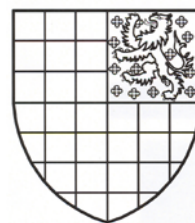


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**LEWES
TOWN
COUNCIL**

MINUTES

of the meeting of the **Finance Working Party**

held on **Tuesday 12th December 2017**, in the **Council Chamber, Town Hall**, Lewes at **7:00pm**.

PRESENT Cllrs M Chartier (*elected Chairman*); Dr G Mayhew; R Murray; S Murray, and R O'Keeffe
In attendance: S Brigden (*Town Clerk [TC]*)

FWP2017/01 ELECTION OF CHAIRMAN: Cllr Chartier was elected Chairman.

FWP2017/02 APOLOGIES FOR ABSENCE: Cllr H Jones sent apologies (work commitments).

FWP2017/03 DECLARATIONS OF INTEREST: There were none.

FWP2017/04 QUESTIONS: There were none.

FWP2017/05 REMIT OF THE WORKING PARTY:

The working party was asked to consider the detail of estimated expenditure and income for the Council's operations, and to agree a budget and level of Council Tax precept for the 2018/19 year, for recommendation to Council.

The Working Party was asked to ensure appropriate provision for items constituting the Council Plan for 2018/19.

FWP2017/06 As the Working Party was to discuss low-level detail of the Council's finances, and during the meeting personal details related to past and present employees, and proposed expenditure on contracts for supply of goods and services (potentially commercially-sensitive) might be disclosed, the Chairman proposed, and it was consequently **resolved that:**

FWP2017/06.1 "In view of the confidential nature of the business to be transacted during the remainder of the meeting, pursuant to the Public Bodies (Admission to Meetings) Act 1960; any members of the press or public present be excluded and instructed to withdraw. The nature of this business is: personal details related to past and present employees, and proposed expenditure on contracts for supply of goods and services"

FWP2017/07 BUSINESS OF THE MEETING:

1 In the year of introduction (2013/14) of the Government's Council Tax Support Grant scheme (to offset government changes to calculation factors), Lewes District Council had passed-on the whole amount which had been sufficient to maintain the Town Council's "band 'D' equivalent" precept unchanged. However; this grant had reduced significantly each year since then and was to reduce from the current year amount by a further 15% for 2018/19, to £38,385. The Town Council (LTC) therefore faced an enforced increase to precept each year to simply maintain budgeted nett expenditure at the prevailing equivalent.

2 The Working Party considered the service budget estimates for 2018/19. Alongside the Council's financial systems generally ("*a model of good practice...*"), the assumptions and basic principles and the process of compiling the recommended budget had again been commended by the Council's independent Internal Auditor (IA) during a recent inspection, who had nonetheless drawn Council's attention to the level of the General Fund; observing in his interim report: "*The council has detailed workings on reserves and anticipates general reserve will be circa £50,000 against a precept of £944k this is too low for a council of this size. The council is aware it has low general reserves and has action plans in place to address this but it is also clear the council is reliant on earmarked reserves not being used in order to support the general reserve. I would recommend council continue to review its earmarked reserves in detail and reassess and reallocate.*"

3 It was acknowledged that there was a continuing need to address the proper

maintenance of the Council's physical assets and adequately fund continuing services, yet the General Fund position had become critical with the unforeseen additional costs that had impacted the Council in the past year. These were largely attributable to decades of outstanding repairs but had unfortunately manifested in a single year, before planned reserve funds had reached adequate levels. Building and engineering works were of particular concern in this regard, as the Council's assets had all been taken-on with considerable historic dilapidation, and contexts such as heritage listing status.

4 With these issues in mind, Councillors considered the draft annual plan (*appended*); proposed contributions to reserves, and operational requirements, in detail.

The draft budgets presented took account of:

- Provision for known/anticipated increases in public Utility supplies, NNDR *etc.*
- Adjustments for completed and imminent (previously-approved) projects.
- Provision for elements identified in the Council's forward plan.
- Appropriate reserves for agreed/anticipated projects.
- Provision for anticipated increases in insurance and other overhead costs *etc.*
- Provision for known increase in employers' pension and NI contributions.
- Refinement of overhead allocation to services and base service cost estimates.
- Recognition of anticipated adjustment to salaries. (a national 'employers' side' offer had been made through the local government joint negotiating body the previous week, covering 2018/19 and 2019/20).
- Provision for known and anticipated increases in cost of contracted services.
- Re-establishment of exhausted reserves and continuation of prudent contributions.
- Provision for costs of assets or services accepted through devolution by Lewes District Council, and for necessary transitional costs.
- Fees & charges tariff increase of 5% proposed, rounded to an appropriate value for the service concerned.

5 The draft budget combined specific amounts for known costs and committed project items, with prudent allowances for reserves, and provided for a flexible response to unforeseen issues. The Council's forward plan was considered, and it was understood that this was as expansive as could be practically undertaken.

6 Members of the working party were keen to make prudent estimates and maintain some flexibility in the budget, although concerned to keep increases within reasonable limits. The "Band 'D' equivalent" precept represented by the draft budget as presented was shown at the number of "equivalent households" for 2017/18, which would inevitably rise when the new year figure was published (by Lewes District Council); reducing the individual impact of any increase. Provision was made for all 'unavoidable' increases to give a base value, and 'live' modelling of various options was conducted throughout the meeting with the implications and overall impact carefully assessed at each point. Borrowing was also considered, which was available through the Public Works Loans Board, but not considered appropriate at this time.

7 The budget* finally arrived-at for recommendation to Council was agreed unanimously, and resulted in a precept requirement of £1,036,301. This represents an increase on the current year of 9.69%, with the actual cost to a Band 'D' household rising to £169.20 per year (*at 2017 values – this sum would slightly reduce when 2018 values were published*). This equates to an extra 29 pence per week

*Details of underlying assumptions; calculations, and resulting budgets are appended.

FWP2017/08

CONCLUSIONS/RECOMMENDATIONS:

Council would be asked to consider the recommended budget and precept (as above) at its meeting on 14th December 2017.

FWP2017/09

The Chair declared the meeting closed.

The meeting ended at 9:00pm

Signed:

Date: