



Dorchester Town Council

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14 January 2015

Agenda for the meeting of the **Policy Committee** which will be held in the **Council Chamber, Municipal Buildings, Dorchester** on **Tuesday 20 January 2015** at **7.00pm**.

Adrian Stuart
Town Clerk

Public Speaking at the Meeting

The Chairman has discretion to allow members of the public to speak at the meeting. If you wish to speak please ask the Chairman before the meeting starts. We ask speakers to confine their comments to the matter in hand and to be as brief as is reasonably possible.

Member Code of Conduct: Declaration of Interests

Members are reminded that it is their responsibility to disclose pecuniary or non-pecuniary interests where appropriate.

A Member who declares a pecuniary interest must leave the room unless a suitable dispensation has been granted.

A Member who declares a non-pecuniary interest may take part in the meeting and vote.

Membership of the Committee

Councillors V. Allan, R. Biggs, A. Canning, T. Harries, G. Jones, T. Jones, D. Roberts, and The Mayor ex-officio.

1. Apologies

2. Minutes

To read, confirm and sign the Minutes of the meeting of the Committee held on 18 November 2014 (adopted by Council on 25 November 2014).

3. Finance & Performance Report

A

4. Revenue Budget 2015/16 and Medium Term Financial Strategy

B

5. Opportunities to provide Apprenticeships

C

6. Update on relocation of Dorchester Arts into the Municipal Buildings

D

DORCHESTER TOWN COUNCIL
Policy Committee – 20 January 2015
Financial Report at 31 December 2014

1. Summary of Current Position

- At end of month 9 underspend v. profile is £64,000
- National pay negotiations are settled – 2.2% from 1 January 2015 – 31 March 2016, plus one-off payments totalling c. £3,000 across December and April
- Likely underspend of c. £50,000- £70,000 at year end, primarily related to Staff & Supply savings
- No income information this year relating to Markets, and possible underperformance on Municipal Buildings, while Cemetery income may exceed revised budget
- Allowing for final 2013/14 Closedown, budget revisions made earlier this year and the above, likely to be c. £90,000 - £110,000 extra in General Reserve at year end than 2014/15 MTFS identifies

2. Cash Position at 31 December 2014

• Lloyds Bank (2 accounts)	£478,000	0.30% interest
• National Savings & Investments	£752,000	0.75% interest
• Other (Unity & Petty Cash)	£1,000	
 Total Cash	 £1,231,000	 (At 31 Oct was £1,401,000)

3. Reserves & Balances

- Spending on Specific Reserves is still within the profile anticipated
- The General Reserve is likely to be c. £560,000 at the year end, around £360,000 more than required for emergency purposes. The Council could choose to top up Specific Reserves or allocate this surplus to projects at its discretion

4. Debtors

Debts outstanding for longer than 30 days at 31 December is £1,714 (31 October £2,001). Of 308 Allotment invoices 24 (£460) remain outstanding. Further information on debtors can be provided if required.

Adrian Stuart
Town Clerk

MANAGEMENT REPORT TO 31 DECEMBER 2014

By Spend Type	Budget £000	Profile £000	Actual £000	-Under/Over £000
Employees	665	503	464 -	39
Premises	148	119	114 -	5
Supplies & Transport	342	277	247 -	30
Capital Financing	89	70	70	-
To Specific Reserves	115	115	114 -	1
Income	- 216 -	150 -	140	10
Net Budget	1,143	933	869 -	64

By Service	Budget £000	Profile £000	Actual £000	-Under/Over £000
Allotments	- 4 -	4 -	4 -	1
Parks & Open Spaces	158	117	105 -	11
Cemeteries	8	10	5 -	6
Corp. & Dem. Manage.	35	27	25 -	2
Cultural & Twinning	43	43	42 -	2
Municipal Buildings	89	75	76	1
Other Services	46	41	44	3
Office Team	355	298	282 -	16
Outdoor Services	412	327	296 -	31
Net Budget	1,143	934	870 -	65

Specific Reserves	Budget £000	Profile £000	Actual £000	-Under/Over £000
Cemeteries	5	0	0	0
Municipal Buildings	20	0	0	0
Play Equipment	10	10	8 -	2
Vehicles & Equipment	20	0	0	0
Dorchester Festival	0	0	5	5
Net Budget	55	10	13	3

DORCHESTER TOWN COUNCIL

POLICY COMMITTEE - 20 JANUARY 2015

MEDIUM TERM FINANCIAL STRATEGY & REVENUE BUDGET 2015/16

1. The officer team have reviewed the Medium Term Financial Strategy and a budget for the next financial year within the context of current year spending and the external environment. The element of the budget relating to the Management Committee was included in the agenda for and approved at a meeting on 13 January 2015. The element of the budget relating to this Committee is included on two pages in a table below.
2. A **precept** of £1,209k (up 4.05%, £47k on 2014/15) is proposed. This is based on a Tax Base of 6,853 (up 2.06%) and a Band D charge of £176.50 (up 1.96%, £3.38).

In announcing the provisional settlement on 19 December Kris Hopkin, Local Government Minister said *“Any council proposing an increase of 2% or more will need to allow local people the opportunity to approve or veto the increase in a referendum”* and followed it with *“I would welcome views on whether the highest spending parishes should be subject to the same referendum principle as the rest of local government.”* This consultation heightens the risk that the referendum principle will apply to Dorchester Town Council in future. NALC and the SLCC will respond on our behalf to the consultation.

3. The **Revenue Budget for 2015/16** takes account of the following key changes:
 - a. Pay related budgets (net +£29k) take account of the appointment of the Financial Controller (+£36k), the nationally agreed January 2015 pay award implemented by all local authorities (+£7k), reductions in NI (-£3k) and the removal of a 0.5fte relief Park Keeper budget (-£10k)
 - b. Supplies budgets (net - £60k) have been adjusted for the removal of the Financial Services contract (-£38k), a further reduction for Cemetery Grass cutting (-£4k), CCTV (-£12k), the transfer of spending on Christmas Lights to Dorchester BID (-£4k), general inflation (+£10k) and other minor adjustments
 - c. Additional contributions to reserves are proposed (net + £18k) related to Cemeteries (£+14k) and Municipal Buildings (+£7k), while it is proposed to end the contributions to the Offices and Christmas Lights reserves (-£3k)
 - d. Debt Charges will reduce by £26k, due to declining debt including the repayment of one loan
 - e. Income (net +£3k) has been adjusted for a further reduction in expected Market returns (-£5k), offset by increased Cemeteries Income (+£10k). Incoming Christmas Lights contributions have been removed (-£9k)
 - f. In summary, the net change in the Revenue Budget for ongoing operational services year on year is -£37k (down 5.0% in real terms)
4. If both the precept and Revenue Budget are accepted there would be a **net operational surplus** of £80k in 2015/16 (+£84k compared to 2014/15). While that leaves the Town

Council in a strong position in the short term the longer term situation is more complicated. Any budget decision needs to take account of a wider context:-

- West Dorset District Council is already starting to develop ideas to cut its budgets due to reductions in government grant
- Dorset County Council is also considering cuts in services
- Cuts in service provision and grants by Government departments and agencies are already being felt locally
- The Town Council is currently benefiting from income from tax base growth that will eventually be needed to fund services on Poundbury and in other parts of town which are currently still provided by developers
- The Town Council is gradually developing a vision for Dorchester's future, which other agencies will struggle to find funding for
- The decision by Government to consult on referendums for Town Councils is an indication that the freedom to set a tax which can respond to a future set of circumstances may be taken away from the Council

It is therefore proposed that a new Reserve, the Service Growth Reserve, is created to fund future spending to support the Town Council and the community to help manage reductions in service level by other tiers of Government, or to develop existing and new services, as the new Town Council feels appropriate. It is further proposed that £80,000 is transferred to this Reserve in 2015/16.

5. **Special one off items** of £18k have been allowed for, but this sum does not all have to be allocated at this time. The Management Committee considered items totalling £33k and have recommended the following should be included in the budget: -

	£
Municipal Buildings – Town Hall LED Lighting & Hearing Loop	5,500
Municipal Buildings – Corn Exchange Flooring	1,500
Cultural – WW1 Commemorations	3,000
Cultural – Contribution towards new Christmas Lights	5,000
Municipal Buildings – New Tables	2,000
Cultural – Major National Events	1,000

6. The **Medium Term Financial Strategy** takes account of the following key issues

- a. West Dorset District Council intend to progressively reduce the Council Tax Support Grant (CTSG) which Government have identified they are passing to them for distribution
- b. The 2015/16 Budget as laid out elsewhere in this report
- c. Inflation at 2.0% on expenditure where necessary, contribution to reserves and income except debt, with the precept also rising by 2.0%.
- d. Debt repayments included based on actual repayments, with no assumption regarding new debt
- e. No assumed growth on tax base beyond 2015/16. Any Tax Base growth will create an additional income which will allow for new services to be provided, or reduce the need to raise the precept. Tax Base is now far less predictable as it also takes account of benefits and is therefore more closely linked to the economic cycle

- f. The MTFS will progressively benefit from reductions arising from an efficiency programme geared to producing extra income from fee increases and reduced spending, with the team identifying potential savings and incomes across a range of budgets
7. The MTFS suggests that the new Council to be elected in May 2015 will have a growing annual surplus to manage, and will be in a position to consider a number of options for the annual use of this surplus, including: -
- Operational spending on new Town Council revenue priorities
 - Mitigating the impact of cuts in operational services by other local authorities
 - Additional debt charges associated with new capital spending
 - Reductions in Council Tax
8. **Earmarked Reserves** will total £396k by April 2015, with an additional £133k added in 2015/16. A number of major items of expenditure totalling £92k are planned for 2015/16: -

	£
Cemeteries – Repairs to North Chapel	10,000
Cemeteries – Electronic database and mapping of graves	15,000
Municipal Buildings – Cathodic protection of clock tower	25,000
Play Equipment – General Refurbishment	10,000
Vehicles and Equipment – Replace Transit Van	12,000
Maumbury Rings s106 – Completion of works	15,000
Cultural – New Christmas Lights	5,000

At March 2016 Earmarked Reserves are estimated to reach £436k.

The Revenue Budget includes, and it is proposed that, from 2015/16 and during the life of the current MTFS, the following contributions are increased: -

- Cemeteries, up from £14,000 to £30,000 – to fund the long term plan for roads, paths and walls at the Poundbury Cemetery
 - Municipal Buildings, up from £13,000 to £20,000 – to replenish the Reserve while awaiting a report on longer term requirements
9. The Council has received communication from West Dorset District Council that **Council Tax Support Grant** will be cut progressively to £Nil between 2015/16 to 2018/19. This decision has been taken despite statements made by Government that it has not reduced this grant, and that it expects District Councils to pass it on to Town Councils in full, nor has Government yet given any indication of grant levels beyond 2015/16.
10. The **General Reserve** is held to deal with problems and opportunities that might arise. It should reflect the operational environment and the economic circumstances within which the Council operates, and the level of Earmarked Reserves held. Appropriate cover at the present time would be:

	£000
Emergency staffing cover (assuming half and no pay as per contracts)	55
Other temporary budget increases @ 15%	75
Temporary loss of income @ 15%	30
1 major one off event not covered by Insurance or Reserves	20
2 minor events not covered by Insurance or Reserves	20
Total	200

The Revenue Budget shows a General Reserve estimated at £693k at 31 March 2016. However this will be adjusted by under/overspends in both this year and next; historically the Town Council has underspent its budgets but this should not be automatically assumed, especially as the budget is tightened. At £693k the General Reserve significantly exceeds the minimum level required.

11. It is **RECOMMENDED** that the Committee recommend that Council adopt the MTFs and Revenue Budget as laid out, and specifically that: -
- a. The Council Tax Band D charge is set at £176.50, an increase of 1.96%
 - b. The precept is set at £1,209,555, an increase of 4.05%
 - c. That a Service Growth Reserve is created, with an initial transfer of £80,000 in 2015/16 from the General Reserve
 - d. A list of Special Items is proposed to Council by this Committee based on para 5 of this report

Adrian Stuart
Town Clerk

POLICY COMMITTEE

	2014/15 Budget £	2015/16 Budget £
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CORPORATE & DEMOCRATIC MANAGEMENT

Members Allowance & NI	19,800	20,000
Members Training (inc CRB)	900	3,000
Members Travel & Subsistence	200	200
Civic & Ceremonial Expenses	1,500	1,500
Mayoral Expenses	11,100	11,300
Town Crier	550	600
Entertaining & Gifts	900	900
Youth Council & Democracy Day	250	500
Office Team	180,367	174,816
Met by Precept on Taxpayer	215,567	212,816

OTHER SERVICES

Sawmills rent	6,600	6,600
Community Planning	3,500	3,500
Special Item: Speedwatch	1,000	-
CCTV	17,250	5,000
Additional Pension	18,000	19,000
Special Items	-	18,000
Debt Charges	88,700	62,700
Total Expenditure	135,050	114,800
Treasury Interest	-1,000	- 2,000
Sawmills rents	-3,300	- 3,300
Market Income	-55,000	- 50,000
Total Income	-59,300	- 55,300
Met by Precept on Taxpayer	75,750	59,500

POLICY COMMITTEE

	2014/15 Budget £	2015/16 Budget £
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OFFICES TEAM

Salaries	157,181	185,792
Overtime	1,000	1,000
Employers National Insurance	13,360	13,934
Employers Superannuation	25,544	30,821
Training Courses	1,800	1,800
Travel & Subsistence	1,500	1,500
Subscriptions (Professional Bodies)	3,000	3,000
Cleaning Materials	1,200	1,200
Rates	4,700	4,700
Gas	1,700	1,700
Electricity	1,900	1,900
Water	300	300
Repairs & Maintenance	1,700	2,700
Waste Services	250	250
Financial Services	41,200	3,500
Employment Law and H & S	5,000	3,500
Bank Charges	1,400	1,400
Internal & External Audit Fees	5,000	4,000
Legal & Professional Fees	3,000	3,000
Insurance	33,500	30,000
Printing & Stationery	4,200	4,200
Newsletter	6,000	6,000
Office Equipment & Facilities for I.T.	9,000	7,000
Telephones	3,000	3,200
Advertising	4,000	1,000
Photocopier Charges	3,400	7,000
Postage & Franking Machine	5,400	5,400
Council Offices Repairs Reserve	1,000	-
Total Expenditure	340,235	329,797
Recharge to DMJP	-1,100	- 1,100
Net Expenditure	339,135	328,697

Recharged to

Corporate & Democratic Management	180,367	174,816
Allotments	5,005	4,851
Cemeteries	29,347	28,444
Parks & Open Spaces	64,352	62,372
Municipal Buildings	43,899	42,547
Cultural Activity & Twinning	16,165	15,667
	339,135	328,697

DORCHESTER TOWN COUNCIL

REVENUE BUDGET & RESERVES

	2013/14 Actual £	2014/15 Budget £	2015/16 Budget £	Change in Budget £
Revenue Budget				
Parks & Open Spaces		573,195	556,063	-17,132
Allotments		11,564	10,855	-709
Municipal Buildings		142,546	145,709	3,162
Cemeteries		88,369	84,721	-3,648
Cultural & Twinning Activities		58,865	59,667	802
Corporate & Democratic Manage.		215,567	212,816	-2,751
Other Services		75,750	59,500	-16,250
Operational Budget	1,222,120	1,165,857	1,129,332	-36,525
Precept	1,110,439	1,162,423	1,209,555	-47,132
Transfer to/from General Reserve	-111,681	-3,434	80,223	-83,656
General Reserve				
Opening Balance at 1 April	402,548	402,619	542,502	
Transfer to/(from) Ops Budget	-111,681	-3,434	80,223	
Likely Operational underspend	0	50,000	0	
Council Tax Support Grant	111,752	93,317	69,988	
Closing Balance at 31 March	402,619	542,502	692,713	
Earmarked Reserves				
Opening Balance at 1 April	219,478	321,898	395,851	
Transfer from Revenue Budget	111,381	112,000	132,500	
Expenditure from Reserves	8,961	38,047	92,177	
Closing Balance 31 March	321,898	395,851	436,174	
All Reserves held at year end	724,517	938,354	1,128,887	
Tax Base	6,539	6,715	6,853	138
Band D Charge	169.81	173.12	176.50	£3.38
Precept	1,110,439	1,162,467	1,209,555	47,087
SUBJECTIVE ANALYSIS				
Employees	578,883	601,727	630,357	28,630
External Payments	701,228	567,110	506,705	-60,405
Transfers to Specific Reserves	111,381	114,500	132,500	18,000
Capital Financing Costs	86,653	88,700	62,700	-26,000
Income	-256,025	-206,180	-202,930	3,250
Net Expenditure	1,222,120	1,165,857	1,129,332	-36,525

Medium Term Financial Strategy	2014/15	2015/16	2016/17	2017/18	2018/19	Yoy %
	£000	£000	£000	£000	£000	Change
Employees	601	630	643	655	669	2.00
External Payments	567	507	517	527	538	2.00
Transfers to Specific Reserves	114	133	136	138	141	2.00
Capital Financing Costs	89	63	58	48	46	-
Income	(206)	(203)	(207)	(211)	(215)	2.00
Operational Budget	1,165	1,130	1,146	1,158	1,178	
Precept	1,162	1,210	1,234	1,259	1,284	2.00
Transfer to/from General Reserve	(3)	80	88	101	106	
General Reserve						
Opening Balance at 1 April	403	543	693	828	952	
Transfer to/(from) Ops Budget	(3)	80	88	101	106	
Underspend in Year	50	0	0	0	0	
Council Tax Support Grant	93	70	47	23	0	
Closing Balance at 31 March	543	693	828	952	1,057	
Earmarked Reserves						
Opening Balance at 1 April	322	396	436	322	410	
Transfer from Revenue Budget	112	133	136	138	141	
Expenditure from Reserves	38	92	250	50	50	
Closing Balance 31 March	396	436	322	410	501	
All Reserves held at year end	939	1,129	1,150	1,362	1,559	

DORCHESTER TOWN COUNCIL**Policy Committee – 20 January 2015****Opportunities to provide Apprenticeships**

1. In January 2014 the Resources Panel supported a request to provide an apprenticeship in the Borough Gardens, temporarily funded by savings within the Parks salaries budget. Working with DCC Learning and Development Team an opportunity was developed and advertised through Yeovil College and the National Apprenticeship website.
2. A number of potential candidates were interviewed and in July 2014 two apprentices started in the Borough Gardens team for a 12 month period. During the year they will attend Kingston Maurward College to achieve NVQ qualifications while reinforcing their horticultural learning by working in the Gardens team. At the end of the 12 months there is no commitment on the Council to provide employment.
3. Feedback has been positive from both the Parks team, who have welcomed the extra capacity and the opportunity to pass on the skills they have learned, and from the two apprentices, one of whom is retraining for a new career, and the other looking to add both work experience and a qualification in their first working post.
4. It was originally anticipated that one apprentice would cost the Council £6,000 net of grant support from West Dorset DC. With changes to the apprenticeship scheme, and additional grants identified we have provided two opportunities at a total cost of £4,500 net of grant, met from the budget held for the part time Head Gardener post. The District Council were particularly generous with grant funding of £6,000.
5. The need for young people in particular to obtain apprenticeship experience as a precursor to paid employment remains strong, but difficult to achieve in a town with few large employers. Following the success of last year's recruitment I have reviewed what opportunities might exist for a second tranche of apprenticeships. The following could all be delivered in 2015/16: -
 - Office Administration Apprentice – gathering raw data from a range of office functions, in order to challenge and change our office spending, with the aim of securing financial savings in supply budgets – the cost of £6,000 would need to be met from Reserves but there is significant potential to reduce budgets as a result of undertaking the work
 - Borough Gardens Apprentice – a new apprentice with the same role as this year's apprentices, £6,000 funded from savings from the part time Head Gardener post
 - Dorchester Arts/Municipal Buildings Apprentice – working in the Municipal Buildings, potentially providing support to both Dorchester Arts and Town Hall Keepers – grant might be available to reduce the £6,000 cost to as little as £1,500
6. All three apprenticeships could be managed over the 12 months life, the total net cost of £13,500 met from existing budgets or Reserves. The Committee's instruction is sought.

Adrian Stuart
Town Clerk

DORCHESTER TOWN COUNCIL
POLICY COMMITTEE – 20 JANUARY 2015

UPDATE ON RELOCATION OF DORCHESTER ARTS INTO THE MUNICIPAL BUILDINGS

1. During the November cycle of meetings Members agreed to give in principle support to the idea of relocating Dorchester Arts into the Municipal Buildings, and it was anticipated that a more detailed report would be made available at the current cycle of meetings.
2. Unfortunately the Town Clerk was absent from work for two weeks during December. No meetings were held and the project was not progressed during this time. Since his return has had to prioritise other work, primarily relating to the Revenue Budget for next year, and so did not make sufficient progress on documenting the key elements of the report relating to risk and finance to be able to present a final report tonight.
3. Officers met with DA on Tuesday 6 January, initially to look at systems for curtaining the Corn Exchange room, but the Town Clerk took the opportunity to review the work needed to allow the DA Board and the Council to make a final decision. We reviewed the DA budget, costs associated with the move, and how the Council can benefit financially. We have still found no barriers to a successful arrangement, but need to agree the content of the agreement to put it in front of Board Members and Councillors.
4. Dealing with two specific points previously raised by the Management Committee: -
 - a. The tapestries will remain where they are located
 - b. DA's move into the Municipal Buildings require them to occupy the Magistrates Room for office and promotions purposes. No other locations are suitable.
5. The Town Clerk and staff have started the process of developing a Risk Register, which will be completed shortly. A protocol for giving DA booking rights over the Corn Exchange has been developed to ensure that the Town Council does not lose booking opportunities.
6. Indirectly related to the project, the Council has been advised by the Kings Arms that their internal management arrangements have changed. The Kings Arms are fully aware, and accept, that the bar franchise is likely to be terminated at the end of the current agreement, 30 June 2015. A back up plan is in place in case the DA move does not take place.
7. Dates have been provided for a meeting of Board members with our Member Panel of Councillors Allan, Stella Jones, Lyall and Potter, to review progress.
8. The Town Clerk will give consideration to a special meeting of this Committee and/or the Management Committee in February to take a final decision whether to proceed with the project of integrating Dorchester Arts into the Municipal Buildings.

Adrian Stuart
Town Clerk