

**SPECIAL MEETING OF THE FINANCE AND GENERAL PURPOSES COMMITTEE  
OF THE WITNEY TOWN COUNCIL**

**Held on Monday 21 January 2014**

**at 6.00pm in the Council Chamber, Town Hall**

**Present**

Councillor: P J Dorward (Chairman)

Councillors:	J C Baker	J S King
	A K Beames	T J Morris
	B J Churchill	D A Snow
	R F N Curry	

Officers:	Town Clerk	Democratic Service Officer
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**F023 APOLOGIES FOR ABSENCE**

Apologies for their absence were received from Cllrs M J C Curry, A D Harvey, D S Enright and C K Woodward.

**F024 DECLARATIONS OF INTEREST**

There were no declarations of interest in matters to be discussed at the meeting.

**F025 PUBLIC PARTICIPATION**

There were no members of the public present.

**F026 SUSPENSION OF STANDING ORDER 44(B)**

**RESOLVED:** that Standing Order 44(b) be suspended to allow all Councillors present to speak and vote on the following agenda items.

**F027 REPORT ARISING FROM THE BUDGET WORKING PARTY ON THE 2014/15 REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

The Committee received and considered the report of the Town Clerk as circulated with the agenda.

The Town Clerk highlighted in her report the recommendations from the Budget Working Party. To summarise the budget she referred Members to appendix D which illustrated the four scenarios the Budget Working Party had considered.

All scenarios assumed putting £150,000 into the rolling capital fund – the Council would need to decide whether to use the general reserve or to put the money back in. There was no guarantee of the precept support grant after next financial year. In its first year, the precept support grant had been earmarked for Town and Parish Councils, although in some

areas this had not been passed on – Witney had been fortunate in receiving it. Central Government was still paying it but it was no longer earmarked for the Town/Parish Councils. Scenario 1 assumed no precept support. The current tax base was 9459.49 – this was based on the number of band D equivalent properties in Witney. This was the equivalent of £122.91 per property and was a percentage increase of 1.16% on the current year.

The Working Party had considered that scenario 2 would be best for the Council. In 2014/15 a small amount of money could be added to general reserves but in 2015/16 and 2016/17 the Council would need to take £40,000 per year from reserves. If this scenario was adopted the Council would need to find savings of £100,000 over the next three years or introduce new funding streams. Although she hadn't projected an increase in the tax base in this scenario she commented that it should increase with the start of the Curbridge development but it was anticipated that it would not raise the £40,000 per annum.

Cllr R Curry thought it would be reprehensible if the Council could not save £100,000 over three years. Cllr King asked if this scenario intended to cap the precept in future years, or if it could be changed if required. The Town Clerk replied that she had been tasked with setting a three year forecast, with capping in mind and this was the resultant figures. There was no information from the DCLG about future capping, however if this didn't apply future Council's would not be held to this medium term financial strategy.

Cllr R Curry said that the situation could deteriorate and that was why the working party had suggested a realistic precept increase. Looking on the black side, Cllr King was concerned about capping for the next two years if the grants applied for didn't come through. He would be happy if the capping was not set in stone. The Town Clerk replied that if the Council changed after elections, there could be a complete change in policy. Cllr King asked if there was no change in the Council could the figures be adjusted. The Town Clerk said that it would be a Council policy but it was a moveable feast.

The Town Clerk explained that in both scenario three and four she had projected a 10% reduction in council tax support grant.

Cllr Churchill was looking on the bright side as there was no news of capping and the government knew when local councils set their precepts. The Town Clerk responded that this was not necessarily a true picture. At a NALC Conference she had learned that some councils could be affected significantly and some of these had had meetings with Brandon Lewis last week, but there had still been no announcement. Hopefully civil servants would take on board the effects capping might have on town/parish councils. However, there was no way of predicting what the DCLG would do. The situation was similar to 1999 when Best Value legislation was introduced – 41 Town Councils has fallen into the criteria, Witney Town Council was one of them. Eventually, after a lot of hard lobbying a grant of £40,000 was provided to help carry out work required.

Cllr Churchill wondered how hard it would be to bring the precept down to 2% if the Council decided to set it at a higher level. The Town Clerk said that there might have to be a referendum on the budget, at a cost. If the Town's Council tax was higher than that of the District Council there could be a problem. Cllr Churchill stated that in essence the larger councils were penalised – Witney had 30,000 people to service.

Cllr R Curry stated that a Council needed to have financial discipline and having a three year forecast was a step towards this. Committees should be looking for savings. For every £1 of hall income, the tax payer subsidised it by £2.70, and football was subsidised by £3.50. Cllr R Curry said that this Committee needed to push financial discipline onto the other

committees to get value for money. He felt that the committees needed to take control of their budgets.

Cllr Morris broadly agreed with Cllr R Curry. He was concerned that this process should have been started nine months ago. He was concerned at using reserves that were not high enough anyway and there were no ideas on how to increase the money. It was fine to say that the Council should cap for the next two years, but next year the Council could find a big financial hole. He wanted to offer a word of caution and he felt it would be risky to cap.

Cllr R Curry felt that money could be saved from the public halls. The budget included Langdale staying open after the Corn Exchange had opened – if it was closed this could be a huge saving.

Cllr Baker understood Cllr Morris' views but felt that a start had to be made somewhere. Years two and three would be moveable. A starting point for being disciplined was necessary. She felt that the RFO should go through figures on a monthly or quarterly basis to look for savings.

Cllr Beames said he could understand Cllr R Curry's views on Langdale and the Corn Exchange but gas and electricity would still have to be paid. The recharges looked ridiculously high to him. The public halls basis costs were predicted to go up therefore he could not see where the savings were coming from. Cllr R Curry proposed that these sorts of debates should be happening in the committees.

Cllr Beames commented that the Council was £62,000 below recommended general reserve levels and that was without spending £9,500. The Town Clerk said that this money would be put back into reserves in scenario two. Cllr Morris commented that if savings were made that would reduce the requirement on reserves. The Town Clerk said the alternative would be to increase the council tax by 13%.

Cllr Beames said that the council would have to tighten up next year to bring the reserves up. He could not see the Curbridge development houses contributing to the 2014/15 budget but the Buttercross works could. The Town Clerk reminded members that the tax base was based on the band D equivalent - it depending on the mix of housing within the developments, and not all of the money would come at once. There could be factors that brought the tax base down.

Cllr R Curry noted the Town Clerk's examples at the bottom of page one on agenda item five. He queried if assets could be sold. Unless tough decisions were made, savings would not be found. Cllr Baker wanted to be sure that what was agreed actually happened. The Town Clerk said that she would like to look at areas to see if service costs could be reduced – could some services be dropped, could some be shared etc. Cllr Morris agreed with the savings identified but wondered how quickly these would be delivered. A timeframe would be needed.

Cllr R Curry said that if a leeway was allowed in the first year, nothing would happen subsequently. The Finances and General Purposes Committee should drive savings and value for money. The Chair said that the Council needed to be seen to be doing things for the town. The Corn Exchange was closed, the paddling pool was closed and West Witney had an uncertain future. The Town Clerk said that the picture was not that negative. There were plans to re-open the Corn Exchange, and funding was being sought for the splash park. Cllr R Curry said that things could still be achieved whilst savings were made.

Cllr Beames was concerned about the Curbridge development and the extra facilities that may be transferred to the Council. The Town Clerk was anticipating a commuted sum given the lessons learned by the District with the last major housing development in Witney.

The Chair asked the Committee to consider the Town Clerk's recommendations. Cllr Morris asked what saving would be required to cap at 2% this year. The Town Clerk replied that whatever could be saved in the course of the year would be beneficial. Cllr Morris said that in that case a 2% increase would provide an increase in reserves. The Town Clerk said that officers were always trying to obtain best value – for example the Facilities Manager was trying to reduce the grounds maintenance contract by looking at sharing services with WODC. Members unanimously agreed the recommendations in the Town Clerk's report.

**RECOMMENDED:**

1. that £150,000 is transferred to the Rolling Capital Fund year on year
2. that precept increases are capped at 2%
3. that the MTFs of the Council should be as presented in scenario 2 – considered to be the worst case scenario
4. that the Council make at least £100,000 of savings or increases its income stream in order not to use the General Fund over the next three financial years.

Cllr R Curry thought that recharges should be budgeted if committees were to manage their budgets. He knew this had been difficult in the past but if the recharges were not allocated it was difficult to manage budgets.

The Town Clerk said that recharges were not apportioned until the budget was set. The other option would be to take the recharges out and put them back in at the end of the year. The contract accountants were now more up to date with the reallocation of recharges. Cllr Morris felt it was important to get a replacement RFO if this was going to work. Cllr R Curry said that the Council needed book keeping input but this area was up for exploration.

Cllr Churchill suggested that making savings was put onto agendas. The Town Clerk said that the Committees would effectively do this in looking at the financial reports. The Chair thanked the Budget Working Party for its hard work.

**F028 UPDATE ON CAPITAL PROJECTS AND EXPENDITURE**

The Town Clerk apologised for this report not being currently available but it would be brought to the next Finance and General Purposes Committee on 27 January 2014.

**F029 TO APPROVE THE COUNCIL'S EXPENDITURE ON ITEMS COVERED BY SECTION 137 OF THE LOCAL GOVERNMENT ACT 1972**

The Committee received and considered the Town Clerk's report as circulated with the agenda.

She explained that under section 137 of the LGA 1972, the Council may spend up to a prescribed limit for any purpose which, in its opinion, is in the interest of or will directly benefit the area or its inhabitants, or part of it or some of them.

The current limit was £7.20 per head. The Town Clerk advised that the Council must decide if it wished to authorise the expenditure detailed in her report for 2014/15 – as set and agreed in the budget.

Cllr Beames asked what the current head count was, and the Town Clerk explained that it was based on the electoral role – currently about nineteen or twenty thousand. She stressed that section 137 could only be used if it was of benefit to the community.

**RECOMMENDED:**

1. that the report be noted.
2. that the Council, in accordance with its powers under section 137 of the Local Government Act 1972, should incur the following expenditure which, in the opinion of the Council, is in the interests of the area or its inhabitants and will benefit them in a manner commensurate with the expenditure:

	£
Recreational Grants	3,560
Direct grant to Volunteer Link Up	500
Direct grant to Town Twinning Association	350
Subsidised room lettings	1,865
Town Christmas Lights & Entertainment	27,615
<b>TOTAL</b>	<b>32,310</b>

**F030 TO FORMALLY RECOMMEND THE PRECEPT FOR 2014/15**

The Committee received and considered the report of the Town Clerk, as circulated with the agenda.

**RECOMMENDED:** that the Town Clerk be authorised to sign and serve a precept on the West Oxfordshire District Council, in accordance with the appropriate provisions of the Local Government Act 1972 (as amended), requiring the District Council to pay the Town Council the sum of £1,172,218 in respect of Council Tax for the town during the financial year 2013/14.

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The meeting closed at 7.04pm.

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Chair