



PENRYN TOWN COUNCIL

PLANNING COMMITTEE

21 JANUARY 2013

Budget 2013-14

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1. Background

At its meeting of 5 November 2012, the Town Council agreed its budget and required precept amount for 2013-14. The budget was approved subject to confirmation from Government that a referendum would not be required for an increase of over 2%. That confirmation has now been received, but in addition, the Government has also announced changes to the way that people are given a reduction on their council tax by removing council tax benefit and replacing it with a localised discount scheme. This new arrangement changes the way that the Town Council's precept requirement is funded and consequently, it is necessary for the Council to revisit its precept amount.

2. Discussion

Cornwall Council was due to consider two options at a meeting on 15 January. Option 1, would mean keeping the entitlement to a reduction in council tax as it is now and Option 2, the recommended option, was to reduce the entitlement for working age applicants to 75% of the current levels. This would mean that a working age applicant who was previously entitled to full council tax benefit would now be required to pay 25% of the full amount. The reason for this recommendation was that the funding being offered by central government to cover the cost of the discount scheme amounted to a 12% reduction on the amount that was previously paid out in benefits and this option would generate the funds to make up the shortfall.

The Town Council set its precept at £197,000, but the Government has now announced that it is providing local authorities with council tax support grant funding to cover the costs of the discount scheme and they expect local authorities to pass on a proportion of this funding to Parish and Town Councils. Without this, the effect of the discounts would considerably decrease the council tax base with a resulting increase in the amount of the Town Council's proportion of the council tax. The Government is also offering an additional transition grant to local authorities who keep their entitlement to a reduction in council tax the same. This grant money has been split between the Councils on a pro rata basis and Penryn's allocation is £31,851.98 with an additional £849.41 if Cornwall Council decides to keep the entitlement the same (Option 1).

As Cornwall Council has not made its decision as yet, the Town Council can only be sure of receiving the grant of £31,851.98. This would reduce the precept requirement to £165,000 with a resulting cost to Band D tax payers of £91.04, an increase of £7.04 on the previous year.

However, as the Town Council has now received confirmation that the Harbours Board will contribute to the cost of maintaining the public conveniences on Exchequer Quay with a grant of £2773, the Town Council should also take the opportunity in the light of that new information to reduce the precept by that amount. This would give a new precept requirement of £162,000, or £89.39, an increase of £6.39 on the previous year.

3. Recommendation

That Cornwall Council be advised that Penryn Town Council's precept requirement for 2013–14 is £162,000 and that a grant of £31,851.98 from Cornwall Council, and a grant of £2773 from the Harbours Board be added to the Council budget's expected income.

4. Appendices

None.