

**MINUTES OF THE MEETING OF THE COUNCIL TAX SETTING PANEL
HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY 29 JUNE 2006**

MEMBERS

* Cllr B E Carson - Chairman

* Cllr S M Fairman

* Cllr R O Yonge

* Cllr C M Pannell

* Denotes attendance

Also in attendance at the invitation of the Chairman:
Cllrs B J Boughton and J T Pennington

Officers in attendance:

All Agenda Items: Strategic Director (Resources), Head of Financial Services and
Chief Accountant

01/06 **MINUTES**

The minutes of the Panel held on 23 February 2006 were approved as a correct record and signed by the Chairman.

02/06 **DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be considered during the course of the meeting but none was made.

03/06 **STATEMENT OF ACCOUNTS 2005/2006**

Consideration was given to a report which presented a summary of net revenue and capital expenditure for Members consideration and sought approval of the Statement of Accounts for 2005/06.

In conclusion, the report stated that it was pleasing to report that the Council had provided a wide and varied range of services very much in line with its original spending plans and within budget. Coupled with the third lowest Council Tax in Devon and Cornwall, the report demonstrated to residents that value for money continued to be provided. In addition, the overall finances and financial structures of the Council remained sound and commensurate to meeting both the pressures and opportunities of future years.

In discussion, the following points were raised:-

- a) Due to the requirement for the Statement of Accounts 2005/06 to be approved before the end of June 2006 and the next meeting of full Council not taking place until 20 July 2006, it was noted that delegated authority had been granted (on this occasion only) for the Panel to grant approval;
- b) Officers advised that from an auditing point of view, good budgetary control was measured by an overspend or underspend of 1% of total gross expenditure. As the Council's total gross expenditure was approximately £37 million, an overall surplus of £221,000 was seen to be very satisfactory and could be attributed to sound budget monitoring;
- c) In response to a question, it was noted that the £1.3 million capital spend on waste management was funded from government grants and earmarked reserves;
- d) The Panel was informed that the increase in net costs for Development Control was largely attributed to advisory fees and a proportion of the Planning Delivery Grant for 2005/06 had not been allocated and remained in Council reserves;
- e) At the request of a Member, officers confirmed that the approximate rate of return on reserves was 4.7%. With regard to the return on assets, it was noted that the Council did not necessarily base its investment on the highest rate of return it could receive, but on providing a service or improving a facility (e.g. refuse vehicle replacement). Therefore, the Panel was advised that a specific rate of return on asset investment could not be quantified;
- f) In response to a number of questions raised by the Panel, officers advised that a number of transactions in the Statement of Accounts were notional and did not impact on Council Tax levels. Officers further advised that the way that the Statement of Accounts was presented was prescribed by government and acknowledged that this format was confusing for Members. Some Members requested that a report be produced in time for the Scrutiny meeting on 21 September 2006 (where the Statement of Internal Control was due for consideration), which attempted to make the Statement of Accounts more understandable for Members. Officers also welcomed the suggestion that they be presented with any questions by Members in advance of the Scrutiny meeting, in order that they could attempt to provide answers to these at the meeting.

RESOLVED

1. That the Statement of Accounts for the financial year ended 31 March 2006 be formally approved;
2. That a sum of £57,600 be carried forward into the 2006/07 financial year from the General Fund Reserve;
3. That following the approval of the accounts, the Chairman of the Council Tax Setting Panel shall sign and date the accounts on behalf of the Council, to represent the Council's approval.

(Meeting commenced at 4.30pm and concluded at 5.05pm).

Chairman