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**LEWES
TOWN
COUNCIL**

MINUTES

of the meeting of the **Finance Review Working Party**
held on **Tuesday 10th December 2013**, in the **Yarrow Room, Town Hall, Lewes** at **3:30pm**.

PRESENT Cllrs M Chartier; J Daly; A Dean; S Murray; R O'Keeffe; Dr M Turner (*Chairman*) and
(*not appointed to the Working Party*) Cllr Catlin

In attendance: S Brigden (*Town Clerk [TC]*) Mrs F Garth (*Asst. TC and Civic Officer*)

FWP2013/08 APOLOGIES FOR ABSENCE: Apologies were accepted from Cllrs Eiloart and Rudkin, who had work commitments.

FWP2013/09 DECLARATIONS OF INTEREST: There were none.

FWP2013/10 QUESTIONS: There were none (No public or press were present).

FWP2013/11 REMIT OF THE WORKING PARTY:

The working party was asked to examine 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 2014/15 year, for recommendation to Council.

Further: the Working Party was asked to make appropriate provision for items identified as the Council Plan for 2014/15

FWP2013/12 BUSINESS OF THE MEETING:

The meeting recognized difficult circumstances, due to lack of clarity over the Government's intentions for capping Council Tax increases in 2014/15. Ministerial announcements had been promised, but not yet made. Further: Lewes District Council had passed-on the whole of the Government's new Council Tax Support Grant in 2013/14, but this was to be reduced in 2014 by £15,737 (to £73,534). The Town Council (LTC) therefore faced an increase to precept of 2.27% simply to maintain budgeted nett expenditure at the present level (£782,000). It was noted that grants were again being offered to principal councils to encourage "freezing" of Council Tax, yet similar support remained unavailable for parish councils.

Further complication came with the current position on devolution of local assets from Lewes District Council (LDC). TC circulated a working paper that outlined the position as it now presented, in the form of optional precept strategies. There was already provisional agreement with LDC on a total package that would require LTC to add around £480,000 to precept. A first tranche of sites which could be transferred in 2014/15 carried a budget requirement of £276,000pa. That would equate to a precept increase of 42% and raise LTC's "band D equivalent" value to £170. There was an unresolved threat of an imposed referendum if any increase exceeded 2%. Ironically, adding the cost of a referendum in Lewes would be equivalent to a 2.3% increase in precept.

Even if not required to hold a referendum this year, it was recognized that the same situation may recur next December, with a General Election due in May 2015 – which raised a question over any commitment to the rest of the devolution package. The District Council had recently decided to deviate from a 40 year-old status quo, and to apportion Parks costs to individual parishes as Special Expenses in 2014/15. Lewes town constituents would therefore be paying the aforementioned £480,000 extra, although LDC's overall tax levy would not be increased

The Working Party addressed the work that *could* be completed despite this dilemma,

and considered the service budget estimates for 2014/15 (*copies in the minute book*). TC outlined the assumptions and basic principles applied in compiling the recommended budget. These were shown in the working notes, and the application to individual accounts and services was explained and discussed. Overheads had been re-apportioned, and a new cost-centre account designated, in respect of the direct management of Malling Community Centre.

It was acknowledged that there was a continuing need to address the proper maintenance of the Council's physical assets and to adequately fund continuing services. The recommended budget combined specific amounts for known costs and committed project items, with prudent allowances for reserves, and provided for a flexible response to any devolution proposals. This had, for a fifth consecutive year, been achieved without the need for an overall increase in nett expenditure. Reserves earmarked for the Council's significant service and project requirements were considered suitably robust and adequate to fulfil their purpose.

After a lengthy discussion, which involved explanations of service accounts at a detailed level, the service budgets were agreed, but as the impact upon precept could not be confirmed they could not be presented to the imminent Council meeting for approval. There was one additional point agreed: that it be recommended to Council that an appropriation of £30,000 be made from the General Fund at the end of the current financial year, to set-up an earmarked reserve identified as funding for the Neighbourhood Plan process. The Working Party would only be in a position to make fully-considered recommendations once it had met again with the benefit of more clarity over the issues described. This might be to the Council meeting scheduled for January, but in any event the precept demand must be served on the District Council by March 1st, by statute, and additional meetings could be convened if required. Setting of precept was a function that fell to the full Council, by law, and could not be delegated.

FWP2013/13 RECOMMENDATIONS/CONCLUSIONS

It was agreed that the position (described above) must be made clear to Council, and the only recommendation that could be made at this juncture was to wait as long as practically possible for the promised Government announcements on proposals for "capping" precepts. A further meeting of the Working Party would then be able to consider any necessary refinement of service budgets and a decision on the level of precept, and pursuit of devolution for any new services.

FWP2013/14 The Chairman thanked everyone for their contribution and declared the meeting closed.

The meeting closed at 5:30pm

Signed:

Date: