

**Special Council Meeting
30 January 2014
Summary Briefing Note – Council Budgets and Precept 2014-2015**

Dear Councillors

Unfortunately, at the time of writing, there has still been no clarification regarding capping of Town and Parish Council precept increases to bring them in line with principal authorities at 2%.

The latest information from Cornwall Council is that Brandon Lewis, the Local Government Minister concerned, may not now make an announcement until the 14th February making the process of setting the budget/precept for 2014-2015 extremely difficult.

Thus, the Council is faced with three options and the following commences with a budget set within possible 'capping' levels (Budget A). This is followed by a budget which addresses issues raised by Councillors and external bids for funding (Budget B) and following the Clerks attendance at a Larger Local Councils meeting on the 22nd, a third option which accommodates further devolved functions and which takes account of the potential loss of Cornwall Council grants and the decrease/loss of the Local Council Tax Support Grant (Budget C)

Budget A (Capped)

Following the Resource Committee meeting held on the 28th November, the position reached was an increase of £3,698 over the 2013-14 budget representing a rise of 1.6%.** However, this did not include revisions to the salary costs which were recommended at that meeting and which were subsequently approved by Council on the 19th December.

** (when applied through the Council Tax Calculator with revised property base this amends to 2.37%) Nb. I will trim out minor amounts on a number of headings to achieve the cap limit if necessary.

The Swimming Pool and Community Centre budgets remain as agreed but the Council budget has been amended to take account of the salary revisions mentioned above.

There were a number of issues outstanding including the exact amount to be received from Cornwall Council in respect of the operation of the toilets and also confirmation of the amount of Local Council Tax Support Grant (LCTSG) to be received.

The grant in respect of the toilets was slightly better than the original estimate coming in at £20,250 as against £19,000.

The LCTSG was £32,931 in the current year and the indication was that this figure would decrease in 2014-2015. Indeed for a number of towns and parishes the grant has decreased but for Hayle it has increased to £48,216. However, the advice is that this figure can vary substantially year on year and, in any event, is likely to decrease over time.

With that in mind I have revised this figure in the precept summary sheet from £30,000 to £35,000 with the intent that the residue be transferred to Reserves.

Thus, with sufficient monies to maintain toilet provision in 2014-2015 and beyond if the Cornwall Council grant continues at its present level and with the salary revisions incorporated, the position as shown in the summary is for an increase in precept of £4514 to £235,461, £2.50 more for a Band D property representing a rise of 2.74% over the current year. ** As above would require minor adjustment to hit cap limit)

Budget B (Includes issues raised by Councillors & External Funding Requests)

We then come on to a number of issues which require consideration and which are listed below:-

CCTV (Clerk to provide latest information at meeting as there is an ever changing situation)

With Cornwall Council withdrawing support the current HTC budget of £4000 would have to increase to £12,000 for a modified system operated by a reduced number of partners. The increase in budget of £8,000 would bring the precept to £243,461 an increase of £5.69 representing a rise of 6.23%.

Members are aware that there are two bids from outside organisations for continuing revenue support, namely

Hayle Day Care Centre (presentation to Resource Committee 28 November)

The grant provided by Cornwall Council has decreased and is likely to cease over the next 2 years. The request is for any amount the Council feels able to provide with a figure of at least £10,000 ultimately required to replace the CC support.

This figure would bring the precept to £253,461, an increase of £9.68 representing a rise of 10.59%.

Tourist Information Centre (presentation to Resource Committee 28 November)

Funding for 1 member of staff for 2 weeks at Easter and from the beginning of May to the end of September at 28.5 hours per week originally required a grant of £5,500 but hours of opening reduced further so figure required drops to £5,000.

The precept would then move to £258,461, an increase of £11.67 representing a rise of 12.77%.

A number of other matters were brought to the attention of the Resource Committee at its meeting on the 10th October as outlined in Minute R16.

Streetscape and Signage Budget

A new budget heading to support improvements of this nature with possible links to Town Team work.

Proposed amount £1,000

Precept moves to £259,461, a rise of £12.07, representing a 13.21% increase.

Millpond

£1,000 currently in the revenue account was originally set for a two year period but the proposal is to continue this amount into an earmarked fund year on year.

As the sum is already included in the revenue account there is no increase required.

No precept impact.

Beatrice Terrace Bus Stop

The sum of £500 suggested – it is recommended that the “Maintenance of Open Spaces” heading – Code 168 – be utilised from the current year allocation.

No precept impact.

Memorial for the late Councillor Dick Horwell

The proposed sum is £1,000 and again it is recommended that this is allocated from Code 168 as above.

No precept impact.

Town Guide

Although the majority of costs associated with producing the guide is met from the sale of advertising by Burrows, £500 is required to support the print process and for additional copies.

Proposed amount £500.

Precept increases to £259,961, a rise of £12.27, representing a 13.42% increase.

Council Website

The website requires updating/enhancement with a quote of £2,395 having been obtained for consideration.

There is sufficient in the Information Technology budget – Code 126 – to maintain a revamped site on an ongoing basis so members may wish to consider the ‘one-off’ sum being allocated to the current year’s Code 168 heading or to include it in the precept.

Proposed amount £2,395

Precept increases to £262,356, a rise of £13.23, representing a 14.47% increase.

Town Events

A proposal from Cllr Fox to consider ways in which the Council could be more actively involved in ‘community’ and cultural events.

In the absence of any firm proposals or figures it is suggested that the Hayle Heritage budget allocation of £800 be increased to £1,000 and if unexpended then transferred to a fund bearing that title.

Proposed amount £200.

Precept increases to £262,556, a rise of £13.31, representing a 14.56% increase.

Hawkins Site

No firm proposals – site yet to be signed over to the Town Council under the Section 106 Agreement. It is recommended that the situation is kept under review and, in the short term, the site is kept safe and left open or secured at the time of transfer.

No precept implications.

Neighbourhood Plan

Cornwall Plan delayed by twelve months, Hayle Town Council needs to prepare its plan simultaneously. Grant aid available – understood to be in the order of £7,000, so therefore requirement to provide funds to complete the Hayle Neighbourhood Plan with a total estimated cost of approximately £30,000.

It is therefore suggested that the precept be increased by £9,000, so that over the forthcoming financial year and the year following together with the grant aid of £7000 and £5,000 from reserves the requisite figure is achieved.

Precept increases to £271,556, a rise of £16.89, representing an 18.48% increase.

Sports Centre located at Hayle Community School

Request for financial support for further development of the proposals.

Suggested sum £3000

If approved precept increases to £274,556, a rise of £18.09, representing a 19.79% increase.

This concludes Budget B. However If the announcement on the 14th February is to extend the cap to include Local Councils at 2% then the above budget would need to be subject to a referendum with an estimated cost of at least £10,000.

The referendum costs would have to be met from Reserves with a real question mark as to whether residents would vote for a precept increase.

Thus, Budget A would provide the 'back stop' position for the Council subject to the following.

In this budget there is an allocation of £12,500 to maintain the Frank Johns Centre, but in a 'capped' situation there would be no real prospect of purchasing the building which could be handed back to Cornwall Council releasing £12,500 to be reallocated.

Also in Budget A, the CCTV allocation stands at £4000 and if members resolve that CCTV should be maintained, £8,000 from the FJC budget would need to be reallocated, leaving a residue of £4,500 to address the issues below:

Day Care Centre	£10,000
TIC	£5,000
Streetscape & Signage	£1,000
Town Guide	£500
Council Website	£2,395
Town Events	£200
Sports Hall	£3,000

Budget C (To accommodate further Devolved Functions and loss of Grants)

Funding under 'threat'	Local Council Tax support Grant	£35,000
	Toilet Grant	£20,000
	Devolution of Weed Control	<u>£10,000</u> **
		£65,000

** Recent notification that this service is being discontinued by Cornwall Council and Towns and parishes being requested to provide the service but with no financial support.

An increase of £65,000 would bring the precept to **£339,556** a rise of £44.01 representing a 48.15% increase.

I hope the foregoing will provide members with sufficient information to determine the budget.

David Gallie – Finance Officer