

## **FINANCE COMMITTEE**

You are hereby summoned to attend the meeting of Haverhill Town Council Finance Committee to be held in The Studio, Town Hall, High Street, Haverhill, on Tuesday 21<sup>st</sup> November commencing at 7.00 p.m., for the purpose of transacting the following business



**HAVERHILL  
TOWN COUNCIL**  
Haverhill Arts Centre,  
High Street, Haverhill  
Suffolk. CB9 8AR  
**Telephone: 01440 712858**  
**Fax: 01440 7189317**

**CONSTITUTION: Chair: A Thomas**  
**Town Councillors: T Marks, E Morton, T Trebble**  
**and R Warwick**

## **AGENDA**

1. **Apologies for Absence**

Please give any apologies to the office by 5.00 p.m. on the day of the meeting.

2. **Declaration of Interest**

For Members to declare interests in matters on the agenda.

3. **Minutes**

To approve the Minutes of Meeting held 26<sup>th</sup> September 2006.

4. **Budget Review 2006/7**

To note the current situation (to follow)

5. **Future Levels of Council Tax/Withdrawal of Grant Aid by St Edmundsbury Borough Council**

To agree the action to be taken in respect of the likely increases in Council Tax following reduction in Grant Aid by St Edmundsbury Borough Council (see attached)

6. **Independent Internal Auditor**

To agree the arrangements for appointment of a new Independent Internal Auditor (attached)

7. **Disposal of Redundant I.T. Equipment**

To agree the arrangements for the disposal of redundant I.T. equipment (attached)

***Section 100(A) (4) of the Local Government Act 1972 the public and press be excluded from the remainder of the meeting on the grounds that the matters to be discussed will involve the likely disclosure of exempt information as defined in paragraphs 1 and 7 of Part 1 of Schedule 12 (A) of the Act.***

8. **Irrecoverable Debts**

To agree to write off the irrecoverable debts totalling £169.10 (see attached)

9. **Closure**

Signed



Town Clerk

14<sup>th</sup> November 2006

## **Future Council Tax**

This paper is intended to provide a discussion amongst Members as to future levels of Council Tax, in order to provide Council Officers with guidance when negotiating with funders and planning future services.

It is first useful to establish how the present level of Council Tax for a Band D property in Haverhill compares with other large Town Councils in Suffolk and Essex. In 2006/7 the comparative levels are:-

Haverhill	£57.47
Hadleigh	£88.48
Sudbury	£107.57
Mildenhall	£95.67
Stowmarket	£66.64
Woodbridge	£51.04
Felixstowe	£36.68
Witham	£47.63
Halstead	£43.84
Bury St Edmunds	£13.95 (Not representational as an "established" Council)

Whilst true comparisons are difficult to achieve because of the different service provisions amongst the Council, the underlying fact is that Haverhill Town Council Tax is not excessive.

However this is in some ways misrepresented because of the history of Grant aid to the Town Council from St Edmundsbury Borough Council. If the total Grant Aid received in 2006/7 was added to the Council Tax the effect is that a Band D property would pay £98.43. It is important to recognise this because the Borough Council is actively seeking to reduce this level of subsidy.

The Grant Aid from St Edmundsbury Borough Council is given under two headings; a reducing "parachute payment" granted after exclusion of Haverhill Town Council from the Parish Grants Scheme, and a grant towards the costs of the Arts Centre. The reduction of the former to zero in 2008/2009 is a matter of record, and negotiations are continuing on the level of grant to the Arts Centre.

However, based on current submitted proposals, the effect on the Grant Aid over the next 5 years is as follows:-

<b>Item/Year</b>	<b>2006/7 (Current)</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>Parish Grants Scheme</b>	£28,692	£23,000	£0	£0	£0	£0
<b>Arts Centre Grant</b>	£286,300	£256,300	£243,485	£231,311	£219,745	£208,758
<b>Total Grant Aid</b>	<b>£314,992</b>	<b>£279,300</b>	<b>£243,485</b>	<b>£231,311</b>	<b>£219,745</b>	<b>£208,758</b>

The effect on Haverhill Town Council is however greater, as the effect of inflation on the current level of Arts Centre Grant will also not be paid.

<b>Item/Year</b>	<b>2006/7 (Current)</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
<b>Cumulative Loss of Parish Grant</b>	£13,500	£19,192	£42,192	£42,192	£42,192	£42,192
<b>Cumulative Reduction in Arts Centre Grant</b>	£0	£30,000	£42,815	£54,989	£66,555	£77,542
<b>Cumulative Inflation on Base Arts Centre Grant</b>	£0	£7,158	£14,494	£22,014	£29,722	£37,622
<b>Total Cumulative Increase in Costs</b>	£13,500	£56,350	£99,501	£119,195	£138,468	£157,356
<b>Equivalent Increase in Band D Council Tax</b>	<b>£1.73</b>	<b>£7.22</b>	<b>£12.65</b>	<b>£14.99</b>	<b>£17.22</b>	<b>£19.33</b>

The figures above are based on a 5% year on year reduction in Arts Centre Grant, and an assumed 2.5% inflation rate. There would appear to be no allowance being made for the opening of the new Multiplex Cinema in Autumn 2008 which will have an impact on the Arts Centre, and no recognition of the part to be played in the regeneration of the town centre, particularly the evening economy, by the Arts Centre. This figure of a 5% reduction year on year has already been negotiated down by your Officers from a proposed 10% reduction. The 2.5% inflation rate has been proposed by St Edmundsbury Borough Council as a likely inflation rate; based on operating experience your Officers believe this figure to be more likely to be 5% (there is for example an annual 2% incremental drift on salaries without the annual pay award).

Whilst the risk of being largely dependent on one major funder was recognised during discussions regarding the transfer of the Arts Centre the timing, and extent, of their withdrawal as a funder is both sooner and greater than anticipated. Indeed the existing Business Plan which was the basis of the agreed transfer still has one year to run.

Whilst these may form good debating points, the Borough Council is not persuaded by these arguments.

Whilst your Officers will continue to work to increase income and reduce costs at the Arts Centre, it must be recognised that these will be marginal compared to the loss of Grant, and indeed the Arts Centre has relied upon this level of financial subsidy since its opening. Members must also recognise that whilst the planned £30,000 reduction in 2007/8 will be able to be managed without any increase in Council Tax because the reduction coincides with a reduction in planned maintenance for that year, it will impact in 2008/9 and subsequent years.

**Members are asked to determine:-**

- a) to what extent these imposed increases are acceptable
- b) if not acceptable, whether there should be a reduction in arts and leisure activities at the Arts Centre until an acceptable level of Council Tax increase is attained
- c) whether other existing services, including arts and leisure activities outside the Arts Centre, should be reduced to achieve an acceptable level of Council Tax increase

**For Guidance**

**Based on existing budgets:-**

<b>Item</b>	<b>Annual Net Budget</b>	<b>Equivalent Council Tax</b>
Christmas Lights	£18,900 (Commitment to 2009)	£2.42
Grants to Local Organisation	£13,000	£1.66
Late Night Shopping & Fireworks	£10,200	£1.30
Summer in Haverhill (Dances & Big Bash)	£14,000	£1.79
Country & Western Festival	£ 2,800	£0.36
Masterplan Opportunity Fund	£20,000	£2.56
Pensioners Coach Trips	£ 3,000	£0.38
Floral Planters	£10,000 (Commitment to 2008)	£1.28
<b>Total</b>	<b>£91,900</b>	<b>£11.78</b>

### **Independent Internal Auditor**

Eric Cross, the existing Independent Internal Auditor, has advised that he will be retiring after conclusion of the 2006/2007 financial year closure.

The Committee is asked to approve the appointment process for a new Independent Internal Auditor, whom it is proposed should be initially recruited through the media of the Suffolk Association of Local Council and the Essex Association of Local Councils, with the appointment being confirmed by the Town Clerk and Accountant acting jointly.

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## **Disposal of Redundant I.T. Equipment**

Since the replacement of the Council's I.T. facilities earlier this year the now-redundant computers have been retained. However there have been expressions of interest from amongst employees and local voluntary organisations as to the possibility of purchase/donation.

The Committee is asked to approve a process whereby the redundant equipment could be disposed of. It would be necessary for all redundant equipment to be wiped clean, both of programmes (other than the operating system) and data, in such a way that the data cannot be recovered. A member of the Town Council's staff has the ability and technical programmes to do this.

Subject to:-

- a) the retention of such equipment deemed suitable for training and/or emergency replacement of failed equipment
- b) equipment being sold/donated on an "as seen" basis

**it is recommended** that the redundant equipment be offered for sale to employees at prices to be set by the Town Clerk, and that any remaining equipment be offered to local voluntary organisations.