

## **LISKEARD TOWN COUNCIL**

**AT A MEETING** of the **FINANCE AND STRATEGY COMMITTEE** held in the Council Chamber at 7.30 pm on Tuesday 25 November 2014 there were present:

The Mayor Councillor Phil Seeva - in the Chair

Councillors: Rachel Brooks, Ian Goldsworthy, Lorna Shrubsole, James Shrubsole, and Hella Tovar

Town Clerk; Steve Vinson

Minute Clerk; Mr Stuart Houghton

Members of the Public - None

### **462/14 PUBLIC SPEAKER**

No members of the public were present.

### **463/14 APOLOGIES**

Apologies were received from The Deputy Mayor, Councillor Jane Pascoe and Councillor Adam Hodgkins,

### **464/14 DECLARATIONS OF INTEREST**

Councillor Brooks declared a non registrable interest in the Brilliant Fish Grant Application

### **465/14 MINUTES OF THE FINANCE & STRATEGY COMMITTEE MEETING 28 OCTOBER 2014**

The Mayor proposed, Councillor Brooks seconded and the Committee **APPROVED** the Minutes of the Finance and Strategy Committee meeting held on the 28 October 2014. The Mayor signed these Minutes.

### **466/14 TOWN CLERK'S REPORT - FOR INFORMATION**

The Town Clerk's report gave an update on the need to renew the current insurance for the Council. The current insurance was due for renewal as we were in the third year of a three year deal, he had given two options on his report and recommended option 2. The options discussed, comment was made that the policy included for loss of income for eighteen months, but had been extended to two years, if the Guildhall needed to be rebuilt. It was thought that this period was too short to rebuild a listed building and the Town Clerk was asked to investigate the cost of extending this period to three years.

The Mayor proposed, Councillor L. Shrubsole seconded and the Committee

**RESOLVED** to take up option two, provided that the loss of income for a rebuild period of three years was included.

**467/14 BUDGET REPORT TO 31 OCTOBER 2014 and PROJECTED 2015/2016 BUDGET**

The budget report for October was not available; it had been delayed by the receipt of additional information from Cornwall Council concerning the recent national pay award. Unfortunately costing information for items that the Council would consider to take over had not been provided, Cornwall Council had asked for a meeting to agree the details of what we proposed..

The Town Clerk circulated the proposed budget for the 2015/2016 Precept with a sheet showing the 2014/2015 budget for comparison.

The Town Clerk reiterated that the 15% reduction in the Council Support Grant had actually been 21.6% so the following years reductions of 10% might be more.

He had prepared two draft precepts; the first was based on existing items with inflation and known increases, including those beyond our control, added which amounted to a 7.7% increase. The second included for preparatory work to take over services that the Council wanted to devolve from Cornwall Council, this amounted to a 14.5% increase in the Precept. The discussions included;

- The 7.7% increase equated to 69p per month increase on a Band D rate
- The 14.5% increase equated to a £1.30 per month increase
- It was obvious that the Council would not be able to take over any services this year but the preparatory work should continue
- The Council should make full assessment of items to be devolved, the problems encountered when taking over the toilets should be a lesson
- Lighting in the Public buildings had been changed to low energy, this principle should continue
- The installation of Solar Panels on the Public Hall should be included. The estimated cost was £30k, which had a payback period of 5 years. This was also a “green” project.
- The need for a community energy scheme was a popular comment in the Neighbourhood Plan consultations
- The public would understand the reason for installing the solar panels
- The Council should consider paying its employees the living wage, not the minimum wage. The town Clerk was asked to compare the two rates

The Town Clerk said that he had agreed with Cornwall Council that, as we had not received all information we had requested, we could finalise our Precept at our Council meeting on Tuesday 20 January 2015.

The Mayor proposed, Councillor J. Shrubsole seconded and the Committee **RESOLVED** that the draft budgets be returned to the Committees for finalisation as option 1, a standstill precept, and option 2 with the inclusion of items for the preparation of accepting devolved services from Cornwall Council and the installation of the solar panels on the Public Hall.

#### **468/14 ANY OTHER RELEVANT BUSINESS**

##### 1. Cornwall Air Ambulance

A letter had been received from the Cornwall Air ambulance requesting a financial donation and offering to give a presentation on the work of the ambulance.

Following discussion members felt it inappropriate to donate to an organisation that was not Liskeard orientated and suggested that the letter be past onto the Town Forum.

##### 2. Application for a grant from CHICKS

Members discussed the work of CHICKS in the Town and **RESOLVED** that a grant of £250 be made.

##### 3. Brilliant Fish Education Project

Councillor Brooks had declared an interest in this organisation and explained the purpose of it. It had recently been formed to make primary school children aware of the health benefits of eating fish and the importance of the fishing industry on the local community. It is intended to make visits to the Looe fish market and to have cookery demonstrations; the children would have work books to complete. An application for a grant to the Fishing Local action Group had been made. But match funding needed to be raised.

Councillor Brooks left the Chamber at 8.52 pm.

Members debated the merits of the scheme; Councillor Goldsworthy proposed, councillor Tovar seconded and the Committee **RESOLVED** to award a grant of £200 to the Brilliant Fish Education Project provided that the Liskeard schools participated in the scheme.

Councillor Brooks was invited to return to the Chamber at 8.54 pm.

#### **469/14 DATE OF NEXT MEETING**

The next Finance and Strategy Committee meeting would be at 6.45 pm on 13 January 2014.

## **7. Council Budget Setting Options and Precept 2015/2016**

At the time of writing Council had yet to discuss the issue of budget setting options in respect of the 2015/2016 precept. It is likely that some elements of the report may already considered and adopted by Council. Nevertheless to help Finance and Strategy to consider how to approach the budget and precept setting for 2015/2016 the following is suggested for the purposes of discussion.

**Option1 – Prudent** To set a budget based upon the current budget with additions for all relevant factors that will impact next financial year including in particular this time increases in costs and reductions in income. This is the easiest and least risk option to prepare.

**Option 2 – Prudent Plus Planning Reserve** To add to the Prudent budget a reserve to investigate costs of potential schemes. These schemes could be both our own project and capital works for example Public Hall Projects and surveys of Cornwall Council assets that might come across to the Town Council in the next year or two. This option reflects aspirations already discussed and partially worked up and considered by the Council.

**Option 3 – Prudent Plus Major Package** To set our own budgets for Town Council work but to consider making a significant package of properties to include an asset such as a car park along with other revenue negative Cornwall Council assets as might emerge from Cornwall Council budget setting and Devolution discussions. Assessment and delivery of this option will take more time than the current budget setting process will immediately allow unless Council were to adopt a form of three year development plan for projects and budgets.

**Referendum** Unlike Principal Councils Town and Parish Councils are not required to hold a referendum for an increase in their element of the Council Tax of 2% or above. There is no legislation in place to introduce such a measure.

**Notes** Further information regarding the Parish and Town Council precept for 2015/2016 has been received from Cornwall Council this includes:

Total Band D Council Tax 2014/2015 Liskeard	£1,542.70
Liskeard Town Council element of the Band D 2014/2015	£107.62
Liskeard Town Council proportion of a 2014/2015 Band D.	6.98%

Hence, from that Cornwall Council supplied information the impacts of potential indicative increases of the Town Council precept would have the following impacts on a Band D Property at 2014/2015 figures:

5% increase in the Town Council precept impact on a Band D property.	£5.38 per annum increase – 10p a week increase	£113 New Annual Town Council element of Council Tax
10% increase in the Town Council precept impact on a Band D property.	£10.76 per annum increase – 20p a week increase	£118.38 New Annual Town Council element of Council Tax
20% increase in the Town Council precept impact on a Band D property.	£21.52 per annum increase – 41p a week increase	£129.14 New Annual Town Council element of Council Tax
30% increase in the Town Council precept impact on a Band D property.	£32.28 per annum increase – 62p a week increase	£139.90 New Annual Town Council element of Council Tax.

### **Other Towns Proportion of the Council Tax 2014/2015**

From the information supplied by Cornwall Council the comparison of the proportion of Council Tax derived from the Town Council from the over Council Tax bill varies significantly and Liskeard Town Council is on the lower side of the scale for comparison.

Town	Proportion of Council Tax
Bodmin	14.02%
Bude	12.04%
Truro	11.04%
.5.	247/14

Callington	10.7%
Falmouth	10.07%
Looe	9.36%
Launceston	8.69%
Liskeard	6.89%
Torpoint	5.18%

**Financial Background** There are several background facts to bear in mind when considering the budget for the committee in 2015/2016 and the impact that will have on the precept setting exercise.

Council Support Grant The initial indication from Cornwall Council was that the Council support grant element received by Parish and Town Council would be reduced by 15% in 2015/2016. There will be a further 10% cut in the 2016/2017 budget and a further 10% cut in 2017/2018. The implications of this for us appeared to be:

2014/2015 – Council Support Grant - £54,971

2015/2016 – Council Support Grant - £46,725

2016/2017 – Council Support Grant – £42,052

2017/2018 – Council Support Grant - £37,847

The impact in reduced income from this source is significant over the three years of the projected budget period.

However, the actual cut in the 2015/2016 grant has been 21.6% with the grant now £43,064.

Toilets Grant Cornwall Council have indicated that one of the budget options that they are likely to adopt is to discontinue paying Town and Parish Councils for maintaining Cornwall Council toilets. This means for the Town Council the loss of £9,000.

Superannuation The Government is keen to ensure that people are making adequate pension provision. This has an impact on the Town Council as an employer as we are being required to increase the rate of employer contribution by a half a percent each year. In the next few years the notified rates will go from 17.7% to 18.2% to 18.7% to 19.2%

Furthermore, with the Government encouraging employees to take part in superannuation schemes we have to accept additional staff into the superannuation scheme. This has seen the number of staff allocated under the Property Committee participating in the superannuation scheme increase from 2 to 4.

Conclusion Our non-precept income from Cornwall Council will decline next year and significantly over three years. The Government's superannuation requirements will increase the cost of having staff and cause potential problems if we take over services and property from Cornwall Council which has implications regarding transfer of staff and/or increasing the number of staff employed by the Council. Councillors are asked to bear this in mind when considering budget and precept 2015/2016 options.

#### **4. Clerks Report – 25<sup>th</sup> November 2014**

The National Joint Council (NJC) pay negotiations for 2014/2015 have concluded. These will be reported to Staffing Committee.

#### **5. Part II - Insurance Cover – Brokers Recommendation**

The Council current employs an Insurance and Risk broker to advise us on insurance and risk cover. This company is W.P.S. Insurance Brokers and Risk Services Ltd. Based upon the advice from our brokers the Council currently has a three year arrangement with Aviva. This 1<sup>st</sup> November we entered the third year of that agreement.

The broker suggested two options:

Option 1. – to continue with the final third year of the current arrangement with Aviva. This is due to expire November 2015. This November 2014 to November 2015 premium is £10, 405.33.

Option 2 – is to extend the current arrangement with Aviva by a further two years. This would then expire in November 2017. This year's November 2014 to November 2015 premium would be £10,026.04

The relevant sections of the “Summary of Current Sums Insured”, “Renewal Notice” and “Schedule” have been checked by the Town Clerk, Facilities Manager, Curator and Chairman of the Property Committee and explanations and adjustments made so that the revised paperwork supplied by the broker now seem to represent an up to date and best value quote.

The paperwork associated with this is 55 pages long and rather than append to this agenda it is available for Councillor inspection from the Town Clerk

**Recommendation:** That Option 2 is accepted.