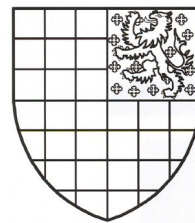


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**LEWES
TOWN
COUNCIL**

MINUTES

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

held on **Monday 16th December 2019**, in the **Yarrow Room, Town Hall, Lewes** at **2:00pm**.

PRESENT Cllrs G Earl; O Henman (*elected Chairman*); I Makepeace; Dr G Mayhew; and K Wood, and (*not appointed to Working Party*) Cllrs Catlin and Lamb.

In attendance: S Brigden (*Town Clerk [TC]*)

FWP2019/01 ELECTION OF CHAIRMAN: Cllr Henman was elected Chairman.

FWP2019/02 APOLOGIES FOR ABSENCE: Apologies had been submitted by Cllr J Herbert who had a work commitment.

FWP2019/03 DECLARATIONS OF INTEREST: There were none.

FWP2019/04 QUESTIONS: There were none.

FWP2019/05 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 2020/21 year, for recommendation to Council.

The Working Party was asked to ensure appropriate provision for items constituting the Council Plan for 2020/21.

FWP2019/06 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:**

FWP2019/06.1 "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"

FWP2019/07 BUSINESS OF THE MEETING:

1 TC explained that outcomes from the current Council 'visioning' exercise would be likely to have budget implications, but that the Working Party was able to establish the 'base' budget at this stage; which would be available at the forthcoming visioning event to allow modelling of any additional elements or significant changes which might arise. The final visioning evening was to take place on 15th January, and any effects identified would be estimated and incorporated into the budget for presentation to Council on 23rd January. Council could not lawfully delegate the setting of precept, and the District Council awaited notification of the sum to be collected on behalf of the Town Council.

2 At the present meeting TC explained that he would elaborate upon the draft budget and explain underlying assumptions and reasoning, and factors such as value assumptions and estimated levels of increase for 'standard' elements such as insurances; utilities, staffing costs *etc.* Working Party Members should satisfy themselves that all these were reasonable.

3 It was explained that in the year of introduction (2013/14) of the Government's Council Tax Reduction Support Grant (CTRSG) scheme (to offset government changes to calculation factors), Lewes District Council (LDC) had passed-

on the whole amount which had been sufficient to maintain the Town Council's "band 'D' equivalent" precept unchanged. This grant had subsequently reduced significantly each year and the District Council's intentions for the forthcoming year were still unknown. After seven years, there was no certainty that the government would continue payments; or that LDC would continue to pass them on (it is discretionary). It was thought likely that the scheme would not continue and, with this in mind, for present purposes the working value included in the draft budget was ZERO. The Town Council therefore faced an enforced increase to precept of around £33,000 (3%), to cover nett expenditure at the level of the *current* year, before accounting for inflation and known increases *etc.*

4 TC explained the continuing threat that the government might extend its 'referendum principles' to higher-precepting Parishes such as Lewes Town Council, whereby a limit (currently 2%) was imposed upon precept increases, with exceptions subject to various criteria and potentially an expensive public referendum. This would not apply to 2020/21 but Members should bear in mind that the threat remained and, should it ever be imposed, it would apply to the prevailing level of precept which was merely 'adequate' in terms of current operational levels. The Council was also still subject to auditor's advice that the uncommitted General Fund (depleted in recent years due to the cost of major repairs to the Town Hall) should be increased by at least £200,000. This was being achieved by an annual appropriation from precept of £50,000 solely for the purpose of building towards the recommended balance. Operating surpluses in recent years had been minimal.

5 With these points in mind, the Working Party considered the draft service budget estimates presented for 2020/21 and noted that alongside the Council's financial systems generally, 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.

6 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, and to continue the restoration of the General Fund with further allocation of precept. 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. Also; applications for grant from community organizations continued to increase in number and value as other sources, such as principal councils, diminished.

7 Councillors considered the draft annual plan; 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 'major items' 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.
- An estimated adjustment to salaries (the previous national agreement reached through the local government joint negotiating body had covered two years, expiring at the end of March 2020. National negotiations regarding April 2020 onward had been temporarily halted in November due to the national election and were expected to resume in early 2020).
- Provision for known and anticipated increases in cost of contracted services.
- Maintenance of the small grants fund, recognizing the consistently high level of applications received.
- Re-establishment of exhausted reserves and continuation of prudent contributions.

- Provision for costs of assets or services acquired through devolution.
- Fees & charges tariff increase of 5% proposed, rounded to an appropriate value for the service concerned.

8 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 major items plan was understood to be as expansive as could be practically undertaken.

9 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. 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 assessed at each point. Borrowing could be available, through the Public Works Loans Board, and was to be used to complete the refurbishment of Malling Community Centre; but further borrowing was not considered appropriate at this time.

10 The budget, for further refinement in light of Visioning, was agreed in-principle and resulted in a nett funding requirement of £1,233,329 - an overall increase of 9.49%, although with the withdrawal of Council Tax Reduction Support Grant this must all be raised through precept. This would represent an actual increase compared with the current year precept of 12.76%, with the actual cost to a Band 'D' household rising to £200.91 per year. This would equate to an extra 44 pence per week.

FWP2019/08 CONCLUSIONS/RECOMMENDATIONS:

The draft budget agreed would be available for further modelling during the forthcoming Visioning evening and then Council would be asked to consider the final recommended budget and precept (as described above) at its meeting on 23rd January 2020.

FWP2019/09 The Chair declared the meeting closed.

The meeting ended at 4:45pm

Signed:

Date: