

The Minutes of the Finance & General Purposes Committee meeting held on Wednesday, 11th January 2017 at Beeson House, Lintot Square, Southwater commencing at 7.30 pm.

Chairman: Cllr M.Neale

Councillors: Cllr L.Apted Cllr G.Cole
Cllr P. Flores-Moore Cllr C.Pearce
Cllr G. Watkins

County: Apologies provided by Cllr B. Watson OBE

District: Apologies provided by Cllr Dr J. Chidlow

Clerk: Mrs.C.Tobin

Press: Not present

Public: None

FG119/01/17 PUBLIC PARTICIPATION

The Chairman welcomed all present to the meeting, then highlighted the housekeeping rules and indicated that should anyone wish to film/record the proceedings could they make themselves known if they had not already done so to the Clerk.

The Chairman advised that the meeting was being recorded.

There were no members of the public present at the meeting.

FG120/01/17 APOLOGIES

Apologies were received from Cllr Diamond, Dye, O'Toole-Quin, Whitear and Vickers.

Members noted these apologies.

FG121/01/17 DECLARATION OF INTERESTS

The Clerk referred Members of Council to information issued in relation to the Member's Code of Conduct and Standing Orders. This information contained a flow chart previously issued which should assist Members in reaching their decision; this not being overly complicated.

FG122/01/17 CHAIRMAN'S ANNOUNCEMENTS

The Chairman had no announcements but was aware that Cllr Flores-Moore would like to discuss the subject of the Southwater Youth Project following recent resolutions of the Council and instructions provided to the Clerk. The Clerk stated that whilst she

understood that this item was to come forward no formal decision could be made at this time.

The discussions surrounded the grant of £17k provided to the Youth Project by the Parish Council due to the fact that the Council wished to see independently audited accounts. During the discussions Members were alighted to the problems envisaged by the Board in that the resolution had caused the Youth Project, with Mrs.Flores-Moore asking whether a way forward could be found to release the monies.

Cllr Watkins and other Members stated that the Council were not saying that they would not pay only that it was being withheld pending the information being provided; it was therefore for the Management Board of the Youth Project to provide the information requested in writing by the Clerk as instructed by Council.

Cllr Watkins stated that it may be that the Clerk could arrange a meeting to discuss a way forward for he would be quite happy to see a third of the monies released following a satisfactory meeting with the Clerk, himself, Vice Chairman of Council and the two parish council representatives on the Board; Cllrs Flores-Moore and Whitear. This was felt by all those present as a suitable compromise situation.

The Clerk stated that she understood the position of the Committee and would make the necessary contact with the Chairman of the Southwater Youth Management Board.

FG123/01/17 CORRESPONDENCE

The Clerk indicated that there was no list for consideration at this meeting.

FG124/01/17 MINUTES

It was RESOLVED by all present that the Minutes of the meeting held on 7th December 2016 be approved as a true and correct record of the meeting.

FG125/01/17 ACCOUNTS & FINANCIAL MATTERS

The Clerk presented to Members the financial pack produced for the meeting, detailing income and expenditure, cash and investment analysis and debtors to 11th January 2017.

Members NOTED and APPROVED the information provided in that this was a true and correct position of the Council's financial affairs as at 11th January 2017.

Detailed Balance Sheet

The Clerk referred members to the detailed balance sheet which showed members the current position regarding earmarked reserves shows a figure of £233,279 with a general fund of £36,766 and operating balance of £70,557. The Clerk advised that without the earmarked figures the Council would not have the required three months of expenditure required within the operating and general fund. Therefore cash flow for the remaining three months of the year would be extremely tight.

There were however, questions being raised internally as to the figures within the committed expenditure, for a number of these whilst correct, others were incorrect.

Discussions would be held with the provider of the accounts package to rectify the issues found.

A short discussion took place on the accruals and how these works in relation to the year end for 2016/7. The Clerk stated that Council had approved the previous year's accounts which included accruals including those for debtors and creditors. Members asked the Clerk whether she could provide a copy of the relevant information for 2015/16.

Councillors NOTED and APPROVED information regarding the financial position as per the Income & Expenditure, Balance Sheet and Bank Reconciliation this being a the true position as of the 11th January 2017.

Transfer to Virgin Account

Further to previous instructions the Clerk informed member that the original transfer had not taken place. Unfortunately, the bank concerned would not talk to the Clerk as she was not a signatory to the account. However, due to the cash flow of the Council, the Clerk would suggest that perhaps the monies should not be transferred.

The question was asked as to why the Council had so many accounts, Cllr Flores-Moore stated that during the banking crisis it was evident that Councils were not covered in the same way as normal depositors and therefore various accounts were opened to spread the risk. The Clerk stated that many of the accounts stood at zero, however, it would not be possible at this stage to delete from the system, merely zero these out.

Members RESOLVED that the transfer should not now proceed in light of the cash flow situation.

Southwater Christmas Event

The Clerk informed Members that provision figures showed a slight surplus in income of £1213.53 which should be ring-fenced for the 2017 event still to be organised. This surplus is due to the fact that the new motifs were not displayed due to reasons previously provided.

It was RESOLVED by all present that the sum of £1213.53 should be Ring-fenced at the end of the year towards the future Christmas event in 2017.

FG126/01/17 PAYMENT SCHEDULE

The Clerk advised Members that there was no payment schedule for this meeting, the meeting being directly after Full Council in November. The total payment schedule being £17,255.14.

Members NOTED and APPROVED the payment schedule of £17,255.14.

The Clerk indicated that Council had received an application from the West Sussex Music Trust for a grant of £500 to provide for safeguarding of pupils, tuition and sheet music. This band attends the Southwater Christmas event each year.

A general discussion took place regarding the grant application, with Cllr Watkins suggesting that perhaps the Council should consider sponsoring the organisation rather than provide a grant especially with the close ties with the Southwater Community and its Christmas Event.

It was AGREED that the Clerk would investigate the possibility of providing some sponsorship for the West Sussex Music Trust and how this might work for the benefit of both the Parish Council and the Trust. The Clerk to report back on her findings.

FG128/01/17 DRAFT BUDGET 2017/18

Cllr Neale referred Members to the revised calculation sheets in relation to the budget produced and sent on the 10th January and further information sent out on the day of the meeting showing why there is such a large difference between the two years. There were some incorrect assumptions last year which has not helped this year's budget at all, as there is only £70,000 of working capital currently available as previously discussed in the meeting.

So the budget going forward and on which a lot of work has been done is a realistic budget based on what income and expenditure we anticipate, the budget does not account for any reserves we should have this being three months working capital. This budget is factual there being not meat left on the bones within the budget and we are still in a position at this point for a potential increase of 11% plus budget increase on Band D.

Cllr Watkins indicated that he had a couple of points he wished to raise. He thanked the Chairman of Finance for the work carried out, one if the Council does not address the situation fully and finally this year, it is likely the Government will cap the Council next year; there was no cap for this current year. Any fixed figure could be £5 per Band D or 2%. The proposal is that £70k will be transferred from the Ring-fenced to uphold the Budget for 17/18; the worry is that this proposal takes too much money out of the ring-fence public open space. There could for example be problems with the open space owned and managed by the Council especially the tree stock and which may not be covered under insurance, also that there is not three months working capital/salary costs in the general fund.

Cllr Watkins stated that he knows that in the past few years (2013) this issue has been raised and it has been dealt with on the basis that we have had sufficient monies in the ring-fenced funds should we have a problem. The fact is that we have significantly reduce ring-fenced funds by £70k and we should therefore budget to put £20k back in for this year and then build this back up over a three year period. We then need to ensure that we have the required three months operating costs, and if not we will then have a similar problem next year.

Cllr Neale agreed that it was preferable to have the three months operating costs it would considerably increase the Band D percentage. Cllr Watkins said that as a local council tax payer he had no delight in proposing such an increase, but the Council needed to get this right this year, so we don't have an on-going problem. The Council simply cannot continue to use the ring-fenced.

The meeting resumed with Cllr Flores-Moore stating that the Clerk had provided the proper advice to Council during those years in terms of the three months operating costs.

Cllr Cole said that the Council had not allowed within the budget for major repairs at the Leisure Centre. The Clerk responded that part of the problem as previously identified was the inclusion of S106 monies which the Council had thought would be received; this was incorrect and would not be received hence the problem with this years budget deficit. However, the Clerk informed Members that she had spoken to the Leisure Centre Manager and asked that he undertake repairs and maintenance as per his budget with the exception of the Section 106 not received. It has been made clear that where there was a budget it should be spent in future. Consultant Philip Starling of MSA, had recommended a spend of £83k on repairs and maintenance without the new windows required and discussions with the District Council have taken place. Cllr Cole said that to date the only monies spent was on two minor leaks and a new dishwasher, the budget is to the bone and felt that the budget was optimistic.

Cllr Flores Moore questioned the costs of refuse collection, stating that the costs were doubled. The Clerk indicated that the costs within the budget were estimated costs based on the fact that costs will be increased by District Council; the District had not set its budget yet.

Cllr Flores-Moore was concerned about the downturn in the gym income; the Clerk stated that the income was based on the previous two years, but the Leisure Centre Manager had predicted these. The Clerk was hopeful but had expressed concerns about the level of income. Cllr Flores-Moore stated that she again thought that the figures were optimistic based on the downward turn. The Clerk stated that staff would be set targets at appraisals in order to achieve the budget income.

Cllr Flores-Moore stated that she was concerned about the condition of the Leisure Centre, again the Clerk and Cllr Neale referred to the previous discussions on the current year's budget deficit.

The Clerk was asked and the income for Funfair etc within the budget and stated that she would look at this and supply the information to the member.

Cllr Flores-Moore asked about the position with regards to the MUGA income. The Clerk stated that it was hoped accordingly to the ring-fenced schedule to Month 8, it was hoped that this figure would become a credit having paid off the loan. Cllr Watkins felt confident with the figure provided.

Cllr Flores-Moore stated that she could not find the figure which kept being referred too. The Clerk referred to the ring-fenced schedule where the deficit was shown. Cllr Flores-Moore asked how this was to be repaid. Cllr Neale said that the budgeted figure was for either repairs or dismantling. Cllr Watkins stated that the figure was low; probably another

£1k should be allowed for the dismantled.

Cllr Watkins asked how this could be dealt with within the accounts. The Clerk stated that the Council would have to either find the funds or write this off. The Clerk was currently pursuing monies which should have been applied for on two sites, but this was not guaranteed income. The Clerk indicated that at the end of the year the ring-fenced figure would be provided to auditors and they like to see how the Council has dealt with such funds.

Discussion then took place about the £70k to uphold the future budget due to the deficits in the current year's budget. Cllr Watkins said that the situation is that the Council's assumptions in the past were incorrect and the Council should ensure that this does not happen again, and that the Council should build up its general reserves over a two to three years period. He would like to thank again the Chairman of the Committee and the Clerk for their invaluable work and his view was that the precept figure must go up. If Council disagreed that may be the case, but at least the Council would be funded to carry out its work.

Cllr Neale said that whilst the draft budget was provided, it was for the Members to now provide a steer as to any further increases. Cllr Cole said that the Council had to start out from a sensible position as proposed in the draft, but in practice it would only have one shot to raise precept substantially this year the difference between 10 and 15% everyone is neither here nor there, everyone will hate it no matter what. It may be that a 20% further increase is the correct figure. The difference between 10 and 20% may not be significant. Cllr Watkins said that there will be large developments coming on board, and what he would like to see is some guide as to when we could forecast these coming on board. Cllr Neale said that the figures are only provided by the District annually in November. Cllr Watkins said that a forecast could be done by approaching the developers; they would have a good indication as to their build. Members thought that this was feasible and could be done for future discussions. Council need to market the Leisure Centre and this could be used to market those houses. Cllr Cole said that the country could go back to a 2007 situation. The Clerk indicated that there was also the potential in future New Homes Bonus to assist with the work of the Council, subject to no changes by Government and the Neighbourhood Plan being agreed at Referendum.

Cllr Neale reminded that once the budget was agreed, then the Clerk would expand this out to a five year forecast as required and could include any such forecasts.

Cllr Pearce stated that he would like to be optimistic rather than pessimistic with all the development going on and for him seeing that everything was now being brought until control belts and braces. The Council were employing someone on the marketing side and perhaps we can actually improve the income substantially.

Cllr Flores-Moore questioned the Neighbourhood Plan income; the Clerk and Cllr Neale stated that there was money in the ring-fenced, but the £7,830 was the maximum grant the Council could apply for. The Clerk reminded Members that monies had been returned to Locality this year. Cllr Neale stated that there was £13.5k plus the £7,830 which will provide for approximately £22k. The Referendum would be paid for by Horsham. Cllr Watkins said that there were a number of reports still to be received on the Plan. Cllr Watkins stated that he hoped that this would meet the Council's completion of the

Neighbourhood Plan.

Comparing the revisions Cllr Flores-Moore questioned the National Insurance figures; the Clerk confirmed that to the best of her knowledge these were correct. The only change was in relation to one of the staff as the calculation formula was incorrect, this would have affected the NI on that salary.

Cllr Watkins questioned the Memberships at the Leisure Centre. The Clerk stated that it was the way that the figures were shown now as against those in the past apparently changed. Cllr Watkins also questioned the catering income and junior coaching. The Clerk stated that she had had discussions with the Leisure Centre Manager on both these matters.

Members continued to look at individual cost centres for the Leisure Centre, with some of the figures having been adjusted to those based on previous years income and what was achievable. The Clerk stated that she had already adjusted downwards some of the income figures at the Leisure Centre, as these were in her view not achievable but was hopeful that the figures within the budget were realistic. Cllr Watkins stated that with the increase in staffing and structure he would hope to see dramatic improvements.

Council will need to look at the future leisure centre and hopefully future discussions with the District Council will provide fruitful.

Cllr Neale said that the predicted for this year is a realistic figure for this year. He stated that every time the figures were readjusted each cost centre was looked at again.

Cllr Pearce asked how the figures were to be achieved. Council need to find out the reasons for the figures at the Leisure Centre going down and whether there is a fault of the management of the Leisure Centre or another reason for the downturn. Cllr Watkins stated that this was the reason for the working party on the Leisure Centre which would look at the whole operation including Easteds Barn and he hoped Cllr Pearce would come on board. The Clerk stated that she was working on the Working Party's brief and would include the Barn within the document but would as the Council's Financial Officer require a report by the beginning of July as to how the Council envisage the future of both operations. This can then be reported at the end of July to Full Council along with any recommendation for inclusion in a Budget for 2018/19.

Cllr Watkins said that he would like to know the feelings of increasing the budget to support the general fund and how much did people think would be acceptable.

At this point in the meeting the meeting was suspended to allow the Clerk to calculate the percentage increase of £10k, £20k, £30k.

Cllr Watkins upon receipt of the figures provided by the Clerk suggested a further £20k increase in the budget. Cllr Flores-Moore said that she had expected it to be higher because of the Staff Review with salaries having an impact. Cllr Watkins said that he had thought that this would add 10%; Cllr Neale stated that this was not the major reason for the proposed increase as previously reported.

Cllr Pearce said that percentages can be deceiving. Cllr Cole stated that when you are

talking about the difference on Band D of £1.37 or £1.60 per month. Cllr Apted stated that the monies were required to sustain the work of the Council for the community, Indeed one year in the not too distant past had raised a zero budget, but the reality is that this caused problems when costs rose and the council tax did also. Cllr Cole said that the Parish's cost would be minimal compared to the other costs which will be applied this year.

Cllr Neale said that there was a proposal to raise a further £20k or £30k. Cllr Cole stated that he felt that £30k would be the better figure to enable the Council's work.

Cllr Neale stated that the proposal was a £30k further rise in the budget to £399,334 Gross Budget with a Band D figure of £93.30. This figure to go to General Reserves to support the requirement to have three months operating costs.

RESOLVED by all present that the Finance & General Purposes Committee that the Gross Budget for 2017/18 be £399,334 (Band D £93.30), this recommendation to be put to Full Council at the end of January 2017.

Cllr.Flores-Moore asked how many houses in the next five years were to be built. Cllr Watkins felt that between 480 and 500. Cllr Flores-Moore stated that it was imperative that the Council chased the boundary change to the southern boundary with Shipley.

FG129/01/17 LEISURE CENTRE MANAGER'S REPORT

The Clerk referred Members to the Leisure Centre Manager's report which had been distributed electronically.

Members asked the Clerk to ensure that in future the Leisure Centre Manager added a further section to the report in relation to future recovery from the downturns currently being experienced.

The Clerk updated Members on the discussions with leasing and repairs companies in relation to the current gym equipment; the Council having decided not to proceed with the lease of new equipment. Members also noted that the Clerk was preparing a paper for discussion as to the remit for a Leisure Centre Working Party. Cllr Watkins suggested that perhaps the Clerk should include Easteds Barn and this was agreed by those present.

The Clerk to include Easteds Barn in the Working Party Remit documents to be discussed at January Full Council.

The Clerk reported an accident where a young person trying wheelies slipped and fell backwards bumping their head.

Members NOTED the report.

FG130/01/17 COUNCIL PREMISES & LAND

Tree Stock

The Clerk informed Members that there were on-going discussions with the Council's insurers over a tree related claim. Council's insurers were awaiting a response from the claimant's solicitors.

Councillors NOTED the information provided and that the Clerk would update as and when relevant.

The Clerk informed Members that a visit had taken place at the Leisure Centre by the consultant working upon the Horsham Built Facility Strategy which it is hoped will be completed by August 2018. Hopefully the future Leisure Centre Working Party to be discussed at Full Council will also take into account this draft document.

Councillors NOTED the information provided.

Leisure Centre Car Park Lighting

The Clerk informed Members that due to a major fault it had been necessary to approve expenditure in relation to the above to provide for a new distribution board for the lights. Unfortunately, the Leisure Centre suffered a major electrical fault due to the two areas eg., centre and lights being on the same distribution board. It is hoped that this problem is now rectified and lighting repaired.

Councillors NOTED and APPROVED the works undertaken as a Health & Safety measure.

Easteds Barn

The Clerk indicated that the Bookings Clerk was awaiting information as to the installation of a cooker and hob at the Barn to enable parties who wish to provide heated snacks to take place.

It was AGREED that the Chairman and Cllr Cole would visit the premises the next day.

FG131/01/17 HORSHAM DISTRICT COUNCIL'S ECONOMIC STRATEGY

The Clerk referred to the District Council's Draft Economic Strategy which District Council hope to adopt by the end of January 2017. Should Members wish to comment on this the new Economic Development Manager would be pleased to receive these and visit Council in the future to explain the adopted policy.

One matter that Council may like to comment upon would be the need if further office accommodation were to be found in the Horsham Town area, would be the provision of further Park and Rides as previously envisaged for the town of Horsham.

Another would be support for further provision of small business units within the Southwater Parish.

Cllr Cole said that with the amount of empty spaces within the Horsham Town Car Parks, there would appear to be a serious problem. He felt that the Park & Ride was now being used although noted that this did not make money.

A discussion took place in relation to the poor broadband experienced and that it was imperative that when such business developments took place that adequate systems were

put in place with regards to connectivity.

It was AGREED that the Clerk should respond in relation to the further provision of Park & Rides on the outskirts of the town especially to enable people in those areas to access the town's facilities. The Parish Council would support the need for small business units and office accommodation.

FG132/01/17 SECTION 106 DEVELOPMENT GAIN MONIES

The Clerk advised Members that her office were currently assessing the availability of development gain with a view to funding some of the intended projects including the Leisure Centre and possibly the replacement of the Leisure Centre play area. This is obviously dependent on the commencement of various builds, although questions have been raised in relation to funds from completed developments.

A meeting is to be organised in relation to the Bovis site and the provision of community art as per the requirement of the Section 106. The Parish Council and others have been invited to attend a meeting.

Skatepark

The Clerk reported that the current negative balances remained with no current prospect of acquiring sums of money to offset this overspend due to the fact that the works undertaken do not appear to be insurance claims nor had monies been allocated through the development gain process.

The Clerk would continue to advise as and when responses have been received from District Council officers.

The Clerk to pursue where possible Section 106 Development gain for identified projects in Southwater.

FG133/01/17 PERSONNEL, PENSIONS & TRAINING**

Data and Freedom of Information

The Clerk referred to a document distributed to Members in that there were new EU rules on data protection, which would affect the Council's policy. A review is currently taking place in relation to the information current retained by the Council, and if not required to be retained will be disposed of using secure methods. Both the Freedom of Information and Data Protection Policies will require change due to these changes. It is proposed that the Office Manager would now be responsible for the management of this material. Staff personnel files have been looked at in terms of the data retained and where it is not relevant papers have been destroyed and files brought in order.

West Sussex Local Government Pension Scheme

The Clerk indicated that for the past three years, the pension scheme had paid a joint fee for the smaller bodies in relation to Ill Health Liability Insurance. Previously, the Council had provided for the figure. The Pension Scheme have advised that again individual Council's will be responsible for such Liability Insurance the cost of which is based on a unit rate of £1.07 per £100 of salary roll for 2016/17. Information has been requested and

should be provided however the cost for 16/17 is £1952.59.

It was APPROVED that the Clerk should renew the Council's Ill Health Liability Insurance for 2016/17 in the sum of £1952.59 with Legal & General.

FRS17 Report

The Clerk indicated that the Council are being requested to confirm whether it wishes to have a FRS17 document provided at the end of the financial year. This is not a requirement under the finance regulations for the size of the Council, but in the past the Council being aware of large deficits in other authorities, has felt it prudent to receive.

It was RESOLVED that the Council should continue to request this information in order to ascertain the levels of the Scheme.

LGPS Self Assessment Deadline

The Clerk indicated that information was being sent to all members of staff regarding self assessment deadlines should they apply to individual members of staff.

Councillors NOTED this information.

FG134/01/17 DATE OF NEXT MEETING

The date of the next Finance & General Purposes meeting will be **Wednesday, 15th February 2017.**

The meeting closed at 9.46 pm.