

TOWN COUNCIL

DATE: 29 JANUARY 2020

REPORT OF: FINANCE & GENERAL PURPOSES COMMITTEE
TOWN CLERK

SUBJECT: BUDGET AND PRECEPT 2020/21

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 £479,079 for 2020/21.
- (b) that the Town Council adopt a budget of £552,709 for the financial year 2020/21.

1. PURPOSE

To receive and consider the final budget and precept proposals from by the Finance & General Purposes Committee following its meeting on 23 January at which it unanimously voted in favour to recommend approval of the draft budget to Council.

2. BACKGROUND

The Council receives **no external funding** from government or other organisations; Teignbridge District Council ceased to pass on the Council Tax Support Grant in April 2019 which amounted to £48,530 or **approx. 10%** of the then Town Council budget.

In 2018/19 the Town Council approved a 0% increase to its budget and in 2019/20 voted for a budget decrease of 0.75% or 59p, instead opting to use Council reserves to cushion any additional expenditure that was required.

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Of the total current average annual £1,992.94 council tax collected by Teignbridge, the town council keeps approximately 4% or just over £1.53 per week. The Council Tax Base for 2020/21 for the Parish is 5684.2. This is an increase of 125 properties on the previous year.

3. BUDGET HIGHLIGHTS

Income

- Marketing campaigns for both the Manor House and Riverside Centre throughout the year has seen the use of both buildings increase and it is the intention of the Council to maximise these venues income generating possibilities in the next financial year. In addition, rooms at the Manor House, where possible are being let on a longer-term basis resulting in a regular income stream;
- Waterfowl donations and adoptions are anticipated to increase with the new Swan Cam being partnered with Dawlish Beach Cams. This brings with it the opportunity for increased donations to be made online in addition to the promotion of the town's best-known tourism asset.

Expenditure

- Dawlish Town Council is committed to being a **fair employer** and honours nationally negotiated pay agreements as demonstrated through its contracts of employment. The current pay claim for 2020/21 is a real living wage of £10 per hour to be introduced for spinal column point 1 and a 10% increase on all other pay points. The Council considers it highly unlikely a 10% increase will be agreed however, it notes the Government's statement that austerity has come to an end with previous pay increases being 2%. Therefore, the staffing budget has been increased by 3% to accommodate such agreement;
- a new **decorative planting** and maintenance contract will be required during the year and monies have been allocated to accommodate this;
- planning for the future **redevelopment** of the Town's CCTV system with ear marked reserves being increased in line with inflation;
- **renovation** of the Manor House ladies' toilets in addition to other general maintenance – all utilities expenditure has been increased by the level of inflation;

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- ongoing **investment** for improving the parish, including weed spraying and removal, verge cutting, benches, community information notice boards etc.;
- continuing to provide **quality community events** for the town and parish throughout the year for the benefit of residents and promoting the parish as a destination for holiday makers and visitors alike; and
- continuing to provide a **community grants** budget of £70,000 to help benefit local organisations.

Reserves

A total of approximately £91,000 has been taken from free reserves for various projects listed below, negating the need to precept the Parish for these funds. This means the Council has a free reserve of approx. £300,000 which is well within the Auditor's recommendation of having 3-12 months operating costs in reserve and allows the Council to meet unexpected expenditure in addition to the agreed budget;

Ear marked reserves, those monies set aside for specific projects taking place this year and in the future stands at approx. £374,000. This includes:

- a new reserve for **Climate Declaration Provision** of £50,000 for projects such as solar power generation on the Council's buildings, efficient boilers and car charging points at the Manor House and other schemes in the Parish that have a benefit to the Council's climate declaration;
- reinstating the conservatory at the Manor House to provide better provision for weddings, functions and improve the offer of the Manor House as a whole;
- **equipment renewal** at the Sandy Lane Skate Park with a view to obtaining further grant funding to improve the overall design of the park to an all-concrete scheme thus helping to reduce maintenance costs in future years.

4. CONCLUSION

The overall effect of the budget means that the Council anticipates its own income to be in the region of £73,630 and its expenditure to be £552,709 meaning a required precept of **£479,079**.

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This equates to a Band D property paying **£84.29** per year, or an additional **£5.97** (7.12%) increase on last year. This works out to an **extra 2p per day** per property.

Given the previous two years 0% increase and 0.75% decrease, over the three years the proposed increase equates to a near inflationary average annual increase of **2.37%**.

Finance & General Purposes Committee

Andrew McKenzie
Town Clerk