

**Minutes of the Finance & Policy Committee meeting held on
Thursday 26th May 2011
in the Committee Room, Clayport Street, Alnwick at 7.00pm.**

Present: Cllrs E Blakey (Chairman), S Allcroft, B Hewison, A Symmonds, R Waddell, G Watson.

In attendance: W Batey, Chief Officer and Town Clerk.

FP 11/1. Apologies: Cllrs Castle, Gray, Grisdale, Patience, J Thompson, and Walton.

FP 11/2. Declaration of Interests

None

FP 11/3. Consideration of The Council's Insurance Policy

The Clerk took members through the Insurance Policy and the cover in place. The policy was due for renewal on 1st June. Councillors were satisfied with the mandatory part of the cover. Discussions took place on the discretionary elements and the key points were:

- The play equipment schedule needs to be updated to include Allerburn Lea and Barrasdale. Other equipment can be removed from the schedule
- An up-to-date valuation of the Mayor's Chain should be requested the next time it is sent for engraving
- Up-to-date building valuations should be obtained in due course
- The copier and clerks old computer should be removed from the schedule
- The Floral Clock should be removed from the schedule
- The Howling Lane bus shelter should be added
- The insurance cover for the 3 seats be increased to £2,100 (£700 each)
- The discretionary fidelity guarantee should be reduced to £10,000 from £125,000.

The quote received for 2011/12 was £6,168.09 however some reduction was likely from the above changes.

RESOLVED: That the changes to the insurance policy be made as outlined and the clerk, in consultation with the Chairman makes payment of the revised premium.

FP 11/4. Consideration of the Minimum and Maximum Reserves

A table of the reserves held by the Council was circulated, this showed reserves at 1st April 2011 of £81,888.51. It was projected that the reserve would fall to £54,800 by 1st April 2012. The clerk explained that General Reserves should be between 3 and 12 months of gross expenditure. The council's gross expenditure in 2010/11 was £121,000 i.e. £10,000 per month and in 2011/12 is likely to be £150k i.e. £12.5k per month.

Councillors discussed the issue of reserves and concluded that the council should sets a minimum reserve at £50k (4 months x £12.5k) and a maximum reserve at £100k (8 months x £12.5k) and that all the different reserves currently held are amalgamated for the purpose of the calculation. Furthermore, it was noted that if future expenditure increases as services are transferred from NCC, the minimum and maximum reserve will need to be increased.

RECOMMENDATION: That the Council sets its minimum reserve of 4 months of gross expenditure and a maximum reserve of 8 months of gross expenditure, which for 2011/12 would be £50,000 and £100,000, respectively.

FP 11/5. Schedule of Assets.

A schedule of fixed assets held at 31st March 2011 was circulated. Total fixed assets were £1,117,342. This schedule formed part of the accounts for 2010/11. Changes had been made to the value of buildings reflecting insurance values and to the depreciation of machinery and equipment. Councillors thought the value of the playground equipment might be too low at £1,465 and the clerk was asked to investigate this.

RECOMMENDATION: The Schedule of Assets held at 31st March 2011 be approved and the clerk be given delegated power to adjust the value of the playground equipment, if appropriate.

The meeting closed at 8.20pm