



**Finance & General Purposes Committee Extraordinary Meeting
Monday 14th January 2019**

Councillors: P Burrows, M Hartnell, D Ledger, S Read, J Rowland, H Sanham, D Squire

8th January 2019

Dear Councillor,

You are hereby summoned to attend an extraordinary meeting of the **Finance & General Purposes Committee** on **Monday 14th January 2019 at 6.30pm** at Marshlands, Harbour Road, Seaton.

Amy Tregellas

Town Clerk

This meeting has been advertised as a public meeting and as such could be filmed or recorded by broadcasters, the media or members of the public. Please be aware that whilst every effort is taken to ensure that members of the public are not filmed, we cannot guarantee this, especially if you are speaking or taking an active role.

AGENDA

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| 18/F&GP/01 | Election of a Chairman
To elect a Chairman of the Finance and General Purposes Committee until the end of the Municipal Year |
| 18/F&GP/02 | Election of a Vice Chairman
To elect a Vice Chairman of the Finance and General Purposes Committee until the end of the Municipal Year |
| 18/F&GP/03 | Apologies for Absence |
| 18/F&GP/04 | Declaration of Interest
To receive any declarations of interest not included in the register of interest from Members in respect of items of business included on the agenda for this meeting. |
| 18/F&GP/05 | Budget and Precept 2019/20
To finalise the draft budget and precept for 2019/20 to recommend to the Special Council meeting on Monday 21 st January 2019. |

COUNCIL

BUDGET FOR 2019/20

Reason for the Report: This report provides details of the Council draft budget for 2019/20.

Recommendation: That the Committee recommend the budget and precept to the Council for approval

Introduction

In order to set a realistic precept, the budget has been drafted using the accounting concept of prudence so that likely income streams have not been overstated and likely expenditure streams have not been understated.

When setting the budget for 2018/19 the Council made provision to increase the level of reserves as per the recommendation of the internal and external auditors. Due to a significant underspend in 2017/18 the Council's reserves are now in a healthier position with the General Reserve currently standing at £71,476 and Ear Marked Reserves of £28,532.

Key Assumptions

Income

Artisan Market Income

The income budget for the Artisan Markets has been prudently set at £1,500 for 2019/20 as it is anticipated that the outturn position for 2018/19 will be in the region of £1,570.

Rental Income Marshlands

The income budget for rental income at Marshlands has been prudently set at £5,000 for 2019/20. In 2018/19 the income streams have been split out so that income generated from the hire of the function room is shown separately to the income generated from the rental of offices. The Council currently has three tenants renting the offices, but these agreements have only been in place in the last couple of months. However, in terms of setting a realistic precept, the budget for 2018/19 has been based on the outturn position for 2017/18, i.e. £5,000. If more income is generated this will go into general reserves, and the situation for future financial years will be revisited for the next round of budget setting.

Inflationary increases to leases

The rental income for the Scout Hut and the Martial Arts club will assume a 3% RPI inflationary increase for 2019/20

Salary Contribution

Through discussions with East Devon District Council they have indicated that they are minded to cease paying a salary contribution for the Town Maintenance Officer so in the interests of prudence this amount has been removed from the income budget.

Expenditure

As agreed at the last round of budget setting the salary costs which were previously in the cost centres of Administration, Amenities and Town Development have been amalgamated into a Salaries cost centre.

Administration

Telephone/Internet

The Finance Committee resolved to increase the budget for the telephone/internet by 5% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget.

Payroll Service

The Finance Committee resolved to increase the budget of the payroll service by 3% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget.

Amenities

Storage rental

The Finance Committee resolved to increase the budget of the storage rental by 3% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget.

General Maintenance and Cleaning

The Finance Committee resolved to increase the budget for the general maintenance and cleaning sundry supplies by 3% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget.

Vehicle

The Finance Committee resolved to increase the budget for the vehicle by 10% per annum to cover any likely RPI inflationary increases for insurance and fuel and this increase has been factored into the budget.

Vehicle Replacement Fund

The Finance Committee resolved to include a budget of £2,000 in the 2019/20 financial year for the replacement of the Council vehicle.

Asset Maintenance

Insurance

The Finance Committee resolved to increase the budget for insurance by 10% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget.

Community

Christmas Trees

An additional budget of £1,000 has been added for 2019/20 in order for the Council to investigate the possibility of providing more Christmas trees and lights in the town centre.

Seafront Enhancement Scheme

An additional expenditure of £10,000 has been added to the Seafront Enhancement Scheme along with a carry forward figure of £20,000 at the year end (subject to no further expenditure going through before the year end).

Air Ambulance Donations

The Seaton Devon Air Ambulance Night Time Landing Strip project was delivered in 2018/19. The Council will be receiving the community grant from the Devon Air Ambulance in the next few weeks but there will be an underspend on this account for 2018/19. It is proposed that the balance at the year end is transferred to an Ear Marked Reserve and ring fenced for future maintenance of the Night Time Landing Strip equipment.

Elizabeth Road Play Area

ROSPA inspection

The Communities Committee resolved to increase the budget for ROSPA inspections by 3% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget.

Marshlands

Electrical PAT testing

The Estates Committee resolved in 2017/18 to increase future budgets for PAT testing by 3% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget

Salaries

The Personnel Committee resolved to increase the staff salary budget by 5% per annum to cover any likely cost of living increases and this increase has been factored into the budget.

Seaton Down Hill

Maintenance of car park

The Finance Committee agreed that a sum of £5,000 be added to the budget for 2019/20 to improve the surface of the car park.

Tourist Information Centre

It is advised that the Committee consider adding a budget for the tender process for a new contract as the contract with Seaton Jurassic will end during the 2019/20 financial year.

Town Development

Opening up of Fore Street Consultation

At the start of the 2018/19 financial year the Council resolved to add £5,000 to the Town Development budget to cover the costs of a public consultation on the re-opening up of Fore Street for traffic as well as any potential costs of the project going ahead if the consultation results were favourable. The sum of £5,000 has been factored into the budget.

Underfleet Play Area

ROSPA inspection

The Communities Committee resolved to increase the budget for ROSPA inspections by 3% per annum to cover any likely RPI inflationary increases and this increase has been factored into the budget.

Precept

East Devon District Council have confirmed that the Council Tax Support Grant has reduced to zero for 2019/20.

In terms of the precept, taking into account all of the comments above, and if the budget stays as it is, this leaves the Council with a precept requirement of £320,090.84. This has taken into account any carry forward figures being deducted from the total budget figure and then deducts the income from the expenditure.

This would mean that the precept for a Band D property for 2019/20 would be £99.78 which is up by 18p from £99.60 in 2018/19. This equates to an increase of 0.18% increase in the precept for 2019/20.