

Extraordinary Council – 27 January 2009

Minutes of the meeting of **Council** held on **27 January 2009** when there were present:-

Chairman: Cllr J E Grey

Vice Chairman: Cllr A Humphries

Cllr Mrs P Aves	Cllr Mrs J R Lumley
Cllr C I Black	Cllr J R F Mason
Cllr Mrs R Brown	Cllr D Merrick
Cllr Mrs L A Butcher	Cllr Mrs J A Mockford
Cllr P A Capon	Cllr R A Oatham
Cllr Mrs T J Capon	Cllr J M Pullen
Cllr M R Carter	Cllr C G Seagers
Cllr J P Cottis	Cllr S P Smith
Cllr T G Cutmore	Cllr D G Stansby
Cllr Mrs J Dillnutt	Cllr M G B Starke
Cllr Mrs H L A Glynn	Cllr M J Steptoe
Cllr T E Goodwin	Cllr J Thomass
Cllr K J Gordon	Cllr Mrs M J Webster
Cllr K H Hudson	Cllr P F A Webster
Cllr Mrs G A Lucas-Gill	Cllr Mrs C A Weston
Cllr C J Lumley	Cllr Mrs B J Wilkins

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs K A Gibbs, T Livings, M Maddocks and P R Robinson.

OFFICERS PRESENT

P Warren	-	Chief Executive
R J Honey	-	Corporate Director (Internal Services)
G Woolhouse	-	Corporate Director (External Services)
Y Woodward	-	Head of Finance, Audit and Performance Management
C Watkins	-	Financial Services Manager/Chief Accountant
M Power	-	Committee Administrator

14 MEDIUM TERM FINANCIAL STRATEGY 2009/10

Council considered the report of the Head of Finance, Audit and Performance Management on the integrated five year Medium Term Financial Strategy (MTFS) starting in 2009/10 which included her assurance, as Section 151 Officer, regarding the robustness of the estimates and adequacy of the proposed financial reserves, despite a dip below the minimum recommended level in 2010/11.

The Head of Finance, Audit and Performance Management confirmed that, although the Council had to achieve savings because of a fall in income and

increased costs, it would maintain a continued commitment towards delivering the Council's corporate plan.

It was confirmed that where individual estimates in the Budget Book were different to those quoted in the MTFS, the MTFS figures would be used.

The Leader of the Council thanked officers for their work on the Strategy. In this difficult time, the Council had managed to achieve savings while continuing to deliver high quality services. Two specific areas in which fees and charges had been reviewed for 2009/10 were parking tariffs and the introduction of a charge for the collection of Bulky Waste and WEEE (Waste Electrical and Electronic Equipment), which would bring the Council in line with other local authorities. In view of the economic difficulties faced by businesses it had been decided that the hourly parking tariffs throughout the District would not be increased. There would be an increase in the daily parking rate from £4.00 to £5.00. It was added that the decision to introduce free Saturday morning parking in the District in the run up to Christmas had been well received by residents.

The Head of Finance, Audit and Performance Management explained that the provision for the pension revaluation in 2011 had not been increased because of the uncertainty over the figures issued at the interim valuation in December 2009, the consultation underway around cost sharing for the Local Government Pension Scheme and the impact of the next 2 years on the final revaluation. However, it was pointed out that the pension revaluation in 2011 remained a major risk to the MTFS in the future.

It was noted that the increase to council tax would be just under 18p per week and, with the Essex County Council announcement of a proposed increase of 1.9%, the average council tax bill for Rochford residents would be increasing by 2.52%.

Due to the uncertain and changing nature of the financial climate it was requested that the Head of Finance, Audit and Performance Management undertakes a formal review of the half year financial position and reports on the outcome to Members. Proposals for achievement of the target savings of £780,000 would be reported to the Executive by July 2009.

It was further requested that in future the previous year's figures be provided in order to afford Members a comparison.

Resolved

- (1) That the following items, as detailed in the report, be agreed:-
 - The Medium Term Financial Strategy for 2009/10 to 2013/14.
 - The revised estimates for 2008/09.
 - The core estimates for 2009/10.

- The 2009/10 Council Tax for Rochford District Council.
 - The schedule of fees and charges.
 - The Capital Programme.
- (2) That the Head of Finance, Audit and Performance Management undertakes a formal review of the half year financial position and reports on the outcome to Members. (HFAPM)

15 TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION POLICY STATEMENT 2009/10

Council considered the report of the Head of Finance, Audit and Performance Management on the Council's Treasury Strategy for borrowing and investment for 2009/10, which includes the Council's policy on the Minimum Revenue Provision.

Responding to questions, the Head of Finance, Audit and Performance Management advised that:-

- The Council's investments were not placed on deposit for longer than one year. It was considered prudent to invest in short-term investments due to uncertainties surrounding interest rates. If the situation changed there was the option of placing funds in the Government's Debt Management Office.
- The Council's policy was to balance risk against returns; it was recognised that local authorities needed to adopt a cautious approach and that Rochford District Council set its own criteria, which tended to be more stringent than that set by the sector as a whole.
- Although it was noted that in the event of an issue in the Irish banking system the European Union (EU) was likely to support the Irish economy, the Council had decided to not to place further deposits with the Irish banks.
- Members could be provided with information on Rochford District Council's credit rating and in particular how its income from investments compares to the base rate.

Resolved

- (1) That the Treasury Management Strategy Statement and Annual Investment Strategy, including the limits contained within the report, be agreed.

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- (2) 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 Head of Finance, Audit and Performance Management, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. (HFAPM)

The meeting closed at 8.00 pm.

Chairman

Date

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