as a correct record.

2. APOLOGIES FOR ABSENCE.

There were apologies for absence from Cllr B Ellis and Cllr Mrs Foryszewski..

3. DECLARATIONS OF INTEREST

There were two declarations of personal interest.

Cllr Mrs J Dodd declared a personal interest in item 14, request for grant towards the Bandroom extension, as she is a weekly user of the facility.

Cllr B Cheesman declared a personal interest in item 6, tennis court fees, as he is a regular user of the facility.

4. CHAIRMAN'S REPORT

Cllr Bainbridge arrived during this item.

The Committee Chairman reported that Waverley Borough Council (WBC) had undertaken an exercise on participatory budgeting. This is a directive from government to encourage consultation with the community on how public money is spent. The Parish Council has put in place the first steps for making a three year business plan informed by a visioning process and which will ultimately produce a community strategy. The budgeting process will allow the business plan to be developed. Until these measures are in place it would not be prudent to embark on a participatory budgeting process within the Parish Council.

£50,000 has been transferred into a seven month deposit which will run from 20th November 2009 to 21st June 2010 and which will yield 1.5% interest.

5. REVIEW OF FINANCES TO 30TH SEPTEMBER 2009

The reduction in income for this committee is entirely due to low bank interest rates. Expenditure is below the predicted amount for this time of the year. This is due to invoices not yet being received for amounts of £7,500 for the Cranleigh Co-ordinator and £1,500 for auditing, but the amounts being included in the phased budget.

6. TENNIS COURT FEES

Members considered a letter from a resident suggesting that those over the age of seventy should receive a discount when using the Parish Council's tennis courts. Having carefully studied an analysis of the previous year's figures, the committee acknowledged that the majority of usage is from adults and that it would be reasonable to assume that, with Cranleigh's demographics, a proportion of those would be over seventy. Members felt that it would be unfair to introduce special rates for one section

of the community as income from this facility does not cover its running costs and a reduction in income would place an increased financial burden on the whole community. Therefore the Committee AGREED to keep the adult fee at its current rate. The Clerk will report the decision of the Committee to the resident.

7. FINANCIAL RISK ASSESSMENTS

Members AGREED the Financial Risk Assessment for 2009 including the recommendations to promote good channels of communication between the holders of Parish Council land leases and the Council, to encourage training for members, to promote training for staff and to make sure that members are aware of Financial Regulations when checking any transactions.

The Committee AGREED the current fund holding arrangements which includes continuing to monitor the economic situation and respond to any opportunities to gain a better return on our reserves.

8. GENERAL RESERVE

The Finance Committee Chairman informed members that the Internal Auditor is content that our reserves (combined General Reserve and Earmarked Reserves) are adequate. The General Reserve will be reduced to around £2,000 by the end of the current financial year. A Revenue Reserve Objective of £23,375 had been included in the precept for the 2010/2011 period. Any money remaining in the Revenue Reserve at the end of the financial year is automatically channeled into the General Reserve.

9. INTERNAL AUDIT

Members AGREED the letter of engagement from the Internal Auditor and the scope of the audit which had been circulated with the agenda. The Committee had the opportunity to comment on, and then noted, a report (circulated with the agenda) relating to the interim Internal Audit 2009/10, undertaken in October 2009. There were no significant problems highlighted within the interim internal audit. The Committee noted that the audit met the standards set within Governance and Accountability in Local Councils – A practitioner's Guide 2008 (England). Members also noted that the interim audit conformed to the characteristic of effectiveness guidelines set down in the Practitioner's Guide.

10. EXTERNAL AUDIT

The qualification on the audit that *'the Council failed to undertake a review of the effectiveness of internal audit. This is contrary to regulation 6(3) of the Accounts and Audit (Amendment) (England) Regulations 2006'* had been appealed by the Responsible Financial Officer with assistance from the Internal Auditor.

Other recommendations from the external audit included a comparative disclosure, which had been dealt with at the September Parish Council Meeting and concern regarding the Henry Smith Charity. Under Section 139 (3) a council is specifically excluded from holding property in trust for either an ecclesiastical charity or the relief of poverty. In order to address this, the internal Auditor has suggested inviting a member of the community to be appointed as a Trustee of the Charity. The Committee Chairman reported that at the meeting of the Trustees of the Henry Smith Charity earlier that evening it had been agreed to appoint an independent member of the community to the Trustees. Members AGREED to review the effectiveness of the internal audit at the same time as when the Annual Return is agreed, in readiness for 30th June 2010.

11. VAT PARTIAL EXEMPTION

HMRC requires Local Authorities to submit their VAT Partial Exemption position annually from 2009/10. In order to be prepared, the information for 2008/9 was passed across to our internal auditor, Mr M Mulberry who undertook the calculations on our behalf as a control. Members noted the change in the partial exemption for VAT rules but required further clarification of the Council's position

relating to this year's figures in readiness for 2009/10.

12. COMPENSATORY GRANT

Members noted the Compensatory Grant application submitted to WBC for 2009/10 which is capped at £42,840.

13. REPORT BACK ON GRANT TO GLEBELANDS SCHOOL

A grant given to Glebelands to sponsor the 'Service for Senior Student' award in June 2005 had not lasted as long as had been originally thought. The Parish Council had hoped to contribute to the annual prizes for a further 6 years within the original grant. Glebelands indicated that they would continue to fund the prize through sponsorship raised from local businesses, Cranleigh and District Rotary Club and the Cranleigh Lions, but members AGREED that they wished to continue their support to the award by giving £20 per annum towards book tokens for the next five years.

14. FINANCE AND GENERAL PURPOSES COMMITTEE FORECAST FOR 2009/10

Members AGREED to put forward a forecast of £110,804 expenditure and £400 income for F&GP into the precept process.

15. FINANCE AND GENERAL PURPOSES COMMITTEE BUDGET 2010/11

The budget for 2010/11 was given careful consideration. Members AGREED that the income figure of £400 could be increased to £1,000 as it was anticipated that the £50,000 investment which had been made recently into a deposit account, would be available for long term investment.

There had been notification that the rates for 2010/11 would be reduced from £4,124 to £3,377 and therefore, the expenditure had been reduced accordingly.

It was AGREED to put forward a budget for 2010/11 of £107,154 expenditure and £1,000 income for F&GP into the precept setting process.

Members AGREED to put forward a special revenue reserve figure of £2,631 into the budget setting process for F&GP.

Money set aside for War Memorial repairs had not been needed, therefore, it was AGREED to return £2,000 to the General Reserve in respect of F&GP capital projects.

A grants budget of £3,000 for 2010/11 was set.

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A forecast of £1,825 and a budget of £1,750 was AGREED and put forward into the precept setting process.

16. PRECEPT

The Committee Chairman presented a report detailing a preliminary precept for 2010/11 of £235,553. Adjustments were required for a rate reduction for the office, Snoxhall pavilion and cemetery, and an increase in F&GP interest.

An independent surveyor had produced a report on the Village Hall roof which indicated that it was likely that it would need replacing within three to five years at a cost of approximately £80,000. It was suggested that an amount of £10,000 was put into the 2010/11 budget to augment the existing £25,375 Earmarked Reserve. Investigations would be made into grant funding for this expenditure and the results brought back to the next appropriate meeting.

The result of these adjustments produces a precept figure of £238,514 which equates to just over a 5% increase on last year's precept.

Members considered including an additional £2,500 towards the Cranleigh Co-ordinator. Whilst all members expressed their support for the post, it was felt that until Waverley had decided what their position was, it would not be prudent to increase our precept to include this item.

A donation of £250 towards tools for the Probation services in recognition for the work undertaken on Cranleigh Parish Council land which was AGREED by the Committee and will be taken from the

grants allocation for 2009/10.

An allocation of £1,000 towards making six more allotments at Elmbridge Road and to clear a yew hedge to the side of the allotments; £250 towards leaflets to publicise the Cranleigh Code and money to install an infra red camera overlooking the fitness equipment at Snoxhall fields, were held in abeyance until the Committee gained an understanding from the Parish Council as to their expectations of this year's precept in terms of percentage increase.

It was noted that there were potential opportunities to provide an increased service to the community by taking over items such as public toilets, bus shelters and the Christmas lights in the future and further work will be undertaken during the coming year to ascertain the financial impact on the community.

Members acknowledged that it is possible that the Youth Centre may return to the Parish Council's administration in 2012 when the lease held by the Trustees expires. In order to prepare for this, further work will be done to identify the potential financial risk to the Parish Council.

Should the hospital land transfer take place, there will be increasing demands on the recreation budget for additional fuel and field materials.

The opportunity to undertake work for other parishes should provide income, but may need an initial financial investment. The Grounds Manager will bring proposals to the Committee when appropriate. Continued research was taking place into upgrading Snoxhall pavilion and maximizing the opportunities for providing community facilities at Snoxhall.

17. GRANTS/ DONATIONS/MEMBERSHIPS

a. Cranleigh School

The Committee in pursuance of the power conferred by Section 137 of the Local Government Act 1972 (as amended by the Local Government and Housing Act 1989), AGREED to incur expenditure of £20 per annum for the next five years in respect of sponsoring an award to be given at Cranleigh School's annual prize giving, as in the opinion of the Committee the expenditure is in the interests of its area or part of its area or in the interests of all or some of the inhabitants of that area and would benefit them.

b. Trustees of the Bandroom

Members AGREED to grant £500 towards the extension at the Bandroom under the power given to support the Arts (Local Government Act 1972 s 145). Members felt that the Parish Council has already contributed significantly to the Bandroom as it provides the lease of the land at a peppercorn rent and remedial work on the ground to the side of the Bandroom following recent building works has been undertaken by the Parish Council at minimal cost (materials only) to the Bandroom Trustees.

c. Surrey County Playing Fields Association

The Committee AGREED to donate £10 to the Surrey County Playing Fields Association under the power given to provide playing fields (Local Government (Miscellaneous Provisions) Act 1976, s19).

d. Youth Cafe

The Committee in pursuance of the power conferred by Section 137 of the Local Government Act 1972 (as amended by the Local Government and Housing Act 1989), AGREED to incur expenditure of £100 in respect of running costs for the Youth cafe, as in the opinion of the Committee the expenditure is in the interests of its area or part of its area or in the interests of all or some of the inhabitants of that area and would benefit them.

18. EXCLUSION OF PRESS AND PUBLIC

It was resolved that the Press and Public be excluded from the Meeting during item 19, in accordance with section 100A (2) and (4) of the LGA 1972.

CONCLUSION

There being no further business the Committee Chairman closed the meeting at 9.35 pm. The next meeting of the Finance and General Purposes Committee is scheduled for Tuesday 24th November 2009 at 7pm.