BUDLEIGH SALTERTON TOWN COUNCIL

MINUTES of the Meeting of the Finance Committee held in the Council Offices, Station Road, Budleigh Salterton on Monday 9 November 2026

The meeting commenced at 8.40pm

PRESENT

Cllr P Lewis – Chair
Cllr S Cook
Cllr R Doorbar
Cllr G Woodcraft

In attendance: Mrs A Gater-Wildgust (Town Clerk) and six members of the public.

26.308 Public Speaking Time

There were no public speakers.

26.309 Apologies for Absence

There were no apologies.

26.310 Minutes

The Minutes of the Meeting of the Finance Committee held on 14 September 2026 were approved.

26.311 Chair's Report

The Chair, Cllr P Lewis, presented an extended report to provide Members and members of the public with information regarding the Council's financial planning arrangements and to clarify Councillors' responsibilities in relation to budget setting and financial management.

The Chair explained that this report was intended to provide Members and readers with information, and also to remind Councillors' of their roles in terms of financial planning for council business.

1. Thanks were extended to the Town Clerk as the Responsible Finance Officer for all the work done: ensuring the audit trail is fully compliant was no simple task, nor was dealing with competing pressures on council finances and demands for work.

   The Council is required to appoint an RFO, whose role was to:
   - Keep accounts & supporting records
   - Ensure systems were in place & followed
   - Ensure accounts were up to date

2. Committee members and observers were reminded that Councils used an **incremental budget**. In planning the budget for the year ahead, and the amount asked of residents through the Precept, the Council consideredall of the following:

2.1 What had the actual cost been so far this year? Well informed projections Year To End (YTE)
- Councillors received 6-month Financial Budget Comparison on 26/10/2026
- Degree of in-year review to balance and look ahead

2.2 Using the projected YTE figures, how do the figures need to be revised for next year? eg inflation, price rises, projects beginning or ceasing,- advised by the RFO

2.3 What needs to be put aside to accrue for large capital spends – major repairs, refurbishment, fees, acquisitions
- Looking ahead 1 – 5 years
- Looking ahead 10 – 15 years
- Will be earmarked in reserves and accrued gradually over time

2.4 Contingency "wiggle room"

- What was the likely picture of changes over the year – economy, financial resilience,

2.5. Planned use of reserves
- For earmarked projects
- Unexpected charges on capital
- Agreed by Full Council

2.6 What does the Council need / want to achieve
- Neighbourhood Plan, remembering new council to be formed in May 27
- Remembering need and want are different concepts
- Does the Council actually have the "Powers and Duties" to undertake specifics?

2.7 Any new call on finances for the next year to be considered for adoption by Full Council
- Worked up written proposals presented, including scope, staffing and running costs
- Presented to Full Council before the precept is set at the December Council meeting
- To note, desired for new projects presented after the Precept set may not have funding in the next year.

2.8. **What is affordable for our residents** – band D as a rough comparator, not reality
- Cost of living pressures, employment levels, fixed incomes

3. **Full Council sets the strategy for the financial years ahead and agrees the Precept request.**

4. Councils, and therefore Councillors, are governed by law. The Council had an obligation to manage well the money our residents have placed in our keeping. In presenting the Precept request to our public, the Council states what it intends to use the money for. Therefore any decisions about significant changes must be made in public, with the ramifications made explicit.

5. To note: budget lines are just a coding method to build up the financial envelope; create the Precept; and to facilitate keeping track and reporting on spend. **They are not ring-fenced amounts of money.**

6. It was appreciated there had been the tradition to revise figures in some budget lines as it has become apparent that the original figure is insufficient, or indeed underspent. If these changes were to occur, they should be minuted. However, in the opinion of the Chair, these revisions, happening in-year, too often confuse and make the accounting processes more opaque to the public.

   It is the Chair's recommendation that publishing in-year revisions and the ensuing altered balances should no longer be routine practice. Leaving the balances stated to be clearly the result of the original budget set minus expenditure.

   Nevertheless, to ensure the accounts balance at the end of the year, the RFO must adjust anticipated spend. For the RFO, managing the overall finances means flexibility to a degree about the actual net spend, without losing the original intentions of the Council when it had set the budget / Precept in December of the year before.

7. As the council moved towards setting the Precept, anticipated revised future figures for the various expenditures are appropriate to inform the next year's budget.

8. In setting the Precept, the Town Council must be aware of the cost-of-living pressures on people in our town. The Council had a collective responsibility to ensure that public money was carefully used and when the Council makes decisions, they take into account the needs of all our residents, of all ages.

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9. The Council, through the Town Clerk, worked with other agencies and Councils. BSTC needed to work in close collaboration with them, ensuring public money was not being allocated twice for the same activity.

10. If any new costs and projects were agreed after a Precept has been set, they must be done so in the full knowledge of the annual budget as a whole; where money will come from; and therefore, what the council will have to drop to fund them. “Robbing Peter to pay Paul” or raiding Peter’s piggy bank if taking money from reserves.

    One committee’s aspirations could well be to the detriment to another important strand of work. The public money the Council had was finite. These decisions were for the Full Council to make, and to take responsibility for the consequences to our residents.

11. A number of detailed questions about the budget were raised internally on 27 October 2026; most of which referred to transferring money into reserves and the way Councils manage long term financial planning. These are being answered in public and open to being minuted.

    Reserves, to note:

    - Provide a working balance (smooth cashflow)
    - Contingencies (for the unexpected)
    - Money set aside for future projects

    To firstly remind Councillors - the movement into reserves to accrue for future need was discussed in depth at the last Finance Committee on 14th September 2026.

    At the Town Council meeting on 28th September 2026, the Council agreed a Reserve Policy, and the creation of New Reserves, including the movement of £21,810.00 earmarked for professional services, intended for the Capital Asset Transfer agreements, which have not been completed in this current year but are still likely to go ahead. Minute 26.228

    Money for capital works can only come out of the reserves if they have already been accrued. Current amounts are not deemed sufficient to meet future need. Therefore, unused amounts in lines 101 (car park fund), 521 (Public Hall major repairs), 522 (Hall Improvements), and 771 (Norman Centre major repairs), will be considered for transfer to reserves in order to be accrued towards future use.

    In addition: 6 months of the running costs of the Council are held back in reserves as a contingency and resilience fund (in accordance with proper practises). Current figures suggest this is £150k.

    The process for accounting for the movement out to reserves must be compliant with the requirements of the auditors, good practice guidelines for Town Clerks, and the law governing Councils.

    Specific budget lines: Some other questions raised referred to specific expenditures, and the Year To End (YTE) prediction. Councillors were reminded that the strategy for the council, and decisions on the allocation of finances for areas of work, was made by Full Council and in public. Responsibility for the day-to-day management of the accounts and figures was with the RFO.

    115 Emergency Planning: Resources and equipment were being built up for various contingencies. If there was any surplus at the end of the year it would offset overspend in another strand of work. The amount in question would be apparent towards the end of the financial year but should not be curtailed 6 months away from year end. Councils had a responsibility to prepare for emergencies in the town (flooding, power cuts, interruption to utilities etc).

    499/2 Retirement of an individual contractor commissioned to undertake work around the town on behalf of the Council. The need over the winter would be

reviewed by the Town Clerk. East Devon District Council teams and other contractors would undertake work as required. Reviewing, monitoring, and placing contracts was the responsibility of the Town Clerk.

301 Civic Fund. As of yet the Mayor had not made a decision about a Civic Reception this financial year. The Civic Fund provided funds for Council arranged events. There had been no suggestion that the amount in this line would be transferred to reserves, it does not relate to capital or projects. Any surplus would not be known until the end of the year and if it existed it may go towards offsetting any overspend in another aspect of Council work.

In conclusion

The Chair had taken the unusual step of providing a very detailed Chair's Report in order to make public the answers to a series of questions raised internally, and which should be known to the public and Members of the Council. Councils are required to appoint an RFO to manage the accounts and in order to achieve the strategy the Town Council had set through the Precept process.

Finally, the Chair proposed that the Finance Committee would benefit from the participation of the Chair of the Public Hall Committee. It was: RESOLVED: to make a recommendation to the Town Council to include the Chair of the Public Hall Committee.

26.312 Internal Controls

A review of the Council's Internal Finance Controls was completed.

26.313 Payments

It was agreed that, for the next twelve months, the Clerk can continue to make payments via Internet Banking.

26.314 Direct Debit Payments

It was agreed that, for the next twelve months, the following expenditure items can be paid via direct debit:

- East Devon District Council - Rates
  - Upper Station Road Car Park
  - Public Hall
  - Norman Centre
- British Gas
  - Public Hall Gas
  - Public Hall Electricity
  - Norman Centre Gas
  - Norman Centre Electricity
- Biffa — Refuse collection
- South West Water
  - Public Hall/NC/Office Water and Sewerage
  - Station Road Toilets Water and Sewerage
  - Community Gardens Water
- Zen Internet — Telephone and fibre
- Cleaning South West — Cleaning Station Road Toilets

26.315 Precept 2027/28

Consideration was given to the Council's budgetary requirements and recommended precept for 2027/2028. It was noted that at time of writing some costs were unknown including any costs associated to any asset transfer that the Town Council resolves to undertake. This are expected to be available in early December 2026.

RESOLVED: The Committee considered and accepted the estimated budget for 2027/28 as a working draft, subject to further amendments to incorporate the anticipated costs of any asset transfers

agreed by the Town Council and the replacement of the Public Hall planters with integral water butts.

26.316 Any Other Business

No other business was raised.

There being no further business, the Meeting closed at 9.21pm.

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Chair

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