

ST JUST-IN-PENWITH TOWN COUNCIL

PRECEPT MEETING 14 DECEMBER 2015

REPORT BY THE TOWN CLERK & RESPONSIBLE FINANCIAL OFFICER

BUDGET AND PRECEPT REPORT FOR 2016 /2017

This has been a challenging year in terms of moving devolution discussions forward with Cornwall Council and other partner organisations. At the Extraordinary Meeting on 8 December the Council will consider how it wishes to proceed with the proposed transfer of the library to Cape Cornwall School following the receipt of letters of representation supporting continuation of the status quo. An update will be provided at the meeting.

It is anticipated that completion of the title transfer of Pendeen Playing Field will take place in the early part of 2016. Discussions on other devolution matters such as the long term future of Lafrowda Car Park, public conveniences and open spaces will continue to be a priority for the Town Council in 2016. It is proposed that the Town Council expresses its thanks to James Hardy, Community Link Officer without whom much of the devolution progress made to date would not have been possible.

Since April 2013 the Town Council has been in receipt of the Localised Council Tax Support (CTS) grant, which is paid in addition to the precept. From 2015 / 16 Cornwall Council has reduced the level of CTS paid in line with its own forecasts in grant it receives from Central Government, which is around 9% in 2015 / 16. The actual amount of grant varies between local councils and is calculated on the following basis:

- The current profile and number of recipients of CTS
- The element of the 2015 / 16 Band D Council Tax charge that relates to the individual town or parish council.

Accordingly, we have been advised by Cornwall Council that the CTS grant will reduce from £15,869 in 2015 /16 to £12,464 in 2016 / 17. However, despite this reduction it is proposed that the Council's precept demand to Cornwall Council be reduced by the amount of grant it will receive.

With ever increasing budgetary pressures on Cornwall Council over the coming few years town and parish councils will continue to be asked to take on additional responsibility for some of its services.

With the above in mind, the attached spread sheet has been put together for your consideration and provides indicative figures for the Town Council on a proposed level for 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 and during the meeting the proposed figures will be updated 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 2016 / 2017 as set out at Appendix A to this report.

1. It is proposed to carry forward this year's budget allocations into 2016 / 2017 with the exception of the following:
 - **Note 2** – proposed £2,500 increase in gross salaries to account for potential 1% pay award in 2016 / 17.
 - **Note 3**- proposed £250.00 increase in employers NI contributions due to the abolition of “contracting out” from 6 April 2016. From that date the employers’ contribution rate will increase from 10.4% to 13.8%. This is calculated on the amount by which earnings exceed the “secondary threshold” currently £8112 p.a. but this will increase for 2016 / 17.
 - **Note 4** – proposed £500.00 increase in Employer Pension Contributions to account for increased contributions from 18.2% to 18.7% in 2016 / 2017 and £1,000 additional employer annual deficit contribution.
 - **Note 7** – Increase of £100.00 for telephone / internet to cover any additional inflationary increase in prices.
 - **Note 10** – Increase of 500.00 to cover additional premium costs following transfer of Pendeen Playing Field into Council ownership and insurance tax.
 - **Note 11** – Decrease of £250.00: Internal & External Audit fees fixed, reduction reflects annual underspend.
 - **Note 13** – Allocation to be reduced by 50% to reflect annual underspends in the budget.
 - **Note 14** – Allocation transferred to Public Amenity cost centre.
 - **Note 15** – Increase of £300.00 due to increase use of IT within the office, lease and security costs.
 - **Note 17** – Increase of £500.00 to cover raising costs in hosting civic events.
 - **Note 18** – proposed 33% (£4,000.00) increase in the financial allocation for Public Amenities reflecting transfer of ownership for Pendeen Playing Fields, removal of “Memorial” and transfer costs to under Public Amenity Cost Centre Heading, future responsibility for maintenance of St Just Graveyard, and the likely possibility of other services transferring to the Town Council in the future e.g. further public open spaces. The cost centre also includes ongoing maintenance for CCTV.
 - **Note 23** – Reduction of £2,500 for public toilets: reflects significant underspend in budget provision, and the need to allocate additional financial resources to Public Amenities etc.
 - **Note 26** – Removal of CCTV from Projects – ongoing maintenance transferred to Public Amenities. Reduction of £2,500 in Projects.

2. **Note 29** - Based on the above assumptions the Council's proposed budget for 2016 / 17 is £152,050. Budget increase of just below 2%.

3. **Note 30** - Indicates that the Council's precept demand for 2016 / 17 to Cornwall Council will be £134,336 which is calculated by the assumed budget £152,050 less the assumed Council Tax Support Grant of £12,464 and VAT reclaim of £5,250.
4. **Note 32** - indicates that at 31.03.16 the Council will have total reserves of £198,239. It is suggested that a further £40,000 of this total figure is transferred into the "Capital Assets Reserve". Total Capital Asset Reserve Fund of £136,000 in 2016 /2017. The level of free reserves to be £62,293 (40.97%) of the anticipated opening cash balance in 2016 / 17.

Recommendations

That the Town Council approves:-

- (a) The proposed budget for the financial year 2016 / 2017 of £152,050 and that a precept request of £134,336 is made to Cornwall Council by 31 December 2015, an increase of just under 2% on the previous year;
- (b) That £40,000 be transferred to the Capital Asset Reserve, and with the remainder £62,293 allocated to the "Free Reserve", and
- (c) That the Council expresses its thanks to James Hardy, Community Link Officer for his assistance in progressing devolution projects within the parish.