

TOWN COUNCIL

DATE: 30 JANUARY 2019

REPORT OF: CHAIRMAN–FINANCE & GENERAL PURPOSES COMMITTEE
TOWN CLERK

SUBJECT: BUDGET AND PRECEPT 2019/20

PART I

RECOMMENDATIONS

The Finance & General Purposes Committee recommends:

- (a) that the Town Council issue a precept demand to the collecting authority, Teignbridge District Council of £435,373 for 2019/20.**
- (b) that the Town Council adopt a budget of £496,278 for the financial year 2019/20.**

1. BACKGROUND

Members will recall that the agreed budget for the current financial year was £561,701 with an agreed precept of £426,440. In addition, the Council Tax Support Grant passed on by Teignbridge totalled £48,530.

This budget represented the average council tax Band D property for the Parish of Dawlish being £78.27, a decrease of £0.59 or 0.75% on the 2017/18 financial year.

Teignbridge District Council advised in mid-2018 that due to the cessation of the Revenue Support Grant it received from Central Government, it too would cease to pass on the Council Tax Support Grant to Town and Parish Councils from 2019. For Dawlish, this equates to an approx. 8.64% reduction on its total budget.

For 2018/19, the average band D precept charged by English parish councils had increased by more than 6%.

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In December 2018, the Government announced its draft Local Government Financial Settlement for 2019/20 which included news that council referendum principles would not apply to English towns and parishes. In 2018-19, the Government decided to defer the setting of referendum principles for town and parish councils for three years, but this was conditional upon:

- the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or for “invest to save” projects which would lower ongoing costs; and
- the Government seeing clear evidence of restraint in the increases set by the sector.

Taking the above into account, the Budget Sub Committee presented a draft budget which, whilst acknowledging the loss of the CTSG, used prudent management of general reserves to cushion such a loss whilst maintaining key budget lines for the forthcoming year, and maintaining reserves at the required level as suggested by the auditors.

The proposed budget for the 2019/20 financial year equates to a band D council tax amount for the Parish of Dawlish of **£78.32** or **£0.05 / 0.06%** per annum increase on 2018/19.

The Budget Sub-Committee acknowledges that in future years it is likely the precept will need to be increased at a minimum in line with inflation, to maintain key expenditure. As always, the Council will seek to offset expenditure with grant funding and other sources where able.

2. BUDGET HIGHLIGHTS

Income

- A more cautious approach has been applied to Waterfowl income based on ‘to date’ figures for 2018/19;
- Allotment income is to increase by 10%; and
- A new marketing campaign is to begin in the new financial year for both The Manor House and Riverside Centre in an attempt to increase hire revenue for both premises.

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Expenditure

- staff costs have been increased to:
 - reflect the increased hours of the Waterfowl & Maintenance Warden post; and
 - factor in the nationally negotiated pay scale from 1 April 2019 which will see an average increase of 2% on all salary grades;
- Provision for a replacement Microsoft Server whose software will be unsupported by Microsoft from January 2020 (first installed in 2013);
- Running costs for both The Manor House and Riverside Centre have in the main been increased by 3% to reflect increases to utility bills and maintenance;
- Memberships have been increased to include an increased contribution of £2,450 for the Exe Estuary Management Partnership;
- Two additional events in 2019 (including a film night) coupled with general inflationary increases in costs, have been scheduled;
- Whilst specific community grants have been removed, the overall budget has been increased by £1,750 to allow the Council to support a wide range of organisations in 2019/20 financial year;
- Unspent budgets have been moved to Ear Marked Reserves, shown on the 'Final Page' of the budget document, including Neighbourhood Plan, Manor House Conservatory and Little Week Play Park which may be drawn on during the year.

Reserves

The Council continues to await the outcome of the VAT valuation and the expectation that a sum of monies will be required to be paid to HMRC upon completion and therefore, reserves not only maintain a level to accommodate this anticipated cost, but also adhere to the auditor's recommendations of holding between 3 to 12 months of expenditure in free reserves.

Councillor Humphrey Clemens
Chairman – Finance & General Purposes Committee

Andrew McKenzie
Town Clerk