

AGENDA ITEM No 5

MINUTES of the Meeting of the **BUDGET AND POLICY SUB-COMMITTEE** held at the Council Chamber, Drake Road, Tavistock on **WEDNESDAY** the **2nd NOVEMBER, 2016** at **6.30PM.**

PRESENT Councillor Mrs M Ewings (Chairman)
Councillors Mrs A Johnson, P Sanders, H Smith, P Ward and P Williams.

IN ATTENDANCE Town Clerk, General Manager

145 CONFIRMATION OF MINUTES

RESOLVED THAT the Minutes of the Meeting of the Budget and Policy Sub-Committee held on Monday 19th September, 2016 be confirmed as a correct record and signed by the Chairman.

Noted that further to the provisions of Minute No 102 (xvii) a brief update on progress was received

146 APOLOGIES FOR ABSENCE

An apology for absence had been received from Councillor P Palfry.

147 DECLARATIONS OF INTEREST

There were no declarations of interest.

148 BUDGET PREPARATION AND PRECEPT SETTING 2017/18

The Sub-Committee considered the report of the Town Clerk prepared pursuant upon previous consideration of related matters and incorporating Sections relating to:-

- i) Report of the Councils Internal Auditor (Appendix 1).
Note – a response to points raised with regard to the Townscape Heritage Initiative Scheme prepared by the THI Project Manager had been received and was circulated (Appendix 1a)
- ii) Capital:-
 - Capital Programme and Reserves (Appendix 2)
 - Rolling Capital Programme (Appendix 3)
- iii) Council Fees and Charges – Current and Proposed (Appendix 4)

Note – a revised schedule in connection with the Cemetery was circulated by the General Manager (Appendix 4a)

iv) Budget detail by :-

- Combined Account Code for 2015/16, 2016/17 and proposed for 2017/18. (Appendix 5)
- Cost Centre for 2015/16, 2016/17 and proposed for 2017/18 (Appendix 6)
- Budget Summary, Gross revenue and expenditure for 2016/17 and proposed for 2017/18 (Appendix 7)

v) Schedule of Earmarked Reserves (Appendix 8)

vi) Fixed Asset Register (Appendix 9)

vii) Correspondence from West Devon Borough Council regarding Council Tax Support Grant (Appendix 10)

The attention of the Sub-Committee was drawn, in particular, to the responses to the Internal Audit Report (Appendix 1), together with a range of capital and other matters. The Sub-Committee noted, in particular, the potentially significant obligations and related liabilities the Scheme placed upon the Council.

In the ensuing discussion and deliberations upon the draft Budget particular reference was made to:-

- a. The Capital Report – which did not presently include provision for anticipated work to Betsy Grimal's Tower, any uplift in landlord costs associated with the THI (either as developer of its own premises or landlord of others).
- b. Work recently undertaken in identifying future burial ground demand, associated issues and options regarding treatment of the extant Earmarked Reserve. There being a general consensus that the Reserve could be reduced to £50,000 and the Council be alert to the opportunities if/when they arise, to acquire land at or close to agricultural prices for use as a Cemetery in the long term.
- c. Issues and options associated with current and future Depot provision and the operation of the Works Department. It being noted that from a capacity and funding perspective the immediate priorities lay in areas

such as landlord aspects of delivery of the Townscape Heritage Initiative Scheme and development of the Guildhall proposal.

- d. The merits/drawbacks associated with accessing capital by way of loan funding.
- e. Potential landlord obligations, for example in connection with the repair/maintenance of tennis courts.
- f. The nature and configuration of THI sinking funds. It being noted that whilst that for the Butchers' Hall had been prepared on a discounted cash flow basis, that for the Pannier Market was necessarily an estimate pending engagement of professional services to work up a detailed scheme.
- g. With regard to Cemetery Fees and Charges a review was being undertaken in relation to comparable services, it being noted that it would be inappropriate for Tavistock non-parishioner charges to fall significantly below that of other facilities (as such would represent a "discount" at the expense of the tax payer)
- h. An amended Schedule of Fees and Charges in respect of the Cemetery was circulated.
Noted that reference was made to the potential need to review fees and charges in respect of the Pannier Market (given a period without change) and associated areas following completion of works in that vicinity and the potential reconfiguration of parking on Market Road to promote/develop the riverside opportunities.
- i. Whether or not to consider charging for car parking in Market Road and/or changing the rate levied for the Guildhall Car Park.
- j. The extent to which any capital receipt which might accrue from future disposal of the Drake Road Offices could be predicted with accuracy.
- k. The figure as listed in Appendix 7 Page 1 as "precept per band D equivalent/p/week)" should read 2.27
- l. Following a discussion round the minimum reserve level which should be held by the Council in order to maintain a prudent level of reserves - there was consensus that it should be maintained at a level equivalent to 12 months (currently in the order of £419,042)

- m. The basis on which the Council costed its services to outside bodies and, in particular, the need to ensure full cost recovery.
- n. A proposed precept level of £4.95 per band D Property (which fell below the threshold at which referendum principles would apply- £5) was endorsed.
- o. Recognition of the dependence of the capital programme and associated arrangements on successfully securing HLF funding.
- p. In response to a query regarding the Fixed Asset Register enquiries would be made of the Council's Accountant regarding the basis for valuation of the Council Offices.
- q. The Sub-Committee would be further advised on the basis on which the Fees and Charges of the Town Hall were set for periods of less than a day or a half day.
- r. There was agreement that investigations be undertaken to establish whether the parking occurring in the Pixon Lane area of open space (but not authorised Cattle Market use) could be regulated (eg by introducing permit based ticketing arrangements perhaps with a focus on providing a facility for 'employer' purposes). The views of the Solicitor to the Council on the options in respect of the Downs Road 'Triangle' would also be sought.

Following the review of the draft Budget and associated matters the Sub-Committee proceeded to consider and discuss future precept arrangements. There was consensus that for the 2017/18 Financial Year the following recommendations be made.

RECOMMENDED THAT Tavistock Town Council endorse the following:-

- a. The responses to the Internal Auditor in connection with the first three matters of report, as included in the report of the THI Project Manager, be endorsed
- b. The Schedule of Fees and Charges for Council Services for 2017/18 (as amended) be adopted.
- c. The submitted Draft Council Budget 2017/18 and accompanying Precept prepared on the basis of an increase of £4.95 for a band D equivalent property be adopted.

- d. Any surpluses available as at the year end and not otherwise identified be rolled over into the Rolling Capital Programme (or Property Maintenance Reserve as appropriate – see below);
- e. The application of a Minimum General Reserve based upon 12 months net revenue spend.
- f. The transfer from Earmarked Reserves of £300,000 (presently held in respect of land acquisition) to the General Reserve.
- g. The Council endorse the submitted Capital Programme including, in particular:-
 - i. The proposed amendments to previously budgeted amounts with particular regard to paras 2.2 and 2.4 of Appendix 2 of the Report.
 - ii. Council endorse
 - and establish a Property Maintenance Reserve Budget as identified in the Report accompanied with a roll over of any unused monies from the Grounds/Property Maintenance Budget(s) as at year end
 - Adopt a threshold whereby any maintenance/repair project which exceeds £20,000 in value shall always be treated as a capital project
 - Endorse the formation of a joint Pannier Market/Butchers Hall Sinking Fund in the sum of £27,000 per annum to meet the Council's landlord obligations under the THI (the amount to be subject to review after more detailed work on a discounted cash flow basis has been undertaken in connection with the Pannier Market).

149 DATE OF NEXT MEETING

Consideration was given to arrangements for the next Meeting of the Sub-Committee.

RECOMMENDED THAT the next Meeting of the Sub-Committee be held on 6th December, 2016 at 7.00pm following upon the rising of the Town Hall and Pannier Market Consultative Group

The meeting closed at 8.47 pm.

