

AGENDA ITEM No

MINUTES

of the Meeting of the **BUDGET & POLICY COMMITTEE** held at the Council Chamber, Drake Road, Tavistock on **TUESDAY 30th January, 2018 at 6.30 pm**

PRESENT

Councillor P Sanders (Chairman)
Councillor P Ward (Vice Chairman)

Councillors Mrs M Ewings, Mrs A Johnson, P Palfrey, H Smith, P Williamson.

Councillor P Squire (Ward Member)

IN ATTENDANCE

Town Clerk, General Manager, Accountant to the Council

275. APOLOGIES FOR ABSENCE

An apology for late arrival had been received from Councillor Mrs M Ewings.

276. CONFIRMATION OF MINUTES

RESOLVED THAT the Minutes of the Meeting of the Budget & Policy Committee held on Tuesday 19th December, 2017 (Appendix 1) be confirmed as a correct record and signed by the Chairman.

277. DECLARATIONS OF INTEREST

There were no declarations of interest.

ITEMS FOR RECOMMENDATION TO COUNCIL

**URGENT BUSINESS BROUGHT FORWARD
AT THE DISCRETION OF THE CHAIRMAN**

In order to expedite the business of the Committee the Chairman agreed that the following item be taken as a matter of urgency at this point in the Meeting.

278. REVIEW OF COUNCIL POLICY IN RELATION TO RESERVES

The Accountant to the Council outlined the current position with regard to the Capital Programme (Appendix 2), the Revenue Budget (Appendix 3) and Reserves (including the General Reserve). The

Council was undertaking a substantial programme of repair and restoration of its historic estate which was being funded through a combination of reserve allocation and loans from the Public Works Loan Board.

The Meeting provided a timely opportunity to consider how best to proceed in order to initiate the process of rebuilding the General Reserve (projected in 2018/19 to be in the order of £163,818), source appropriate additional capital monies and ensure a continuation of the Council's historic prudent and balanced approach to budgeting. It was noted that current projections indicated that, without further action, the Council was likely to find its General Reserve in 2019/20 was running at in the order of £163,000 before the funding of any additional loan repayments were taken into account.

It was therefore necessary and appropriate to coordinate and finalise arrangements for the delivery of the Capital Programme over the next 2 years and the medium to longer term Capital and Revenue budgeting for the Council. To do so a range of options were discussed with particular reference to the purpose, operation and level of the General Reserve, together with:-

- The amount contributed (in recent years) annually to the Rolling Capital Programme;
- The nature, extent and timing of proposed capital works;
- Other current and projected income/spend;
- Options available to increase funding – one off and ongoing such as savings, increases in income, increases in precept, reductions in costs, asset rationalisation, sourcing of grants, loan funding, etc.

Having reviewed the Budget for 2018/19 and beyond it was the view of the Committee that the priorities for action were:-

- a) To review and replenish the General Reserve to typical operating levels. It was acknowledged that the most appropriate time for such a review would be in or after June (when the Council would be in a better position to predict with some degree of certainty future income levels following major works to some of its commercial assets);
- b) To explore the potential to achieve capital receipts which might be used to obviate/defray the need for a loan/loan repayments or to enable early repayment – the Surveyors to the Council to be instructed to undertake a preliminary review of options;

- c) Linking to (a) above the removal of £140,000 in 2019/20 from the current 2019/20 Rolling Capital Programme thereby bringing the underlying budget back into its (historically) balanced state;
- d) Address all other possible avenues to effect a budget surplus from 2019/20, thereby redressing (over time) the current General Reserve deficit against policy levels
- e) To review the existing capital programme, make savings where appropriate and commit to no new capital projects (other than emergency works) prior to the rebuilding of reserves;
- f) Authorise a public works loan board loan sanction (for up to £350,000 on an interest only 5 year term) in connection with works to the Guildhall accompanied by a costed and budgeted programme of repayments.

Arising from consideration of the foregoing it was

RECOMMENDED THAT the Council endorse the approach as outlined in items a - f above.

Noted That

- in response to a query it was reported that any additional (over and above already budgeted repair) works to the Molly Owen Centre would need to be funded by Capital Receipts pending the satisfactory outcome of the actions listed above;
- the Committee expressed its appreciation to the Accountant to the Council who left the Meeting following consideration of the above.

279. GUILDHALL GATEWAY CENTRE PROJECT

The Committee considered the following:-

a) Lease Arrangements with Tavistock Heritage Trust

A copy of the draft Heads of Terms which had been submitted for consideration by Tavistock Heritage Trust were circulated (Appendix 4). In the ensuing discussion reference was made to various other terms and, more generally, the importance attached to expediting the preparation of the lease with Tavistock Heritage Trust (and also the contingent Funding Agreement), in order to meet the requirements of Heritage Lottery Fund in a timely manner.

Noted That in order to expedite matters it was agreed that the Deputy Mayor and the Heritage Lead of the Council,

together with the Clerk and General Manager meet with Tavistock Heritage Trust on 31st January, 2018.

b) Tests and Targets as set by Council in July 2017

The Committee considered the Report of the Clerk (Appendix 5) and accompanying submissions made by Tavistock Heritage Trust in response to the various tests and targets set by the Council in July 2017 both for the Trust and itself.

Following a wide ranging discussion including regarding funding, partner progress, resilience and operating arrangements there was consensus that it was premature to seek to apply the tests and targets to either Tavistock Heritage Trust or to the Council pending clarity from Heritage Lottery Fund (in the event an award was made) of any conditions which might be applied to either and/or both organisations.

The current priority was therefore to secure prompt agreement on the terms of the Lease and associated Funding Agreement in order that a fully informed review of the status of both organisations could be undertaken.

Noted That Councillor Mrs M Ewings arrived and Councillor P Palfrey left during consideration of the above item.

280. IMPREST ACCOUNT – TEMPORARY VARIATION.

The Committee considered a proposal for a temporary variation of the monies held in the Imprest Account (monthly) from the current threshold (£250,000) to £400,000 for the period January-June 2018 inclusive (in order to better meet the cash flow obligations associated with delivery of the Pannier Market and Market Surround projects).

RECOMMENDED THAT the temporary variation of the monthly monies held in the Imprest Account be approved in the revised sum of £400,000 for a period January-June 2018 inclusive.

281. CAPITAL PROGRAMME

The General Manager sought preliminary views upon a proposal which, if supported by the Committee, would be incorporated into a full Report to the next meeting of Council.

In short it was suggested that the Council might wish to take the opportunity of the Pannier Market building being closed to undertake additional works, at the Council's expense, by way of

interior improvements. These potentially related to areas such as lighting, heating, toilet refurbishment and certain reallocations of space. It being recognised that no new funding was available (Minute No 278 refers) it was suggested that, if Council wished to proceed along the lines discussed, such be resourced from a combination of withdrawal of a range of capital projects previously approved but not commenced and/or reallocation of any underspends on other capital projects.

There was agreement that a Report outlining the associated options and implications and including mechanical and engineering projections around heating costs be brought before the next meeting of Council.

282. ASSET DISPOSAL

The Committee considered a request from the General Manager that, in accordance with Financial Regulation 14, the disposal of a portable staff welfare unit (estimated value less than £5,000) be approved.

RECOMMENDED THAT Council approve the foregoing disposal.

283. WORKING TOGETHER WITH THE TAVISTOCK BID CO

The Committee noted, with disappointment, that no response had been received to the letter to the Tavistock BID Co inviting a commitment to working together on a range of future projects and, more particularly, Dickensian Evening.

ITEMS FOR INFORMATION ONLY

284. NEIGHBOURHOOD DEVELOPMENT PLAN

There was no formal update at this time, it being noted that the Joint Local Plan was presently undergoing examination and the Conservation Area Management Plan was under review over the course of the next 12 months. In the circumstances there was general consensus that clarity around these two areas would best enable an informed, current and fit for purpose Neighbourhood Development Plan. Progress in respect of same should therefore be temporarily placed in abeyance accordingly.

The Meeting closed at 9.10pm.

Signed.....

Dated.....

CHAIRMAN