

Author: Cllr Simon Barker Chair of Finance and Strategy Committee
Committee: Full Council: 30th January 2024
Agenda Item: 86 Finance
Date: 26.1.2024

1 **Purpose.** To consider the recommendation of the Finance and Strategy Committee and resolve to approve the budget and precept for 2024/5.

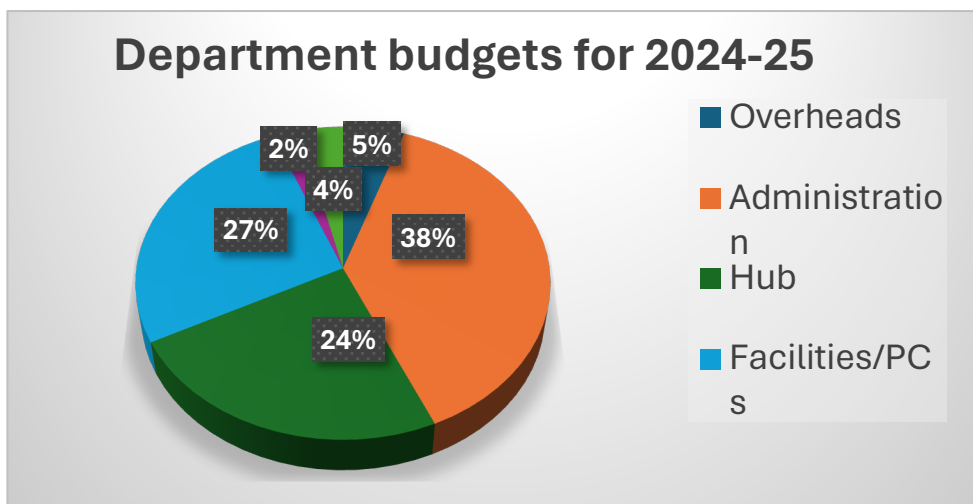
2 **Recommendation**

2.1 To approve the recommendations at 6.

3 **Budget**

3.1 Councillors have been provided with a copy of the budget 86.1, Forecast 86.2 and the Council Tax calculator.

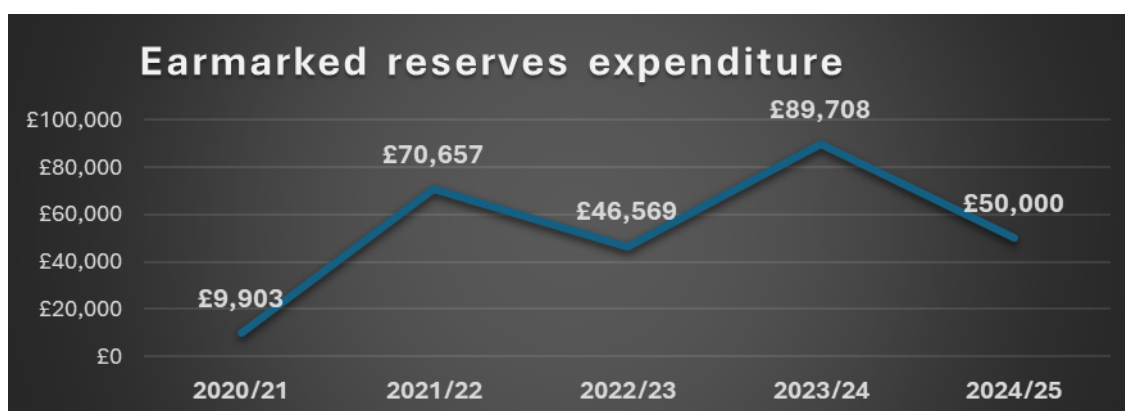
3.2 The diagram below provides a visual summary of expenditure in 2024/5. The headings used in the pie chart relate to the budget headings provided at 86.1.



3.3 The greatest expense and asset of the Council is staffing. Provision has been made in the budget to increase pension contributions from the current 3% to 10%. An additional 7% has been included in staffing costs to cover any increases in salary that result from job evaluation and pay rises for 2024/25 which are likely to be in the region of 5%.

4 Reserves

- 4.1 Since 2020 the Council has been using its reserves to support expenditure. The table below shows how earmarked reserves have been used to support specific activities.



- 4.2 At the end of March the Council's reserves stood at £599,400. While this figure is significant much of what is held in reserve is ring fenced, has been allocated to deliver projects or is held as provision to meet exceptional circumstances.
- 4.3 In 2024/5 a precept increase of 4% will still mean that £19,669 of reserves will be required to balance the budget. As presented in the budget a lower precept will mean more reserves need to be used. In the long-term continuing to use reserves to balance the budget is not sustainable.

5 Precept

- 5.1 The table below summarises the increases in Council tax by Town Councils in Cornwall. Councils who have not increased their precept are reporting that it takes 2 years to recover from a 0% increase.

Review of precept increases in other Councils	Precept 22/23	Band D	Precept 23/24	Band D	24/25
Carn Brea	£210,250	£82.41	£200,000	£84.79	13.1%
Hayle	£682,992	£221.47	£756,339	£240.24	24%
Truro	£2,019,651	£275.40	£2,382,665	£320.38	24%
Camelford	£286,255	£264.38	£316,759	£287.95	8%
Cambourne	£1,342,147	£213.49	£1,349,956	£210.41	12%
Penzance	£1,754,515	£246.31	£2,150,252	£299.86	7%
Falmouth	£2,863,662	£382.08	£3,276,354	£423.06	1.9%
Torpoint	£379,981	£161.02	£417,739	£176.49	10%
Bude	£976,041	£248.28	£992,356	£248.28	20.5%
Newquay	£1,909,000	£225.78	£2,038,810	£237.07	33%

- 5.2 In comparison with other town councils a precept increase of 4% is modest.

6.0 Recommendation

- 6.1 To approve a precept increase of 4%.
- 6.2 To approve the precept requirement of £481.675 for 2024/5
- 6.2 To approve the budget of £565,344 for 2024/5.