

Report No. 2

Report to Policy and Resources Committee 13th October 2015

Budget Pressures for 2016/2017

1. Purpose of the report

- 1.1 To invite the committee to consider the known budget pressures for the next financial year to assist in the preparation of a draft budget.

2. Background

- 2.1 In December the Town Council will need to agree the budget for the next financial year in order that the relevant information may be submitted to Wiltshire Council.
- 2.2 Over the next cycle the committees of the Town Council should be giving consideration to any spending plans for the next year that may impact upon the level of tax to be charged by the council.
- 2.3 Whilst it may be anticipated that there will be an increase in the number of notional Band D properties the information has yet to be received from Wiltshire Council.
- 2.4 The number of Band D properties is relevant in that the total level of net expenditure to be raised through tax is then divided by this number to give the relevant tax level.

3. Known Pressures

- 3.1 The current year's budget included a reduced grant figure provided through Wiltshire Council at a level of £16,072.78.
- 3.2 Last year the Leader of Wiltshire Council indicated that the pressures upon that organisation were such that any grant received from government in 2016/17 would not be passed to the Town Council and therefore the base budget will not include for receipt of any grant.
- 3.3 The pay award for the current year has been agreed and incorporated into the budget and the Chancellor has stated that the pay award for the next four years will be pegged at 1%. The figure shown in the budget includes not only direct salary payments but also the employer's national insurance and pension contributions. The staging date for workplace pensions for the Town Council is August 2016 but it is not anticipated to cause major difficulties as the majority of employees are already included in the existing pension scheme.
- 3.4 The Town Council entered into an agreement with the Town Team and Wiltshire Council to subsidise a trial scheme for limited free parking in Station Yard Car Park. The maximum cost to be borne by the Town Council at the end of the trial period has been pegged at £4,500 and whilst this could be taken from reserves members will need to consider if it should be included in the base budget.
- 3.5 The expenditure agreed last year was as follows:

Total expenditure	£429,711
Income	£76,636
Grant	£16,072.78
Balances	£403.07
Tax	£336,599.15

The above resulted in a council tax of £177.49 for a Band D property, a rise of 3% over that for the previous year.

3.6 The budget for the current year included £25,000 for new projects in addition to those considered in previous years.

4. Financial implications and risks

4.1 There are no additional financial implications to this report but the committee are advised that once reserves have been depleted it is not possible to deliberately tax so as to rebuild balances unless these are earmarked for a particular identified project.

4.2 Guidance has yet to be received about the level of increase deemed appropriate for the larger councils.

5. Recommendations

5.1 Members are recommended to consider the proposal presented by the Town Clerk and make an appropriate recommendation to the Town Council

Jeff Penfold
Town Clerk
27th May 2015.