

**LEDBURY TOWN COUNCIL
MINUTES OF A MEETING OF THE
FINANCE, POLICY AND GENERAL PURPOSES COMMITTEE
HELD ON 3 FEBRUARY 2020**

PRESENT: Councillors Bannister, Harvey (Chair) and Howells

IN ATTENDANCE: Councillor Morris
Angie Price – Town Clerk

F152. APOLOGIES

Apologies were received from Councillors Manns and Whattler

F153. DECLARATIONS OF INTEREST

None received

F154. PUBLIC PARTICIPATION

No members of public were present

**F155. TO APPROVE AND SIGN AS A CORRECT RECORD THE MINUTES
OF A MEETING OF THE FINANCE, POLICY & GENERAL PURPOSES
COMMITTEE HELD ON 23 JANUARY 2020**

RESOLVED:

That the minutes of a meeting of the Finance, Policy & General Purposes Committee held on 23 January 2020 be approved and signed as a correct record, subject to the following amendments:

- i. Minute No. F139(1)(a) – that “Poetry Slap” be amended to read “Poetry Slam”.
- ii. Minute No. F144(2) – That it be amended to read “draft Local Resolution Policy”

F156. DRAFT BUDGET

Members were provided with the proposed Draft Budget for 2020/21 for consideration. They were advised that the Chair had met with the Clerk earlier in the day and they had made some alterations to the summary and calculations sheets that had previously been circulated.

Members discussed the projected outturn and the predicted underspend and it was suggested that this should be used to fund the special projects being proposed for the 2020/21 financial year, with the remainder being placed in the General Reserve in order to build this up to a recognised level; it is good practice to have 50% of your annual precept amount in reserves or 6-months operating costs.

Members also noted the historical actions taken by council at each year end when preparing their draft budget in order to calculate the annual precept figure for the coming year. It had been custom and practice to deduct the end of year balance from the precept figure, thus reducing the amount being requested for the forthcoming years expenditure. This practice could result in the Council ending the year on a negative figure, which is not permissible in law and therefore to ensure that the Council is acting within the parameters of the Accounts and Audit Regulations 2015 Members were advised that this practice should not be continued. Underspends are generally used to build up reserves as explained above and therefore Members agreed that this practice should cease to ensure funds are transferred to the Reserves each year, however they agreed there was a requirement to make an adjustment of £41,693 as a one-off occurrence within the overspends from the 2019/20 income/expenditure to rectify this practice.

Recommendation

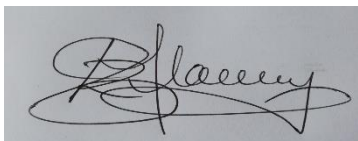
1. That Council approve the funding of the "Special Projects" in the sum of £57,500 planned for the 2020/21 financial year to be funded from the 2019/20 underspend.
2. That Council recognise the need for a one-off adjustment of £41,693 from the 2019/20 overspend to rectify the historical deductions from the Council's previous precept requests, noting that the proposed increase of income/expenditure for the 2020/21 financial year would be 2.8%.
3. That Council note that due to the one-off adjustment of £41,693 being made and the Special Projects being funded from the 2019/20 underspend, the council's precept requirement for 2020/21 is £531,978 which equates to an 11.5% increase, a total increase of £1.33 per month per Band D equivalent property.
4. That subject to Council agreeing to 1-3 above the Draft Budget as presented be approved and that the Clerk be authorised to provide Hereford Council details of this Council's precept requirements for the 2020/21 financial year of in the sum of £531,978.

F157. DATE OF NEXT MEETING

RESOLVED:

That it be noted that the date of the next meeting of the Finance, Policy & General Purposes Committee is scheduled for 27 February 2020.

The meeting ended at 7.40 pm.

A handwritten signature in black ink, appearing to read 'D. Harey', is written on a light blue background.

Signed (Chairperson)

Dated : 27/02/2020