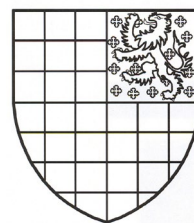


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**LEWES
TOWN
COUNCIL**

MINUTES

of the meeting of the **Finance Working Party**
held on **Wednesday 28th October 2020** at **4:00pm**, online via Zoom Meetings at.

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

In attendance: S Brigden (*Town Clerk [TC]*); Mrs F Garth (*Assistant Town Clerk & Civic Officer*); L Symons (*Town Hall Manager*)

FWP2020/01 ELECTION OF CHAIRMAN: Cllr Henman was elected Chairman.

FWP2020/02 APOLOGIES FOR ABSENCE: There were none; all members were present.

FWP2020/03 DECLARATIONS OF INTEREST: There were none.

FWP2020/04 QUESTIONS: There were none.

FWP2020/05 REMIT OF THE WORKING PARTY:

The working party was asked to consider the detail of estimated expenditure and income for the Council’s operations, levels of fees & charges, and to agree a draft budget and level of Council Tax precept, for recommendation to Council.

The Working Party was asked to ensure appropriate provision for items constituting the Council’s Major Items Plan for 2021/22 and, further, to evaluate the budget availability for a participatory budget pilot in the coming financial year; that a budget for this be set within the annual budget cycle.

FWP2020/06 As the Working Party was to discuss low-level detail of the Council’s finances, and during the meeting personal details related to 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:**

FWP2020/06.1 “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 present employees, and proposed expenditure on contracts for supply of goods and services”

FWP2020/07 BUSINESS OF THE MEETING:

1 Members had been provided with working notes illustrating various assumptions & background values; together with draft service budgets for 2021/22 and miscellaneous comparative values *inro* present status compared with budget and with the same period in the previous year; whilst the full effects of Covid-19 continued to develop, these helped with context.

2 TC elaborated upon the draft budget and explained underlying assumptions and reasoning; demonstrating factors such as value assumptions and estimated levels of increase for ‘standard’ elements such as insurances; utilities, staffing costs *etc.* and described the principles that had been applied to estimating unavoidable transition costs related to his retirement in 2021. Working Party Members satisfied themselves that all these were reasonable.

3 There was no longer any Government Council Tax Reduction Support Grant (CTRSG) as that scheme (to offset government-imposed changes to calculation factors in 2012) had ended the previous year.

4 TC explained that the Council must continue to heed auditor's advice that the uncommitted General Fund (GF), depleted in recent years due to the cost of major repairs to buildings, should be increased by at least £200,000. The strategy to achieve this was an annual appropriation from precept of £50,000 solely for the purpose of rebuilding the recommended GF balance – shown in tables and the published accounts as Reserve P10 'General Fund reinstatement'. Operating surpluses in recent years had been minimal, however, and this amount had not improved the balance as quickly as anticipated. This situation could be allowed to continue developing slowly, however, because the Council held significant other Reserves which could be appropriated *in extremis* and auditors recognized this position.

5 With these points in mind, the Working Party considered the draft service budget estimates presented for 2021/22 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).

6 *General considerations:* Principal in these deliberations was recognition that many taxpayers in 2021 could be facing a variety of financial hardships due to Covid-19, and there was a common desire to avoid increases where possible. It was acknowledged, however, that there was a continuing need to address the proper maintenance of the Council's physical assets and adequately fund continuing services; to continue the restoration of the General Fund balance, and to provide for unavoidable, foreseeable, expenses. Building and engineering works were of particular concern, as the Council's assets had all been taken-on with considerable historic dilapidation, and contexts such as heritage listing status. Applications for grant from community organizations continued to increase in number and value as other sources diminished, and Council had asked the Working Party to allow for a public Participatory Budget.

The working party 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 any known increase in employers' pension and NI contributions.
- Refinement of overhead allocation to services and base service cost estimates.
- An estimated adjustment to salaries (a national agreement reached through the local government joint negotiating body).
- 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 income.

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.

7 Members of the working party were keen to make prudent estimates and maintain some flexibility in the budget, although concerned to avoid an increase in Precept if possible. 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.

8 *Participatory Budget:* With regard to a Participatory Budget (PB); Members were interested in the possibility offered by the existing list of projects identified in the Lewes Neighbourhood Plan, which were eligible for funding from Community Infrastructure Levy (CIL) receipts and was the result of community involvement at a detailed level and listed. Each annual tranche of parish CIL must be spent within five years but the Council currently held over £44,500 in aggregate; the date of each component receipt offering the opportunity to apply this as a PB pilot scheme, if desired.

It would be straightforward to survey public opinion online and in collaboration with local press to prioritize that list, which currently mixed yet-to-start projects (eg Cycle route 90) with items originally considered aspirations.

9 The draft budget initially presented had indicated a modest precept increase. Refinement of some Reserve provisions during the meeting reduced this substantially, and TC indicated some areas where further modest refinement would certainly reduce this to Zero. Members asked that this be done and that the resulting revised draft be prepared for recommendation to Council. It was agreed that fees and charges should not be increased.

FWP2020/08 CONCLUSIONS/RECOMMENDATIONS:

- TC would refine the draft budget as agreed to maintain the precept with zero growth for 2021/22, and this would be then be recommended to Council.
- Fees & charges rates would not be increased.
- As a pilot for Participatory Budgeting, it will be recommended that public opinion be sought as to the priorities for the listed social and physical infrastructure projects described at Section 11 of the Lewes Neighbourhood Plan. The Community Infrastructure Levy fund can then be applied in light of the result. It is suggested that the Open Council Working Party be asked to draft proposals for this.

FWP2020/09 The Chair declared the meeting closed.

The meeting ended at 6:40pm

Signed:

Date: