

Report No.3

Report to Town Council 20th December 2016

Proposed Town Council Budget 2017/2018

1. Purpose of the report

- 1.1 To advise the Town Council of the latest information received from Wiltshire Council and requests from service committees to assist in determining the precept and council tax for Malmesbury Town Council for the year 2017/2018.

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 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 was reduced each year and next year there will be no grant forthcoming.
- 2.5 The level of Band D equivalents for 2017/2018 has been reduced from 1961.86 to 1958.85.
- 2.6 The reasons for the reduction in Band D equivalents could be due to more properties claiming for discounts, most commonly an increase in the number of properties claiming single occupancy discount. Other factors include homes being demolished, becoming empty, becoming second homes or a change in the collection rate.

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 In addition to the known price rises for services and goods received the draft budget includes for a 1% pay rise in line with the statement made by the Chancellor on public sector pay and an increase in payments to the superannuation fund following revaluation.
- 3.3 The Town Council has enjoyed free of charge banking for decades but this will change in January 2017 when fees will be levied for the first time and alternative arrangements may need to be made for the storage of the mace and chain.
- 3.4 The sum of £12,750 has been included to assist with projects to be undertaken or commenced next year to include a refurbishment of the bar, replacement windows in the Hobbes parlour, redecoration of areas of the Town Hall and the replacement of notice boards.
- 3.4 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.”

- 3.5 However, at the meeting of Policy and Resources on the 6th December the committee resolved to recommend to the Town Council that all earmarked reserves, with the exception of that set aside to be spent in Cloister Gardens, be assimilated into the General Reserves.
- 3.6 In the event that the Town Council supports the recommendation of the Policy and Resources Committee the investment policy will need to be amended and replaced.
- 3.7 The current level of Council Tax charged by Malmesbury Town Council is £189.59 for a Band D property, a rise of 6.8% over the previous year.
- 3.8 If the level of expenditure contained within the report is accepted it will result in a rise to £194.59 for a Band D, or approximately 2.6%.
- 3.9 Wiltshire Council require the agreed level of the Town Council's precept to be notified to them by 20th January 2017.

4. Financial implications and risks

- 4.1 This report provides background to assist on making a financial decision.
- 4.2 The Secretary of State is expected to announce in February if there will be proposals introduced to cap levels and introduce referendums for Town councils where the level of Council Tax rise is over the level of 2% or £5 and if this will be effective for 2017/2018.

5. Recommendations

- 5.1 Members are recommended to consider the content of the report when determining the level of expenditure for the next financial year recommended by the Policy and Resources Committee and agree the level of council tax for the year 2017/2018.

Jeff Penfold
Town Clerk
13th December 2016