

Report No.1

Report to Town Council 15th December 2015

Town Council Budget 2016/2017

1. Purpose of the report

- 1.1 This report was considered by the Policy and Resources Committee on 1st December 2015 and is re-presented in amended form to assist the Council in determining the precept and council tax for Malmesbury Town Council for the year 2016/2017

2. Background

- 2.1 Each year the Town Council is required to identify the level of expenditure anticipated to be incurred during the forthcoming financial year.
- 2.2 The level of expenditure is divided by the number of Band D equivalent properties provided by the Wiltshire Council to give a level of Council Tax for a Band D property.
- 2.3 In recent years the effect of the localisation of council tax support impacted upon the budget of the Town Council although Wiltshire Council reduced the impact by passing on grant support provided by the Department of Communities and Local Government.
- 2.4 The grant has been reduced each year and the indications earlier in the year were that the grant would no longer be forwarded to town and parish councils.
- 2.5 Last year the Wiltshire Council forwarded a grant of £16,072.78 and this year the grant for 2016 has been reduced by 82% to £2,893.10.
- 2.6 The level of Band D equivalents has been increased to 1961.86 from the previous base of 1896.44

3. Proposal

- 3.1 A draft budget for the next financial year has been compiled taking into consideration the proposals put forward by the committees and known inflationary increases.
- 3.2 Unless there is a substantial increase in the council tax levied by the Town Council any project expenditure would need to be financed from remaining reserves.

3.3 The Town Council's investment policy states:

"The Town Council will maintain reserves for the following reasons:

A sum approximately equal to at least 50% of the net revenue expenditure will be maintained as the General (non-earmarked) Reserve in accordance with good practice and intended for unforeseen emergencies.

Specific project reserves will be built up to meet needs identified in any medium term financial strategy and asset depreciation funds will be accumulated to meet replacement or refurbishment costs."

- 3.4 The second part of this report identifies the requests made by the other committees, the current level of expenditure, last year's expenditure and the suggested level for the next financial year.

- 3.5 The figures do not accurately reflect the rising costs of maintaining the Town Hall. It has been eight years since the refurbishment and areas of the hall require redecorating and repairs.
- 3.6 The reserves have been used to fund the repairs to the external stonework and once the current work has been completed there still remains the repairs to the rear wall and the wall between the main building and the old toilets.
- 3.7 The copings to the wall have been repaired but it may be considered more appropriate to wait until the future of the old toilet block is determined before taking down and rebuilding the wall.
- 3.8 It has been estimated that the repairs to the rear elevation will be in the region of £16,000 and the Policy and Resources Committee formed the view that this should be added to the level of expenditure to be incurred during 2016/2017 taking the total expenditure to £451,083. The expenditure to be financed by an anticipated income of £79,126 leaving a balance of £371,957 to be funded from council tax
- 3.9 The current level of Council Tax charged by Malmesbury Town Council is £177.49 for a Band D property. If the level of expenditure contained within the report is accepted it will result in a rise to £189.59 for a Band D, or an increase of 6.8%.

4. Financial implications and risks

- 4.1 This report provides background to assist on making a financial decision.

5. Recommendations

- 5.1 The RECOMMENDATION from the Policy and Resources Committee is that the precept for 2016/2017 be agreed as £371,957 and the Council Tax to be levied by the Malmesbury Town Council for the year 2016/2017 at £189.59 for a Band D property.

Jeff Penfold
Town Clerk
1st December 2015