

## **Extraordinary Council – 31 January 2012**

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Minutes of the meeting of **Extraordinary Council** held on **31 January 2012** when there were present:-

Chairman: Cllr S P Smith

Vice-Chairman: Cllr Mrs J A Mockford

Cllr Mrs P Aves	Cllr Mrs J E McPherson
Cllr C I Black	Cllr D Merrick
Cllr J P Cottis	Cllr T E Mountain
Cllr T G Cutmore	Cllr R A Oatham
Cllr K J Gordon	Cllr Mrs C E Roe
Cllr J E Grey	Cllr C G Seagers
Cllr Mrs A V Hale	Cllr M J Steptoe
Cllr Mrs D Hoy	Cllr J Thomass
Cllr M Hoy	Cllr I H Ward
Cllr K H Hudson	Cllr Mrs M J Webster
Cllr Mrs G A Lucas-Gill	Cllr P F A Webster
Cllr Mrs C M Mason	Cllr Mrs B J Wilkins
Cllr J R F Mason	

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs P A Capon, Mrs T J Capon, M R Carter, Mrs H L A Glynn, C J Lumley, Mrs J R Lumley, M Maddocks, R D Pointer, A C Priest and Mrs C A Weston.

### **OFFICERS PRESENT**

P Warren	– Chief Executive
A Bugeja	– Head of Legal, Estates and Member Services
Y Woodward	– Head of Finance
C Cox	– Financial Services Manager/Chief Accountant
M Petley	– Senior Accountant
J Bostock	– Member Services Manager

### **18 MEDIUM TERM FINANCIAL STRATEGY 2012/13 – 2016/17**

Council considered the report of the Head of Finance on approving the integrated five year Medium Term Financial Strategy commencing in 2011/12. The report included an assurance from the Head of Service, as Section 151 Officer, on the robustness of the estimates for the purposes of the calculations and the adequacy of the proposed financial reserve.

The Leader referred to the sterling work of both Members and officers during the Strategy preparation stage. The Finance Team should be congratulated for producing such an easy to read report on a complicated subject.

Reference was made to the inclusive nature of the budget process and to the Council being able to maintain a balanced budget and deliver services whilst making significant savings. Although difficult decisions had to be made, the

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Strategy had been developed with a view to minimising the impact on residents.

During discussion a Member referred to the development of a strategy for allocation of the New Homes Bonus being something of interest to the whole Council. A Member observed that, notwithstanding that the proposal for the pest control service was appropriate, the Council should, if possible, seek to maintain the revised arrangement in future years. In terms of the ongoing economic climate, a Member referred to the value of neighbouring authorities considering shared working possibilities.

Responding to questions, officers advised that:-

- Decisions associated with the Grounds Maintenance Contract would not have implications for the Medium Term Financial Strategy as reported. The schedule of interim arrangements appended to the recent Portfolio Holder decision in relation to the contract could be made publically available. The situation was fast-moving and Members would be provided with further information as soon as possible.
- A scheme for the introduction of parking charges at Hockley Woods had yet to be developed. Detailed proposals, including the possibility of not charging at weekends, would be reported into the Executive for consideration and would take account of the discussions and feedback received from Members at the budget away-days.

It was observed that the concept of introducing charges for parking at Hockley Woods related to the need to address and manage issues being experienced by residents at this open space, as set out at paragraphs 18.11 to 18.13 of the report. The proposal was not financially motivated.

With regard to pre-application planning advice, the detail of charging proposals would be considered by the Executive. There was no intention of introducing charges in relation to the initial enquiries by residents.

### **Resolved**

- (1) That the Medium Term Financial Strategy for 2012/13 to 2016/17, including the proposals contained within the report, be agreed, with the following key budgetary changes for 2012/13:-
  - (a) Reduce the budget for the cost of the Pest Control Service by £14,000.
  - (b) Include a budget for parking income of £30,000 under Woodlands.
  - (c) Include a budget for parking income of £60,000 under Leisure Premises.

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- (d) Include an income budget of £2,000 for pre-application planning advice under Development Management.
  - (e) Include an income budget for £2,000 under Democratic Services for Member training.
  - (f) Remove the budget for the Summer Swim Scheme.
- (2) That all the Council's asset holdings of land and property be reviewed and options for further disposals considered, with a report to the Executive by Autumn 2012.
- (3) That a Strategy be developed for the New Homes Bonus, to be in place by November 2012.
- (4) That the core estimates for 2012/13, as shown in the Draft Budget Book appended to the report, be agreed.
- (5) That the 2012/13 Council Tax for Rochford District Council remain unchanged at £201.15 for a Band D property.
- (6) That the schedule of fees and charges for 2012/13, as appended to the report, be agreed.
- (7) That the Capital Programme, as detailed in the report, be agreed.
- (8) That the use of Earmarked Reserves, as detailed in the report, be agreed.
- (9) That a study be carried out on the feasibility of building a place of ease at the Hall Road Cemetery. The results to be reported to the Executive by April 2012 for consideration in the next review of the Capital Programme in July 2012.
- (10) That a detailed design and timetable be developed for a Pet Memorial Park in Cherry Orchard Jubilee Country Park and reported to the Executive by April 2012. (HF)

**19    TREASURY MANAGEMENT STRATEGY STATEMENT – ANNUAL INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY STATEMENT 2012/13**

Council considered the report of the Head of Finance on the Council's Treasury Management Strategy for borrowing and investment.

Members concurred with the observation of the Leader that, at this stage and in the context of the economic climate, it was positive that the Authority was able to concentrate on investments rather than the need to borrow.

Responding to questions, the Head of Finance advised that:-

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- Whilst it may be technically possible for local authorities to form a joint investment pool, only one Authority would be able to post investments from such a pool and there would be a need to meet Financial Services Authority regulation requirements and associated costs.
- As statutory bodies, Local Authorities are seen as being in a strong financial position. If an Authority merges with another, its liabilities transfer. The cost for an organisation to obtain a credit score is approximately £20,000.
- There is a possibility that the United Kingdom's sovereign rating could fall.
- Whilst an element of risk can always be associated with counter-party lending, a close eye is maintained on economic conditions/information. The Council's risk averse approach means that it has not been subject to issues experienced by other local authorities through their exposure to Icelandic institutions.
- Council investment was currently with Lloyds, the Co-Operative Bank and Santander (UK Plc, registered in the UK) and use was made of AAA rated money market funds.

### **Resolved**

- (1) That the Treasury Management Strategy Statement and Annual Investment Strategy, including the investment instruments, limits and delegations, as set out in the report, be agreed.
- (2) That the Minimum Revenue Provision Policy for 2012/13, as set out in the report, be agreed.
- (3) That the Authorised Limit and Operational Boundaries for external debt, as laid down in the report, be agreed. (HF)

The meeting closed at 8.10 pm.

Chairman .....

Date .....

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