

Responsible Financial Officer Reports (10 – 13)**10. RFO Report** - (for information)

Bank balances - as at 28 November 2022 are as follows:

HSBC	88,865.63
Lloyds Debit card	1,749.37
Cornwall Council deposit	600,528.77
TOTAL	<u>£691,143.77</u>

Cattle Market Makers Financial Update

ERDF – A new claim covering the period 1 April – 30 June 2022 has been submitted. Expenditure totalled £8,653.84 with an eligible grant to be paid of £6,230.76, the balance being covered by the CC match funding already received. As this is simple claim almost entirely for salaries, it is expected that this will be quickly processed and paid so the next claim for the period 1 July – 30 September 2022 can be submitted. See claim details below.

Description of Eligible Expenditure	Total Approved Costs	Maximum Grant	Spend to 31/03/22	Expenditure this claim period	Total Spend	Balance Available	Grant Calculation
	Intervention Rate 72%						
IT Equipment	1,070.00	770.40	0.00	0.00	0.00	1,070.00	
Office Fixtures & Fittings	832.97	599.74	0.00	0.00	0.00	832.97	0
Accounts Clerk	1,442.28	1,038.44	247.60	180.05	427.65	1,014.63	129.63
Project Manager	36,048.04	25,954.59	8,845.72	5,191.53	14,037.25	22,010.79	3,737.90
Project Administrator	15,326.69	11,035.22	3,275.89	2,142.65	5,418.54	9,908.15	1542.71
15% Overheads (calculated on salaries)	7,922.55	5,704.24	1,855.38	1,127.13	2,982.51	4,940.04	811.53
Recruitment costs	300.00	216.00	300.00	0.00	300.00	0.00	0
Leaflets & advertising	2,000.00	1,440.00	108.27	0.00	108.27	1,891.73	0
Website hosting & support	10,500.00	7,560.00	10,500.00	0.00	10,500.00	0.00	0
Events & Business workshops for New start up &/or established businesses	5,000.00	3,600.00	0.00	0.00	0.00	5,000.00	0
Business Support for Potential Entrepreneurs	2,000.00	1,440.00	0.00	12.48	12.48	1,987.52	8.99
Evaluation	6,000.00	4,320.00	0.00	0.00	0.00	6,000.00	0
Totals	88,442.53	63,678.63	25,132.86	8,653.84	33,786.70	54,655.83	6,230.76

11. Schedule of Payments - To receive and approve the schedule of payments.

Attachment: 11. Schedule of Payments

Recommendation: to approve the schedule of payments

12. Budget Monitoring 2022/23 - To receive and accept a budget report to 31 October 2022 for monitoring purposes.

Attachment: 12. Budget Monitoring to 31 October 2022

On target spend should now be at 58.33%

The following points should be noted on the Administration (101) budget (other budgets monitored within the relevant committees):

- Salaries (4000) agreed increases are greater than the 2.75% budgeted (4.86 – 10.4% dependent upon the spinal column point), this will have a knock-on effect on employer NI and pension costs. The increase was processed in November pay and will be fully reflected in the next budget report.
- PAYE & NI (4010) and Pension (4020) lines include only six month's expenditure – 50% as this is paid a month behind until year end. Pensions also includes payment of the annual lump sum contribution of £6,100.
- Staff Expenses (4100) will overspend this year due to the cost of occupational health assessment for current and previous staff.
- Bank Charges (4130) have increased with HSBC and will increase further with the introduction of the new payment system.
- Insurance (4200) will overspend significantly due to increased premiums at approx. £21,500.
- Office Supplies (4250) paper costs have increased significantly, and photocopy/print volumes are increasing – this budget line is likely to overspend.
- Covid Emergency Expenses (4430) no further expenditure is anticipated on this line.

Recommendation: to note and approve the budget monitoring report

13. Draft Budget and Precept Setting 2022/2023 – To note the work by the Mayor and Chairs of Committees to review the draft budgets closely to produce two options for a). 0% standstill and b). 5% increase in the budget and precept to present to the 24th January 2023 Council for consideration.

The Council has a legal duty to set a responsible budget from which the precept is set. It gives the Clerk and officers overall authority to make spending commitments in line with the decisions of the council (subject to Financial regulations) and enables progress monitoring during the year. The current economic climate is particularly challenging, with increased demand and cost of services.

At the informal budget meeting on Tuesday 13 December which all Councillors were invited to, each committee budget was scrutinised for possible savings or omissions. As a result, two budget options will be proposed – either at 0% standstill budget or an approx. 5% increase which is recommended from the

budget meeting group. Details of the individual committee budgets are to be confirmed at their January meetings before final agreement by Council on 24 January 2023.

0% standstill budget – Precept £490,254 (additional £25,000 use of reserves)

Benefits

- No increase to householders in these difficult financial times

Challenges

- Reduction in precept in real terms (following no inflationary increase for the last 3 years) – facilitated by a significant increase of 28% in 2015/16
- A substantial increase will be needed next year to maintain services
- Dependent on the use of reserves to deliver projects which is unsustainable
- There will be more demand on Council resources in future years due to ongoing devolution (both large assets devolved by agreement to the Town Council e.g. Castle Park, and the possible maintenance of services no longer provided by Cornwall Council, e.g. dog bins, salt bins, etc.).
- Use of reserves reduces the Council's ability to fund existing projects and later phases and consider future projects and new ideas.
- Referenda principles may be extended to town and parish councils in the future reducing the ability to raise large increases.

Approx 5% increase – Precept £514,767 (some use of earmarked reserves)

Benefits

- Increase approx. half the current rate of inflation
- Reduces pressure on future budgets for a large increase (but does not remove it)
- Liskeard precept per household will remain one of the lowest town councils in Cornwall
- Less than 60p per month increase at band D (see full band breakdown below)

Challenges

- Still reliant on the use of reserves
- Still a real terms reduction putting pressure on future budgets

Breakdown of 5% increase at band level

Band	2022/23 Precept	2023/24 Precept	Annual increase	Monthly equivalent
A	94.05	98.76	4.71	0.39
B	109.73	115.22	5.49	0.46
C	125.40	131.67	6.27	0.52
D	141.08	158.13	7.05	0.59
E	172.43	181.05	8.62	0.72
F	203.78	213.97	10.19	0.85
G	235.13	246.89	11.76	0.98
H	282.16	296.27	14.11	1.18

RFO Recommendation: To set a budget resulting in a precept increase of approx. 5% for 2023/24 to provide better protection of the Council's long term financial position

Large Town Precepts 2022/23 – for information

Town	% increase	Amount of increase £	Band D rate £	Total Council Tax £	Total Precept £	% of Council Tax
Redruth	16.95	33.77	233.00	2,196.67	1,027,921	10.61
Penzance	16.36	34.62	246.31	2,209.98	1,754,515	11.15
Bodmin	15.18	41.64	316.02	2,279.69	1,530,689	13.86
St Ives	14.95	22.07	169.74	2,133.41	864,914	7.96
St Austell Town	9.95	12.83	141.81	2,105.48	905,520	6.74
St Agnes	7.10	8.50	128.32	2,091.99	415,750	6.13
Launceston	6.62	17.02	274.04	2,237.71	856,041	12.25
Penryn	6.42	8.22	136.20	2,099.87	308,392	6.49
Helston	5.33	8.35	165.04	2,128.71	603,400	7.75
Wadebridge	4.89	10.82	231.93	2,195.60	568,975	10.56
Saltash	4.28	9.39	228.78	2,192.45	1,255,690	10.43
Lostwithiel	4.14	8.37	210.45	2,174.12	238,708	9.68
Camelford	3.93	10.00	264.38	2,228.05	286,255	11.87
Bude-Stratton	3.00	7.23	248.28	2,211.95	976,041	11.22
Truro	2.93	7.84	275.40	2,239.07	2,019,651	12.30
Hayle	2.09	4.54	221.47	2,185.14	682,992	10.14
Callington	1.96	4.61	240.18	2,203.85	479,760	10.90
Falmouth	1.83	6.80	377.97	2,341.64	2,863,663	16.14
Camborne	1.81	3.80	213.49	2,177.16	1,342,147	9.81
Newquay	1.56	3.46	225.78	2,189.45	1,909,000	10.31
Liskeard	0.00	0.00	141.08	2,104.75	472,485	6.70
Looe	0.00	0.00	197.71	2,161.38	441,390	9.15