

ST JUST-IN-PENWITH TOWN COUNCIL

PRECEPT MEETING 28 JANUARY 2013

REPORT BY THE TOWN CLERK & RESPONSIBLE FINANCIAL OFFICER

BUDGET AND PRECEPT FOR 2013 /2014

This year again, the Town Council faces many challenges in deciding the level of precept for 2013 / 2014 as discussions continue on the possible purchase of the freehold of the public car parks and conveniences in St Just and Pendeen. Last year the Council approved a substantial increase in its expenditure to cover the anticipated associated costs and the proposed budget for 2013 / 14 again includes additional financial provision for both.

In addition, following reforms to the Council Tax system set out in the Local Government Act, from April 2013 Council Tax Benefit is being replaced, and Cornwall Council is introducing a new Localised Scheme for Tax Support. Support will be provided in the new system to Council Tax payers by way of discounts in their bill which will have the effect of reducing the Council Tax base. Provided these new measures are approved by Cornwall Council at the end of January, the Council Tax base for St Just will reduce from 1721.95 to 1489.36. To mitigate against this reduction town and parish councils are being given a Council Tax Support Grant, together with a transitional grant in 2013 / 14 which is paid in addition to the Council's precept request. The anticipated grant for St Just-in-Penwith is £21,859, together with a transitional grant of £583.

The attached spread sheet which has been put together for your consideration provides indicative figures for the Town Council on a proposed level of next year's budget.

The report sets out the assumptions made in respect of each of the suggested financial allocations to enable the Council to reach its decision on next year's budget. During the meeting the Deputy Mayor and I will be able to update the figures proposed prior to the Council finalising the budget to enable the impact on the overall budget to be explained in more detail.

The following notes are to be read in conjunction with the proposed budget for 2013 / 2014 as set out at Appendix A to this report. The paragraph numbers correspond to those shown on the spread sheet.

1. In the current year the Council has only spent £608 in connection with advertisements for the two recent co-options. Therefore no increase in allocation proposed. Local elections to be held on 2 May 2013.
2. Increase in financial provision for salaries proposed to £35,000. This reflects the increase in the Town Clerk's salary following the recent benchmarking exercise carried out for the Council by the Cornwall Association of Local Council, and the possibility of a national pay award in 2013.

3. Small increase of £250 to reflect consequential increase in employer's NI contributions.
4. Increase of £750 to take account of increased employer contributions following bench marking exercise which accounts for the over spend on this year's budget allocation. This is also the third year of the £500 annual contribution to Cornwall Council Pension Fund. Level of additional employer contribution to be reviewed as part of the triennial review in 2015.
5. £250 increase suggested to offset any increase in supplier's costs in 2012 / 13.
6. The proposed increase reflects increased costs. However, this figure could be reduced by a reduction in postage to councillors. The annual cost of agenda postage is in the region of £200.
7. Small increase of £100.00 suggested to cover minimal increase in charges.
8. No change proposed. Current lease expires in 2017.
9. The suggested increase to £1500 reflects the Town Council's affiliation to South West Employers and any increase in subscription costs to NALC / CALC / SLCC.
10. No change suggested.
11. No change suggested.
12. No change suggested.
13. No change suggested.
14. No change suggested.
15. No change suggested.
16. Mayor's Allowance has not changed in over four years; therefore a small increase of £250 is proposed to cover costs which may be incurred in the course undertaking mayoral duties.
17. Increase of £400 suggested to reflect overspend following the re-establishment of the annual mayor's event and increased costs associated with holding such events.
18. No change suggested. Existing grass cutting contract term three years.
19. Small increase of £50.00 to reflect increase in bank charges. Bank charges kept at a minimum due to use of internet banking facility.

20. Suggested increase to £1,500 to enable additional development and improvement work to be carried out on the website to better reflect the needs of the Council.
21. Increase to £2,000 to enable the Town Council to carry out additional works to the local footpath network to that covered by the Local Maintenance Partnership between the Council and Cornwall Council.
22. No change suggested.
23. Projects: Of the £47,500 allocated in the budget for 2012 / 13, a total of £21,687 has been spent. £7,343 has been spent in connection with the delivery of the long awaited allotments at Kenidjack Valley. £6,000 has been spent on Phase 1 of the works to the perimeter wall of the Plen-an-Gwarry. During the year the Town Council received a grant of £6,000 from English Heritage (EH) by way of match funding towards the costs of the repair works. A further £3,000 will be payable from EH on the receipt of invoices following the completion of programmed works. A condition of the grant was that the Town Council would provide match funding over a three year period. Therefore the Town Council will allocate £3,000 in financial years 2013 /14 and 2014 / 15 to meet it obligation. £402 has been spent on repair / replacement works to the Council's CCTV system. During the coming financial year the Town Council will have the equipment professionally surveyed to reduce disruption when the system is not working. To this end it is proposed that the financial allocation for CCTV be increased to £5,000 in 2013 / 14 to enable an upgrade of the system to improve efficiency. £642 has been spent on building maintenance towards the cost of the installation of a hearing loop system in the Council Chamber. Additional internal works will be required in 2013 / 14 and it is suggested that budget allocation is maintained at £1,000 in 2013 / 14. In respect of the car parks the Council has paid £7,300 to Cornwall Council as part of the terms of the Memorandum of Understanding (MoU). The total annual figure is £14,600. An agreement has been reached with Cornwall Council for an extension of the MoU for a further 12 month period to enable discussions of the purchase of the freehold of the car parks to continue.
30. A further £2,500 has been requested from Cornwall Council's Library Service to cover the additional staffing required to provide extended Tourist Information Centre (TIC) opening hours for a similar 11 week period to cover the busiest seasonal period during 2013. This year the additional funding provided by the Town Council enabled the Library Service to provide an extended service to visitors and locals.
34. Based on the above assumptions the Council's proposed budget for 2013 / 14 is £147,500.
35. In view of the changes to the Council Tax system and the Support and transitional Grants that the Council is to receive from Cornwall Council, it is suggested that to mitigate against any substantial reduction in the precept, the Council sets a neutral budget. This means that the Council will require a total of £148,795 (last year's precept figure), less the grants giving a precept demand to Cornwall Council of £126,354.

38. The spread sheet indicates that at 31.03.13 the Council will have total reserves of £79,312. This is made up of a “free reserve” of £46,279 representing 31.38% of the Council’s budget. The remaining are “earmarked reserves” as indicated on the spread sheet.

Recommendation

That the Town Council approves the proposed budget for the financial year 2013 / 2014 of £147,500 and that a precept request of £126,354 is made to Cornwall Council by 6 February 2013 in respect of the budget for 2013 / 2014.

Elaine Baker
Town Clerk
28 February 2012