



FARNHAM TOWN COUNCIL

A

Minutes Council

Time and date

7.00pm on Thursday 24 June 2010

Place

The Council Chamber, South Street, Farnham

- * Cllr J Ward (Town Mayor)
- * Cllr G Hargreaves (Deputy Town Mayor)
- * Cllr D Attfield
- * Cllr G Beel
- o Cllr C Cockburn
- * Cllr V Duckett
- * Cllr (Mrs) P Frost
- * Cllr R Frost
- * Cllr L Fleming
- * Cllr C Genziani (arrived at 7.10pm)
- o Cllr S Hill
- o Cllr D Le Gal
- o Cllr A Lovell
- o Cllr J Maines
- * Cllr S O'Grady
- * Cllr R Steel
- * Cllr C Storey
- o Cllr A Thorp

- * Present
- o Apologies for absence

Officers Present:

Roland Potter (Town Clerk)

Wendy Coulter (Members and Committee Services Co-ordinator) (recorded minutes of meeting).

Ginny Gordon (Town Clerk's Secretary)

The proceedings of the meeting of Farnham Town Council held on Thursday 24th June 2010 were digitally recorded for Council purposes only.

QUESTIONS BY THE PUBLIC

Mr Skingle – Farnham Resident

Asked when the list of Councillors published on the notice boards would be updated to show the new Town Mayor.

The Town Mayor replied that they would be updated shortly.

C 026/10 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors C Cockburn, S Hill, D Le Gal, A Lovell, J Maines and A Thorp.

C 027/10 MINUTES

The Minutes of the Farnham Town Council Meeting held on Thursday 3 June 2010 were signed by the Town Mayor as a correct record.

C 028/10 DISCLOSURE OF INTERESTS

Name of Councillor	Agenda/Minute Number	Subject	Type of Interest	Reason
P Frost	Agenda Item 6	Surrey Transport Plan	Personal	Member of Surrey's Transport Select Committee.

C 029/10 STATEMENTS BY THE PUBLIC

Mr Skingle – Farnham Resident

With reference to the Minutes of the Planning Consultative Group whether anyone was sponsoring the Cobbett Statue in Gostrey Meadow.

The Town Mayor replied that he believed the Farnham Public Art Trust were sponsoring the project and that funding was still being sought.

C 030/10 TOWN MAYOR'S ANNOUNCEMENTS

The Town Mayor reported that the Civic Service had taken place at St Peter's Church, Wrecclesham.

The Town Mayor also reported that the Band Concerts, organised by the Town Council were being very well received in Gostrey Meadow. The first concert attracted over 500 visitors and the second attracted over 700. The Mayor also asked, that in view of the numbers of the public attending the events, whether there were any more Members who would be available to help out.

The Town Mayor reminded Members that Picnic in the Park was taking place on Sunday 4 July in Gostrey Meadow and he encouraged Members to attend.

Members were also reminded that the judging for Farnham in Bloom would take place on 5 July and that all help would be gratefully received.

Saturday 26 June 2010 was Farnham Carnival day and it was also the 150th Anniversary of the Cadet Core and celebrations were taking place in Godalming.

Part I – Items for Decision

C 031/10 SURREY TRANSPORT PLAN CONSULTATION

Surrey County Council's third local transport plan (LTP3) is to be called the Surrey Transport Plan. The Members noted that the new plan was being developed and that it would commence from April 2011.

Members noted that the Town Council had been invited to comment on the Surrey Transport Plan Consultation.

Members were asked to appoint a Task Group of three to four Members to consider a response on behalf of the Town Council to the Surrey Transport Plan Consultation.

Members were also asked to consider the delegation to the Task Group the authority to respond on behalf of the Town Council to the Consultation.

RESOLVED:

1. **That Councillors, L Fleming, A Lovell, S O'Grady and R Steel be appointed to a Task Group to consider a response on behalf of the Town Council to the Surrey Transport Plan Consultation.**
2. **That the Task Group be given delegated authority to respond to the Surrey Transport Plan on behalf of the Town Council.**

C 032/10 YEAR END ACCOUNTS

- a. To receive and approve, for signature, the Annual Return for the Year Ended 31 March 2010.

The Town Clerk presented the Annual Return and Accounts for the Year Ended 31 March 2010.

The Accounts were presented to Members in five sections:

1. The Annual Return and the Summary Profit and Loss Account.
2. A summary of how the detailed annual accounts reconcile to the Annual Return.
3. A review of the detailed annual accounts.
4. A review of the annual accounts compared to the approved budget for 2009/10.
5. A review of the Reserves held by the Council at 31 May 2010.

Annual Return and Summary Profit and Loss Account.

The Town Clerk explained that the Annual Return is the legal account document for a Town Council with a turnover of under £1 Million pounds. The details of the annual return were represented in the Summary Profit and Loss Account (**attached to record minutes**).

The Town Clerk explained that the reduction in income was principally due to:

1. A fall in bank interest received - £41,000
2. A fall in cemetery income - £13,000

He explained to Members that the increase in wages was a result of:

1. In 2008/9 a member of staff was on maternity leave and had returned to part time working. The Council recruited to that post an additional member of staff.
2. The Council did not recruit to empty posts.

Summary of the reconciliation of detailed annual accounts to the Annual Return.

To demonstrate that the Annual Return was an accurate interpretation of the of the detailed annual accounts (**attached to record minutes**) the Members noted:

- The balances brought forward in box 3 of the Annual Return totalling £1,134,809 correlate with opening balances in Column A (page 15) of the Reserves reconciliation.
- The Annual Precept of £866,976 in box 2 of the Annual Return correlates with the precept in Column B on page 14 of the consolidated accounts.
- The total other receipts of £122,994 in box 3 of the Annual Return correlates with the total of Income for 2009/10 in Column B on page 14 of the consolidated accounts.
- The sum of boxes 4, 5 & 6 totals £1,179,207 of the Annual return and as per the summary P & L account on page 4 correlates with the total on column A of page 14 of the consolidated accounts
- The balances carried forward of £945,571 in box 7 of the Annual Return correlates with the total of column E & F of the Reconciliation of Reserves on page 15

A review of the detailed annual accounts

The Town Clerk explained that the annual accounts on pages 6 to 12 (**attached to record minutes**) provided a more in-depth analysis of expenditure of the year ended 31 March 2010. The figures were transferred into the consolidated account on pages 3 & 4.

The main objective was to compare the Actual Net figures for the 2009/2010 with the figures for Actual Net 2008/2009.

The Town Clerk then explained to Members the main variances to the Consolidated Accounts as follows:

Administration Rechargeable (variation £73,400) (page 7)

- Salaries (variation of £49,247): in 2008/09 a member of staff was on maternity leave and had returned to part time working. The Council recruited to this post an additional member of staff.
- Salaries: The Council did not recruit to empty posts.
- Rent (variation £11,563): the additional cost or renting additional accommodation.
- Telephone Charges (variation £1,986): Additional one of costs for new telephone system of £1,073.
- Postage and Stationery (variation £3082) The additional cost of posting out guides and the Councils projects during 2009/10 (Farnham Design Statement)
- Photocopying Charges (variation of £4,398): The Council previously owned its own photocopiers, however these had to be replaced and the Council now leases a machine. In addition the Council has produced many in house colour documents to support projects.

Other Services to the Public (Variation £8,946)

- Other services to the public (variation £8,946) these are normally adjusted within reserves, however this year they are be shown as paid out of the current budget. In addition the Council has had circulated its summary annual report to every household through the Round and About magazine.

Grant Aid (Variation – fall of £26,916)

- Grants variation (fall of £26,916): the Council has had a policy of reducing its grants by 20% year on year. In addition there were not as for the Community Grants budget in 2009/10.

Community Centre (Variation – fall £8,693)

- Wrecclesham Community centre (variation fall (£8,693): The 2008/09 expenditure included capital costs on the takeover of the community centre.

Tourism (Variation £15,959)

- Events (variation (£15,959): the Council delivered more and higher quality events in 2009/10 compared to the previous year.

Cemeteries

- Miscellaneous Administration (Variance £4,282). There was an additional cost for back data entry of records on to computer system
- Garden of Reflection (Variance £15,201). There was an additional cost for a Capital Project for the Garden of Reflection.
- Cemetery Income (Variance £13,161). Income from Cemeteries exceeded predicted income.

Community Safety

- Community Safety (variance is £10,894). The Council provided a Community Safety Day in Gostrey Meadow which was funded solely by the Town Council (£2,916).
- There was also a grant to the Community Task Force of £1,000.

Town Development

- The Variation between 2008/2009 and 2009/2010 is £39,058 which was the cost of extra Christmas Lights and the provision of the Christmas Lights infrastructure.

Rural Development

- The variation in Rural Development was as a result of not having a Member of Staff to develop the work in 2008/2009.

Investment Income

- The variation of £41,192 is a result of dramatic fall in interest rates compared to the previous year.

A review of the annual accounts compared to the approved budget for 2009/10.

Members noted that the variations between the Budget and Actual figures were often as a result of lack of demand from Residents of Farnham for the Services the Council wished to provide and that particularly in the last year Council staffing resources were diverted to delivering other projects rather than focussing on how the allocated budget would be delivered. However Members noted some further explanations of variances.

Administration Rechargeable (Overspend)

The Town Clerk explained that there were a number of combinations of overspends and savings in this budget. The principle contributing factors to the overspend were:

- Provision of maternity leave and sickness cover (£7,265)
- Additional telephone costs (£2,599) part of which was as a result of a £1,073 start up charge for new line rentals.
- Photocopying charges - £3,206 this was a result of providing high quality documents for Council projects.

Grant Aid (Underspend)

- The Council provided additional funds in the financial year for other community grants; however there was no demand for these grants during the year.

Cemeteries

- Income from Cemeteries was £13,579 more than budgeted for.
- In addition the Council underspent by £6,846 on its cost of burials and cemetery upkeep.
- However, there was an additional cost of back end data entry of £4,282.

Town Development

- The Town Development budget was underspent in 2009/2010 as the principle focus was to review the Christmas Lights contract and implement and Infrastructure to support the Christmas Lights.

Investment Income

- The Council anticipated an income of £22,000 however, due to the fall in interest rates there was a shortfall of £19,000.

A review of the Reserves held by the Council at 31 May 2010

The Council has both earmarked reserves and a general fund. The report identified that £116,353 was approved by Council for transfer from the General Fund to the Earmarked Reserves for specific projects.

In 2009/2010 the Council used £183,263 to deliver various projects. Some of the funding at 31 March 2010 was earmarked for spending in 2010/2011.

The Town Clerk suggested that a further report be brought to the Corporate Development and Audit Working Group and Council to review the status of the Reserves and the possibility of reallocation.

RESOLVED: That the Annual Return for the Year Ended 31 March 2010 be received and approved for signature by the Town Mayor.

- b. To receive the Internal Auditors Report for the Year Ended 31 March 2010

Members received and noted the Internal Auditors report for the Year Ended 31 March 2010.

RESOLVED: That the Internal Auditors report for the Year Ended 31 March 2010 be received and noted – attached to record minutes.

- c. To receive and approve the Actions to address any issues raised in the Internal Auditors Report.

Members received a report on the Actions to address the issues raised in the Internal Auditors Report. The Town Clerk explained that a notice had already been placed on Agendas and Minutes to inform the public that meetings were digitally recorded for the Council use only.

RESOLVED: That the Action Plan to address the points raised by the Internal Auditor be received and adopted – attached to record minutes.

C 033/10 DELEGATION OF AUTHORITY

Members were asked to consider delegating to the Corporate Development and Audit Working Group specific finance and Audit responsibilities on behalf of the Town Council.

The Lead Member of the Corporate Development and Audit Working Group, Cllr L Fleming presented a report which explained that the Town Council's external auditors had identified a need for a Committee or Working Group to agree any amendments to annual accounts on the basis of their audit, without the extended process of referring the matter to a Full Council.

The Town Clerk explained that the reason for the request was that there had been an introduction of shorter deadlines for the production and audit of accounts. The Town Clerk explained that with the introduction of the new accounting standards, it would be beneficial for the Town Clerk to produce financial reports direct to the Working Group for approval to avoid the delay in waiting for Full Council. This would allow the Town Clerk to report back on both monthly budget figures and quarterly accounts.

Cllr Fleming reiterated that all Financial reports would be reported to Full Council.

RESOLVED:

- 1. That the responsibility for the Financial Monitoring of the Town Council be delegated to the Corporate Development and Audit Working group.**
- 2. That the responsibility to formally receive on behalf of the Town Council, the financial reports and to undertake appropriate action as required by the auditors subject to ratification by Full Council, be delegated to the Corporate Development and Audit Working Group.**

C 034/10 NEW ACCOUNTING STANDARDS

Members received a report which explained that Town and Parish Council with income or expenditure of less than £1 million are required to complete an Annual Return, which would be supported by additional information and sent to an External Auditor.

Members noted that when a Council exceeded the £1 Million threshold over a two year period, the Council is required to produce its accounts in a more detailed format.

In the financial year 2009/2010 the Council exceeded the thresholds and therefore for the Financial Year 2010/2011, would be subject to new accounting standards.

Members noted that the new standards will require the Council to complete a financial statement consisting of:

- An Annual Report
- An annual governance statement
- A statement of responsibilities for the statement of accounts
- A statement of accounting policies
- An income and expenditure account
- A statement of movement of reserves
- A statement of total recognised gains and losses
- A balance sheet
- Notes to the accounts including disclosures required by statute
- The external auditors report.

Members noted that the external auditors were appointed by the audit commission and there was no free market to choose auditors for town and parish councils.

Under the new standard of accounting which the Council would have to comply with, the auditors would undertake the external audit on the Council's premises. Members noted that the estimated additional cost of the audit would be between £5,000-£6,000 per annum in addition to the current £2,500 for the service.

The Town Clerk brought to Members attention that in addition, to comply with the new accounting standards, the Council were required to have all their assets re-valued for the purpose of the accounting standard. It was estimated that the process would cost an additional £5,000-£10,000 to be repeated every five years.

RESOLVED:

1. **That the new accounting standards be noted.**
2. **That an additional £15,000 be released from General Reserves to implement the legal requirement.**

Part 2 – Items Noted

C 035/10 **BUDGET REPORTS**

Members received the current budget report for April/May 2010 – **attached to record minutes.**

Members received the Bank Reconciliation for 31 May 2010 – **attached to record minutes.**

C 036/10 **WORKING GROUP NOTES**

Members received the notes of the Corporate Development and Audit Working Group meeting held on 14 June 2010 – **attached to record minutes.**

Members received the notes of the Cemeteries Appeals and Working Group meeting held on 1 June 2010 – **attached to record minutes.**

Members received the notes of the Tourism and Events Working Group meeting held on 14 June 2010 – **attached to record minutes.**

Members received the noted of the Farnham in Bloom Working Group meeting held on 27 May 2010 – **attached to record minutes.**

C 037/10 PLANNING APPLICATIONS

Members received the minutes of the meetings of the Planning Consultative Group held on 27 May 2010 and 10 June 2010.

RESOLVED: That the observations made by the Planning Consultative Group held on, 27 May 2010 and 10 June 2010 and dealt with in accordance with delegated authority, be noted.

The Town Mayor closed the meeting at 7.55pm.

Date

Chairman