

MINUTES of the Meeting of **BUDGET & POLICY COMMITTEE** held on **TUESDAY 4th OCTOBER, 2022** at **5.30pm** in **THE COUNCIL CHAMBER, DRAKE ROAD, TAVISTOCK**

PRESENT

Councillor J Ellis **Chairman**
Councillor H Smith **Vice Chairman**

Councillor P Ward (Mayor)
Councillors Ms M Ewings*, A Hutton, Mrs A Johnson

Councillor P Squire (Ward Member)

IN ATTENDANCE Town Clerk, General Manager, Assistant to the Town Clerk

209. APOLOGIES FOR ABSENCE

An apology for absence had been received from Councillor B Smith.

210. CONFIRMATION OF MINUTES

RESOLVED THAT the Minutes of the Meeting of the Budget & Policy Committee held on Tuesday 30th August, 2022 be confirmed as a correct record and signed by the Chairman (Appendix 1).

211. DECLARATIONS OF INTEREST

No Declarations of Interest were made at this point in the Meeting.

ITEMS FOR RECOMMENDATION TO COUNCIL

212. BUDGET PREPARATION & PRECEPT SETTING 2023/24

The Committee received and considered the report of the Town Clerk (Appendix 2) including the Rolling Capital Programme (Appendix 3) in connection with the above.

The report represented a discussion/scoping paper, providing opportunity for the Committee and Council to review, and then settle upon, direction of travel and associated principles to be applied in the next (detailed) phase of budget preparation.

It was stressed that the uncertainties applying in the wider economy – tightening of the insurance market, energy costs/consumption levels, interest rates, general and sector specific inflation, and the requirements

of a partner organisation underwritten by the Council meant financial projections were highly uncertain.

Moreover, the nature of the challenge was further illustrated in the report which identified five cost centres alone where cumulative increased costs were expected to exceed budget by iro £200,000 (before taking into account any other inflationary pressures) on a year on year basis. This compared with an annual precept of £852,554 which had represented an increase, in the current financial year, of 2.92% Council Tax per band D property on the prior year.

The next meeting of the Committee fell after half year figures should become available, and accordingly was planned to include a draft budget and a proposed scale of fees and charges derived from the indicative schedule previously circulated to Councillors. It would also provide some sense of where the current year outturn might fall.

The report was accompanied by a supplementary confidential paper outlining some more complex and long term factors (Minute No 218 refers).

As regarded budget setting for 2023-24 some of the 'known unknowns' included:-

- whether or not the coming Winter would be a cold one (impacting energy consumption/costs);
- whether any Government energy relief scheme would be available in the next financial year. Linking to that the facility within the Council's long term energy contracts for the supplier to raise prices at the 12 month anniversary (July 2023);
- the prospective rate of inflation over the coming year, together with the extent to which that might be exceeded in certain sectors of spend;
- the unknown approach of the 'new' Government to Council Tax capping;
- the Insurance premium quantum for 2023/24, following a re-tendering exercise.

In the discussion arising reference was made, in particular, to:

- i. the importance attached to:
 - o dealing with any revenue shortfalls in the year in which they occurred from revenue, rather than deferring the issue to future years;

- continuing commitment to seek to adhere to the prior aspiration to avoid setting a rate of increase of the Precept above that of inflation;
 - in accordance with the provisions of the 'procedure for occasions of non-compliance with para 5.2' of the Council's Treasury Management Policy, and with proper regard to current interest rate levels, the Council endorse the temporary suspension of the 60% investment threshold to enable a higher % (currently anticipated iro 67% but variable according to income/spend) to be invested in the Churches, Charities and Local Authorities (CCLA) Public Sector Deposit Fund pending drawdown to meet obligations; so as to maximise income from rising interest rates;
 - in view of timelines, agree to afford the opportunity for the new (2023) Council to make any decisions of a longer term structural or strategic nature (confidential associated report refers).
- ii. The importance attached to sustainably maximising income streams, including the rate of interest available to the Council which, in view of recent developments, had risen from 1.05% in July to 1.94% in September (with CCLA) - and was on an upward trajectory;
 - iii. lack of clarity as to the extent to which new development in the Town (notionally increasing the Tax base) might/might not, be offset by the applicable provisions for the localisation of Council Tax (notionally reducing the Council Tax base);
 - iv. specific projects where supplemental grant funding was being sought, alongside other initiatives being identified along the lines as outlined in the report;
 - v. an indicative schedule of proposed Fees & Charges for 2023/24 had been circulated to provide an indication of 'direction of travel' and seek any feedback on same as/if appropriate;
 - vi. the potential availability of financial/resource support from the Devon Woodland Trust in respect of Bannawell Open Space - the Member who raised same undertook to provide details;
 - vii. options available to increase income from The Guildhall Gateway Centre, and the importance attached to hypothecating any such funding to meet necessary operating costs. Also the possibility that, in view of the severity of financial pressures facing the Council, a cap be placed on the underwrite of the premises with associated adjustments to operating practices so as to preserve the integrity of both the offer and the financial position;

- viii. the range of measures included in the report to ameliorate the financial pressures facing the organisation. Also the possibility that, subject to the half year figures, there could be merit in waiting til the new year to set the Precept in view of the high levels of uncertainty attaching to projections;
- ix. the potential timelines associated with some mitigating measures ie potential benefits were not necessarily immediate;
- x. energy supplements proposed for certain Council premises (such as Butchers' Hall), together with recognition that, counter intuitively, some community commercial activities increased net costs over income with frequency;
- xi. the balance, as between ensuring the approved purposes of the Guildhall Gateway Centre Project were met, and prudent and proportionate organisational financial management;
- xii. safety works in hand (lightning conductors);
- xiii. options available to increase Market income - such as seeking to increase occupancy levels which were already in hand with the Market Reeve (recognising full pre pandemic layout was now likely impracticable, also that the post Christmas period was typically quieter).

RECOMMENDED THAT Tavistock Town Council adopt the Report and endorse the approach and measures set out in it, together with the principles as set out in para (i) above, as the basis for the development of the draft Tavistock Town Council Budget 2023-24.

* Noted That Councillor Ms M Ewings arrived during the consideration of the above item.

ITEMS CIRCULATED FOR INFORMATION ONLY

213. OPERATION LONDON BRIDGE

The Committee received and noted the Briefing Note (Appendix 4), as provided by the Assistant to the Town Clerk, in respect of the recently implemented Operation London Bridge Plan.

Staff, and in particular the Assistant to the Town Clerk, were commended for the delivery of the Plan, and the associated preparatory work enabling swift implementation. Appreciation was further expressed for the conveying of the Book of Condolence to Nursing Homes in the Town by the Assistant to the Town Clerk to enable residents the opportunity to show their respects.

214. SERVICE UPDATES

The Committee received verbal updates on the following matters from the General Manager:-

- Goose Fair 2022

Reference was made to challenges associated with park and ride provision, the staffing of the event in view of West Devon Borough Council's progressive withdrawal from resourcing it and substantially increased (nearly 100%) proposed clean up charges, event footprint, trader and offer 'churn' following the pandemic and the demands placed upon event staff. A review would be undertaken after the event.

- Public Conveniences

Reference was made to:-

- a meeting which had taken place with West Devon Borough Council to explore the extent to which a contribution could be made by it toward refurbishment to fair condition prior to handover. This indicated, subject to the Town Council project managing the works, agreement could be reached;
- that the current cleaning contract would be reviewed, and arrangements agreed by the contract provider, West Devon Borough Council.

- Market Road

Reference was made to submission of the associated planning application, completion of the ecological survey and discussions with the Environment Agency in connection with the possibility of financial assistance toward the safety works. No contract would be sought/let until confirmation of the funding position was in place.

215. PENNON SHARE HOLDING

The Council's holding of 519 Pennon Group plc Shares was noted.

216. URGENT BUSINESS BROUGHT FORWARD AT THE DISCRETION OF THE CHAIRMAN

It was reported that the Closure of Audit Notice had been received and posted on the website, with the Council receiving a 'clean bill of financial health'.

In particular Council's Accountant, Mr D Kemp of DCK Beavers was thanked and commended for his support to the Council over many years, and most especially for his assistance during the pandemic and with the Townscape Heritage Initiative and Guildhall Projects.

EXCLUSION OF THE PRESS AND PUBLIC

217. PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960

Pursuant to section 1(2) of the Public Bodies (Admission to Meetings) Act 1960, and having regard to the confidential nature of the business to be transacted it was: -

RESOLVED THAT the Press and Public be excluded from the Meeting for the following items of business.

CONFIDENTIAL ITEMS CIRCULATED FOR INFORMATION ONLY

218. BUDGET PREPARATION & PRECEPT SETTING 2023/24 (CONT'D)

(**CONFIDENTIAL** - by virtue of relating to matters of a legal, financial or contractual or commercial nature affecting persons other than the Council)

The Committee received and endorsed the confidential Addendum to Agenda Item No. 4 (Appendix 5) titled 'Structural Considerations', which set out longer term structural and strategic options which, for the reasons set out in the report, and discussed above), were largely not recommended at the present time and appropriately fell to a future Council.

There was also, reference to the informal consultation undertaken with staff by the General Manager in connection with the level of the 'out of hours allowance' for Works Department employees - previously the Council had considered raising the weekly 'Out of Hours' payment from £175 to £200.

Arising from the foregoing it was

RECOMMENDED THAT further to Minute No 212 above Tavistock Town Council furthermore endorse the confidential appendix, and more specifically:

- a) Progress the approach as set out in para 1.7 of the confidential report, and accordingly instructing it's representative to make enquiries to ascertain interest on a without prejudice basis;
- b) Approve, subject to the satisfactory outcome of formal consultation with the parties to the collective agreement, an increase in the out of hours allowance, from £175.00 to £200.00 on the basis outlined.

219. GUILDHALL GATEWAY CENTRE ADVISORY FORUM

(**CONFIDENTIAL** - by virtue of relating to matters of a legal, financial or contractual or commercial nature affecting persons other than the Council)

The Committee received and noted the Notes of the Meeting of the Guildhall Gateway Centre Advisory Forum held on Wednesday 31st August, 2022 (Appendix 6).

It was reported that the proposed Meeting in late September had not taken place in the absence of the financial information sought, and might possibly be deferred until November.

In the ensuing discussion reference was made, in particular, to:-

- The importance attached to appropriate measures of financial assurance and control being exercised by the project partnership over costs, and how same might appropriately be regulated, including capping overall project spend;
- The nature and extent of information flows within the partnership;
- Arrangements to manage energy consumption and other operational matters.

The Meeting closed at 7.25pm

Signed:

Dated:

CHAIRMAN