

Extraordinary Council – 31 January 2006

Minutes of the meeting of **Council** held on **31 January 2006** when there were present:-

Chairman: Cllr P F A Webster
Vice-Chairman: Cllr Mrs M J Webster

Cllr R A Amner	Cllr C J Lumley
Cllr C I Black	Cllr Mrs J R Lumley
Cllr Mrs R Brown	Cllr J R F Mason
Cllr P A Capon	Cllr D Merrick
Cllr R G S Choppen	Cllr Mrs J A Mockford
Cllr T G Cutmore	Cllr R A Oatham
Cllr K J Gordon	Cllr J M Pullen
Cllr J E Grey	Cllr P K Savill
Cllr Mrs S A Harper	Cllr C G Seagers
Cllr K H Hudson	Cllr S P Smith
Cllr A J Humphries	Cllr Mrs M A Starke
Cllr C A Hungate	Cllr M G B Starke
Cllr Mrs L Hungate	Cllr J Thomass
Cllr T Livings	Cllr Mrs B J Wilkins

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Mrs L A Butcher, Mrs T J Capon, Mrs H L A Glynn, T E Goodwin, P R Robinson, D G Stansby and Mrs M S Vince.

OFFICERS PRESENT

R Crofts	- Corporate Director (Finance and External Services)
R J Honey	- Corporate Director (Law, Planning and Administration)
D Deeks	- Head of Financial Services
Y Woodward	- Financial Services Manager
S Worthington	- Committee Administrator

24 BUDGET STRATEGY – 2006/07

Council considered the report of the Head of Financial Services on approving the integrated five year budget strategy starting in 2006/07.

In presenting the report, the Head of Financial Services advised that the Government had now announced the final grant support settlement for this Council, which was £3,000 more than reported in paragraph 5.1 of the report.

Specific reference was made to the need to consider how the Capital Programme should best be funded and to consider what borrowing should be undertaken. It was stressed that the Council's strategy was only to undertake borrowing when it was cost effective to do so. The Council would thus seek to

replace external borrowing at commercial rates by its leisure contractor with low rate borrowing from the Public Works Loan Board. It was further emphasised that, with respect to the Housing Revenue Account, the Government had changed the model for calculating rents in 2006/07. This would result in rents increasing by an average of 5%. It was stressed that this is a Government policy applicable to all housing authorities and was therefore unconnected with the proposed transfer of the Council's housing stock.

The Corporate Director (Finance and External Services) advised that the budget strategy had been compiled in a robust manner and accorded with legal requirements.

The Leader of the Council thanked the Corporate Director (Finance and External Services) and the Head of Financial Services for all their hard work over the years and extended good wishes to them on their retirement. It was pleasing that the Council had a five year budget strategy that balanced, despite the low level of Government funding. Although the grant settlement was an improvement over previous years, the Council was still the 20th lowest funded on a grant per head of population basis in England and the lowest in Essex. In addition, although the Government had assessed that the Council needed additional funding, it was withholding £273,000 of the grant.

Specific reference was made to this Council's commitment to the Essex-wide concessionary travel scheme. Allocation had been made within the 2006/07 budget for the additional costs associated with offering free travel to Rochford residents around the county, rather than the District.

The recommended Council tax rise of 4.98% for 2006/07 would equate to 16p per week. It was, however, emphasised that only 12p in every £1 of Council tax paid by Rochford District residents would come to this Council. The balance was collected by this Council and distributed, free of charge, to the other public bodies. The Council has, during the past year, distributed £13 million in benefits for the Government to residents and has worked hard to obtain an additional £0.5 million in benefits for its residents.

In conclusion, the Leader of the Council made reference to major schemes, including the Rayleigh Leisure Centre which was due to open this year. Recycling had increased four fold in the past three and a half years, which had been achieved with a small budget. It was not yet clear what would be the outcome of the large scale voluntary transfer of housing process, but, undoubtedly, tenants would receive great benefits.

Responding to a Member concern relating to the financial affairs of the Crouch Harbour Authority, officers confirmed that discussions would take place with Chelmsford and Maldon Councils and that officers would report back to the Council on the outcome of these discussions.

With specific regard to the proposed new resource allocations outlined in paragraph 8.3 of the report, Council agreed a motion moved by Cllr C I Black

and seconded by Cllr T G Cutmore that £7,500 of the amount set aside for addressing issues relating to the environment should be ring fenced for graffiti removal

Resolved

- (1) That the revised estimates for 2005/06, as detailed in the report, be agreed.
- (2) That the core estimates for 2006/07, as detailed in the report, be agreed.
- (3) That the priorities identified for 2006/07, as detailed in the report, be agreed.
- (4) That the 2006/07 Council Tax for Rochford District Council be at 4.98%.
- (5) That the schedule of fees and charges, as detailed in the report, be agreed.
- (6) That the capital programme, as detailed in the report, be agreed.
- (7) That the Housing Revenue Account, as detailed in the report, be agreed.
- (8) That the Council remaining in the Essex countywide concessionary travel scheme be agreed.
- (9) That £7,500 be set aside for graffiti removal. (HFS)

25 CAPITAL STRATEGY – 2006/07

Council considered the report of the Head of Financial Services on approval of the draft Capital Strategy.

In presenting the report the Head of Financial Services advised that, although the Council was no longer required to submit an annual Capital Strategy for assessment, it was nevertheless good practice to compile an annual Capital Strategy. He further advised that the additional key priority identified in paragraph 3.2 would enable the Council to take advantage of any funding options that might be available.

On a motion, moved by Cllr T G Cutmore and seconded by Cllr P K Savill, it was:-

Resolved

That the capital strategy be agreed. (HFS)

26 **TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY – 2006/07**

Council considered the report of the Head of Financial Services on the Council's Treasury Strategy for Borrowing and Investment for 2006/07.

It was emphasised that the Council's projected new borrowing for 2006/07 related solely to the Rayleigh Leisure Centre. This would provide an additional facility for residents in the District and be of great benefit to all.

Resolved

- (1) That the Treasury Management Strategy Statement and Annual Investment Strategy, including the limits contained within the report, be agreed.
- (2) That the Chief Finance Officer undertake the prudential borrowing, as outlined in the report.
- (3) That the Authorised Limit and Operational Boundary for external debt, as laid down in the report, be agreed and that authority be delegated to the Chief Finance Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities.
- (4) That authority be delegated to the Chief Finance Officer to add and remove counterparties, in line with the criteria agreed by Council on 27 January 2005. (HFS)

The meeting closed at 8.06 pm.

Chairman

Date