

**MINUTES OF AN EXTRAORDINARY MEETING
OF THE
FINANCE & GENERAL PURPOSES COMMITTEE
HELD ON THURSDAY 29th of NOVEMBER 2018
IN THE TOWN COUNCIL OFFICES, LEDBURY**

PRESENT: Councillors: A Harrison, E Harvey, J Hopkins, P Howells, D Knight, N Morris, N Shields (Chair), D Whattler

IN ATTENDANCE: Mab Owain, Interim Clerk, L James, minutes, 1 member of public.

F.147 APOLOGIES

Apologies were received from Cllr Manns.

F.148 INTERESTS

No declarations of interest were made at this point.

F.149 PUBLIC PARTICIPATION

There was no public participation.

F.150 REVIEW OF COMMITTEE BUDGETS 2019/20.

This meeting had been arranged as a joint committees meeting to consider the Committee Budgets for 2019/20. As such, Cllr Shields was chairing the meeting.

Cllr Shields said that having worked on the budgets it seemed that the Council had to some extent been living beyond its means for some years. She reminded the meeting that the precept had been kept fairly low and explained that this had been achieved by using the reserves to cover running costs. With the Judicial Review costs taking up a significant proportion of the reserves, the Council now needed to consider carefully the best way forward.

She advised the meeting that she had asked the committees to budget for the work they believed needed to be done, leaving an assessment of the overall picture to this meeting. The committee budgets had been reviewed carefully and fairly and there were no obvious savings to be made on the expenditure identified.

On this basis, the budget for 2019/20 represented a significant increase if the reserves were not to be drained further. Cllr Shields saw the options as: increasing the precept by 27% and maintain the current level of reserves to ensure medieval buildings could be maintained; cut back on services; borrow; seek grant funding for some of the work.

The Interim Clerk explained the financial forecast for the next 5 months including expenditure and expected reserves at 31st March 2019. He reminded the meeting that there was a legal requirement to keep 10% of turnover in reserves, adding that he would expect Ledbury's reserves to be higher than this to cover potential costs associated with the ownership of medieval listed buildings.

The various options were discussed and the management of reserves considered. The meeting recognised that the previous recording of 'ear-marked reserves' had not been helpful and did not give a clear indication as to how the reserves had been allocated. All felt that it was important to maintain the reserve at its current level in view of on-going issues with the buildings and in particular the wood wasp problem which is to be reviewed

in spring by specialists. It was also noted that reserves should be recorded in a more business like format for the future, i.e. showing on individual budget lines when funds were being transferred to the reserve.

There was recognition that given the low rate of the current precept, even a modest increase would represent a significant percentage. The Interim Clerk was requested to find out what the impact would be on Band D houses.

All agreed that a full explanation should be given to the public as to why the precept needed to rise. The Interim Clerk advised that the rise would be best publicised in terms of cost per household per week. In his experience people found this more useful and easier to understand than a percentage figure.

There was some discussion on the usefulness of planning how to 'repay' reserves over a given number of years. It was felt that this might be better done once it was clear whether or not the Council could recover the costs of the Judicial Review. There was also some debate on the level at which reserves should be maintained.

Cllr Harvey commented that the Council has been run for a number of years with a zero percentage precept uplift given that the Council had absorbed the inflation costs applied to its operational costs. It was noted that the budgeted figures now reflected an element for inflation. She also advised that the increase last year of 13% had equated to an £11 increase per year per Band D household.

Cllr Morris said that if a 27% increase was required to provide the services, then the meeting should seriously consider applying this. All agreed that residents should be given a clear explanation as to why such an increase was necessary. The meeting identified the major increases included in the budgets of the three committees.

Cllr Shields reported that she had reviewed all of the budgets with the Interim Clerk, and could not identify any obvious savings. There was then some discussion on the value of asking the committees to revisit the budgets but in the light of the information available, it was anticipated that any savings would be negligible. Several councillors expressed the view that the budgeting process had been very thorough and the resulting figures would allow the Council to do all of the necessary work, e.g. war memorial repairs, and some town promotion. It was noted that the war memorial work was particularly important. Having failed to achieve repairs in time for the 2018 Armistice Centenary, it was imperative that the repairs were completed in time for the War Memorial's centenary in 2020.

It was proposed by Cllr Howells that a recommendation be made to the Full Council on the 6th December 2018 that a precept rise of 27% be requested. Cllr Hopkins seconded this. The F&GP members at the meeting voted and this was unanimous.

RESOLVED: To recommend to Full Council that a rise of 27% in the precept be adopted.

F.151 DATE OF NEXT MEETING AND ITEMS FOR FUTURE AGENDA INCLUSION

No items were suggested for future agendas by councillors in the meeting.

The date of the next, scheduled meeting of the Finance and General Purposes committee is 17th January 2019.

Meeting closed at 8.25pm.

CHAIRMAN DATE