








PENZANCE COUNCIL – 13 JANUARY 2025

REPORT FOR DECISION

**ARTS AND CULTURE PROJECTED 2024/25 OUTFURN AND PROPOSED
2025/26 BUDGET**

| Our Culture | Our Decision Making | Our Environment | Our Money | Our People | Our Places | Our Resilience & Wellbeing |
|--|---|---|---|--|---|---|
|  |  |  |  |  |  |  |
| ✓ | ✓ | | ✓ | | | ✓ |

Recommendation:

1. The projected out-turn for 2024/25, as set out at Appendix 1 to this report, be approved.
2. The Arts and Culture proposed budget for 2025/26, as set out at Appendix 1 to this report, be approved.
3. The level of existing earmarked reserves and their respective contributions in 2025/26, as set out at Appendix 2 to this report, be approved and adopted.

Background

This paper is to be read in conjunction with: -

- Appendix 1: Budget Summary and Spreadsheet
- Appendix 2: Earmarked Reserves

INCOME

Projected out-turn 2024-25

Penlee House Retail income is on track to meet budget, and the admissions income budget has been revised upwards to reflect expectations for the rest of this financial year, based on performance to date. Education income and image licensing have been better than anticipated. Friends of Penlee House funding has increased mainly due to the £9,800 grant funding for the Learning Centre feasibility project. The Orangery café has had a successful summer and the budgeted income for this has been revised upwards. Grant funding and sponsorship income has been higher than expected. The Building Appeal has been successful with several generous donations, which is projected to be £20,000.

As a result of this, income is projected to increase by £33,157 within the current financial year, in comparison to the agreed budget.

Proposed budget 2025-26

Admissions income and retail income are both projected to remain in line with income for 2024-25. This is due to a period of closure for the shop refurbishment that will be planned for January/February 2026 (following the opening of the Coach House café).

Education workshop income is budgeted to be in line with the current year.

Other points of note for the draft budget 2025-26 for income:

- Café franchise income is maintained at the projected income for this year, despite the transitional arrangements and impact of building works linked to the new Coach House provision, with the anticipated growth in sales to be realised in 2026-27.
- In line 400/2/5, Other Grant income is set at zero because we have no confirmed grant income for next year, however, we will apply for suitable funding opportunities as they arise and historically have always generated income in this line.
- The Buildings Appeal has been very successful in 2024-25, however, a reduction in donations is anticipated, due to the sources of major individual giving being exhausted, and a plan to commence the works in 2025-6. The fund will continue to be promoted, and donations requested.

EXPENDITURE

Projected out-turn 2024-25

The projected outturn for expenditure is anticipated to be lower than projected in the agreed budget for 2024-25, as a result the following has been able to include with no impact on the budgets original position.

- In the projected outturn for this year, we have included an additional contribution to the Coach House fund to replenish the £20,000 expenditure agreed at Council on 9 September 2024 for preliminary project works that could not be funded by the enterprise grant.

Proposed budget 2025-26

We have been mindful to make cost savings wherever possible in the budget looking ahead and have made the following considerations.

- **Salary costs.** The Employers National Insurance increase had a c£10,000 impact on the Penlee House budget. The Ministry of Housing Communities and Local Government have confirmed the position of local Councils in England in relation to the additional costs of employers National Insurance contributions from April 2025, which were announced in the Autumn Budget. ***“The policy set by the Chancellor is to compensate those who are direct public sector employees funded out of public money. Parish and Town Councils are not directly funded by central government and so do not fall into this category. We recognise that this will require Town and Parish Councils to make some difficult financial decisions and in particular that many may need to raise their precept”.*** A 5% increase for pay awards in 2025-6 has been allowed for across all Council employees, equating to a predicted increase of c£20,000 for the Penlee House department. For reference, this current year the pay award impact on the Penlee House salaries budget was a 4.5% increase upon the previous scales. An allowance has also been made for the additional staffing required for Sunday opening which was successful in summer 2024. Arts Council England funding covers c£50,000 of the salary costs shown in this line for specific funded posts.
- Due to inflation, where appropriate, external contracts have had 5% added as these costs are out of our control or where we have already been informed of price increases, we have been able to include the actual increased amount. The impact of National Insurance increases for employers will also influence cost of services and goods as it is likely that these increased overheads for companies will have to be passed on to customers.
- Energy costs for Penlee House have reduced slightly from the current year. Energy costs are predicted to drop for 25/26 compared to 24/25 figures due to

a lowering of unit costs and subsequent cheaper contracts. With gas predicted to cost £4,000 less than previous year due to a 55.6% decrease in unit charge (9ppkWh to 3.99ppkWh) and electricity to see a similar reduction of £8,000 year on year with a 27.99% reduction in unit costs (25.9ppkWh to 18.65ppkWh)

Although it was hoped that the Plant would be upgraded in January/February, a lack of responses to the tender, in addition to the worsening condition of the roof requiring prioritisation, the Plant work will be postponed. We are working with the engineers to determine whether smaller modules of work would be able to deliver energy savings. Taps in the toilets are to be replaced with taps that automatically shut off to save water and water saving toilets and PIR sensors are to be looked at in the future.

- Cleaning costs are set to increase. This is because the longstanding cleaning contractor decided to cease their arrangement with us in March 2024. This led to a one-year contract issued to a cleaning contractor. The new contract will now be tendered for three years, and it is likely that costs will increase but should give a stable cost over the term of the contract.
- Line 4100/2/9 - Capital Refurbishment – has £25,000 added to it to facilitate the refurbishment of the retail space to provide an enhanced customer retail experience, which will take place once the Coach House project has completed.
- Line 4100/4/1 – Merchandise for Resale – is slightly less than this year as bespoke product to be purchased in the latter part of the current financial year.
- Line 4100/5/1 – exhibition costs have been calculated based on the programme of exhibitions within the 2024/25 financial year taking into account the transportation and loan costs for each. We have included agreed funding from the Friends of £6,000 and Arts Council funding of £6,500 in 400/2 Grants and Funding to offset this expenditure against the bottom line.
- Line 4100/5/5 – Volunteer refreshments costs have increased due to increasing food costs. However, for the time investment made by these volunteers (over 10,000 hours per year), this represents very good value for money.
- Line 4100/7/5 – Coach House Capital Refurbishment. A one-off budget of £50,000 has been added to this line to pay for professional fees to manage the project (these are not eligible for payment from the Town Deal Grant or Match Funding).
- Line 4100/8/1 – Council Funded Educational Activities. An additional £10,000 has been added to this line to cover the costs of relocating Learning activities from the Coach House once the new café project breaks ground.

- Golowan Festival new SLA was agreed at Council on 11th November 2024, this is a three-year agreement with Golowan Festival CIC to deliver the festivals. The SLA has increased from the previous agreement as the price had not increased in the last two 3-year terms, despite inflation increasing dramatically in recent years. The new SLA also includes provision for the firework display at the beginning of Golowan which was previously funded by the Council in a separate budget line, the display will now be managed by the CIC and will be a condition of being a quieter display than traditionally. The Golowan Festival budget also includes an allowance for Youth provision over the Mazey Day weekend which has been done in the last couple of years.
- As per the report on future Christmas Lights delivery, subject to approval this will now be handed over to Penzance BID to deliver, with Penzance Council contributing to the light hire and Christmas Tree, this will mean the management and logistics of this project is now dealt with by the BID and will free up time within the Leisure and Amenities Team.
- Town Flags and Banners budget for commission and rigging for the 2025 season has been maintained and the tender process of this will begin subject to the budget being approved by Council.
- Line 4600 – A £5,000 provision has been added here (subject report item Item 6f) to pay for consultancy to kickstart the Cultural Strategy work.

Earmarked Reserves

- As noted last year, contributions to earmarked reserves have been limited over many previous years, leading to a lack of the funding required to progress major buildings maintenance projects, which are becoming increasingly urgent.
- A roof survey was undertaken in April and a more detailed roof survey and schedule of works has been commissioned. The cost of repairs to the roof was estimated at £100,950 including scaffolding. Using the Building Condition Survey from 2023 (costs have been updated in March 2024) there are some other projects that could make use of the scaffolding. If able to complete all of these works at the same time, the overall cost (including professional fees) would be in the region of £160,000 - £180,000. At the Council meeting held on 11 November 2024, it was agreed that up to £116,000 could be vired from the Plant Fund to the Building Fund to allow this work to take place as soon as possible. A further contribution of £31,000 is recommended to the Building Fund to address the outstanding issues identified in the Building Condition survey of 2023, which will include interior works and to continue contributing to the reserve for future unexpected replacements.

- As mentioned previously in this report, there were no responses to the tender for upgrading the Plant, therefore, money from the Plant Reserve has been vired to the Buildings Reserve to allow for the repair of the roof. A contribution of £80,000 is recommended to be made into the Plant Reserve this year, in order to build back up to the level required to undertake the upgrade works, once the exterior work has been completed the plant project will be re-considered.
- £5,000 has been allocated to the Catering Equipment Fund to cover for equipment purchase/repair that may be needed at the current Orangery in 2025/6.

Increases to Budget Analysed

Referring to the budget summary in appendix 1, expenditure in 2025/26 has increased by £96,499, earmarked reserve contributions have remained at the same level as 2024/25, of £116,000 and income for 2025/26 has increased by £16,363 from the original agreed budget of 2024/25, this therefore has a net impact of £80,136 increase for 2025/26.

The increases in revenue expenditure have been explained within the body of this report, but mainly come down to salary increases, capital one-off projects such as the Coach House and the Penlee House retail space and the new Golowan Festival SLA which the annual contribution had maintained the same for a number of years.

This report was considered by the Arts and Culture Committee at its meeting held on 25 November 2024, where it unanimously resolved to make the recommendations set out above. This report was subsequently reviewed by the Finance and General Purposes Committee at its meeting held on 16 December 2024.

Anna Renton
Director of Penlee House

Cameron Sil
Responsible Financial Officer

Arts and Culture Budget Comparison 24/25 and 25/26

| | 2024/25 BUDGET | 2024/25 FORECAST | 2025/26 DRAFT BUDGET | Difference | % Incr. |
|---------------------------------------|---------------------------|-----------------------------|-------------------------------------|-------------------|--------------------|
| Expenditure (excl. EMRs): | 844,458 | 816,458 | 940,957 | 96,499 | 11.4 |
| Income: | 371,681 | 404,838 | 388,044 | 16,363 | 4.4 |
| Earmarked Reserves: | | | | | |
| Budget Additions | 116,000 | 116,000 | 116,000 | 0 | 0.0 |
| Other Additions | | 20,000 | | | |
| Releases | | | | | |
| Total Expenditure: | 960,458 | 952,458 | 1,056,957 | 96,499 | 10 |
| Projected Precept Requirement: | 588,777 | | 668,913 | 80,136 | |

Arts & Culture Committee - Projected Out-turn 2024/25 and Draft Budget 2025/26

| 2023/24 Actuals to 30.09.23 £ | 2023/24 Actual £ | INCOME | 2024/25 Agreed Budget £ | 2024/25 Actuals to 30.09.24 £ | 2024/25 Projected Out-turn £ | 2025/26 Draft Budget £ |
|--|------------------------|--|----------------------------------|--|---------------------------------------|---------------------------------|
| | | 400 Penlee House Gallery & Museum | | | | |
| | | 400/1 Shop | | | | |
| 56,454.34 | 86,920.84 | 400/1/1 Admissions | 110,000.00 | 89,678.58 | 115,000.00 | 115,000.00 |
| 63,062.57 | 99,232.82 | 400/1/2 Sale of Merchandise | 110,000.00 | 73,665.19 | 110,000.00 | 110,000.00 |
| 540.85 | 871.11 | 400/1/3 Image Licensing Fees | 1,000.00 | 1,277.14 | 1,500.00 | 1,200.00 |
| 98.00 | 1,072.00 | 400/1/4 Education Workshops | 300.00 | 293.00 | 400.00 | 400.00 |
| -9.39 | 21.11 | 400/1/5 Till Discrepancies | 0.00 | 68.91 | 0.00 | 0.00 |
| 120,146.37 | 188,117.88 | 400/1/1 Total | 221,300.00 | 164,982.82 | 226,900.00 | 226,600.00 |
| | | 400/2 Grants and Funding | | | | |
| 0.00 | 0.00 | 400/2/2 Capital Build Grants | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 50,475.75 | 400/2/3 Friends of Penlee Funding | 23,381.00 | 20,824.90 | 34,659.00 | 24,324.00 |
| 40,000.00 | 80,104.94 | 400/2/4 Arts Council | 80,000.00 | 40,000.00 | 80,000.00 | 80,000.00 |
| 11,210.00 | 21,085.00 | 400/2/5 Other Grant Funding | 0.00 | 2,000.00 | 6,050.00 | 0.00 |
| 0.00 | 0.00 | 400/2/6 Building Projects Donations | 0.00 | 5,443.54 | 20,000.00 | 0.00 |
| 51,210.00 | 151,665.69 | 400/2 Total | 103,381.00 | 68,268.44 | 140,709.00 | 104,324.00 |
| | | 400/3 The Orangery Café | | | | |
| 9,581.61 | 45,822.58 | 400/3/1 Franchise Payments | 38,000.00 | 31,106.97 | 48,000.00 | 40,000.00 |
| 1,216.15 | 5,623.63 | 400/3/2 Utility Re-charges | 7,800.00 | 4,765.31 | 7,800.00 | 7,800.00 |
| 10,797.76 | 51,446.21 | 400/3 Total | 45,800.00 | 35,872.28 | 55,800.00 | 47,800.00 |
| 1,100.00 | 1,100.00 | 400/4 Community Toilet Scheme | 1,200.00 | 1,100.00 | 1,100.00 | 1,320.00 |
| 150.64 | 187,370.34 | 400/5 Miscellaneous | 0.00 | 328.74 | 329.00 | 0.00 |
| 183,404.77 | 579,700.12 | 400 Total | 371,681.00 | 270,552.28 | 424,838.00 | 380,044.00 |
| 0.00 | 0.00 | 495 Miscellaneous Arts & Culture Income | 0.00 | 0.00 | 0.00 | 0.00 |
| 183,404.77 | 579,700.12 | Subtotal on all Arts & Culture Income | 371,681.00 | 270,552.28 | 424,838.00 | 380,044.00 |
| | | Additional Contributions to reserves | | | -20,000.00 | |
| 183,404.77 | 579,700.12 | Arts & Culture Total Income | 371,681.00 | 270,552.28 | 404,838.00 | 380,044.00 |

| 2023/24 Actuals to 30.09.23 £ | 2023/24 Actual £ | EXPENDITURE | 2024/25 Agreed Budget £ | 2024/25 Actuals to 30.09.24 £ | 2024/25 Projected Out-turn £ | 2025/26 Draft Budget £ |
|--|------------------------|--|----------------------------------|--|---------------------------------------|---------------------------------|
| 143,439.33 | 323,262.03 | 4000 Penlee House Salaries | 399,307.00 | 183,009.59 | 382,686.00 | 431,315.00 |
| | | 4100 Penlee House Gallery & Museum | | | | |
| | | 4100/1 Administration | | | | |
| 59.98 | 385.51 | 4100/1/1 Staff Travel | 400.00 | 502.37 | 750.00 | 750.00 |
| 5,261.02 | 11,609.66 | 4100/1/3 IT Provision | 12,685.00 | 6,087.27 | 12,685.00 | 12,900.00 |
| 96.28 | 380.70 | 4100/1/4 Office Postage | 250.00 | 107.91 | 400.00 | 400.00 |
| 150.00 | 150.00 | 4100/1/5 Website | 950.00 | 150.00 | 350.00 | 350.00 |
| 391.34 | 963.44 | 4100/1/6 Office Supplies & Equipment | 1,000.00 | 404.43 | 1,000.00 | 1,500.00 |
| 1,398.79 | 1,500.00 | 4100/1/7 Subscription & Membership Fees | 1,700.00 | 1,469.60 | 1,700.00 | 1,800.00 |
| 10,698.92 | 23,518.22 | 4100/1/8 Insurance | 29,000.00 | 11,501.64 | 25,000.00 | 26,000.00 |
| 11,305.46 | 16,895.68 | 4100/1/9 Agency Support | 0.00 | 0.00 | 0.00 | 0.00 |
| 29,441.79 | 55,483.21 | 4100/1 Total | 45,985.00 | 20,223.22 | 41,885.00 | 43,700.00 |
| | | 4100/2 Penlee House Building | | | | |
| 0.00 | 0.00 | 4100/2/1 Non-Domestic Rates | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,436.82 | 14,467.15 | 4100/2/2 Gas | 28,000.00 | 9,836.37 | 20,000.00 | 16,000.00 |
| 14,868.14 | 40,267.47 | 4100/2/3 Electric | 65,000.00 | 31,895.88 | 58,000.00 | 50,000.00 |
| 2,491.30 | 5,385.06 | 4100/2/4 Water | 5,700.00 | 3,367.29 | 6,200.00 | 6,200.00 |
| 5,715.57 | 10,648.71 | 4100/2/5 Cleaning Contract & Materials | 11,693.00 | 5,662.36 | 13,100.00 | 20,000.00 |
| 3,140.38 | 8,969.04 | 4100/2/6 Maintenance & Repairs | 8,500.00 | 3,580.78 | 8,500.00 | 9,000.00 |
| 670.37 | 2,262.39 | 4100/2/7 Fittings | 3,000.00 | 1,208.94 | 3,000.00 | 3,000.00 |
| 21,765.90 | 19,717.08 | 4100/2/8 Contracts | 25,000.00 | 13,161.43 | 25,000.00 | 25,000.00 |
| 0.00 | 7,125.00 | 4100/2/9 Capital Refurbishment | 0.00 | 7,125.00 | 0.00 | 25,000.00 |
| 53,088.48 | 108,841.90 | 4100/2 Total | 146,893.00 | 75,838.05 | 133,800.00 | 154,200.00 |
| | | 4100/4 Shop | | | | |
| 36,752.11 | 53,682.21 | 4100/4/1 Inventory Purchases | 60,750.00 | 36,514.89 | 58,000.00 | 55,000.00 |
| 47.38 | 125.73 | 4100/4/1/1 Merchandise for resale | 250.00 | 51.43 | 150.00 | 200.00 |
| 36,799.49 | 53,807.94 | 4100/4/1/2 Carriage inwards | 61,000.00 | 36,566.32 | 58,150.00 | 55,200.00 |
| 70.84 | 1,113.36 | 4100/4/2 Till & Consumables | 1,500.00 | 1,303.27 | 1,500.00 | 2,000.00 |
| 1,845.99 | 3,080.86 | 4100/4/3 PDQ Charges | 4,600.00 | 2,485.36 | 4,600.00 | 4,600.00 |
| 884.16 | 1,449.08 | 4100/4/4 Cash Collection | 1,287.00 | 663.00 | 1,387.00 | 1,470.00 |
| 62.46 | 111.61 | 4100/4/5 Carriage outwards for orders | 800.00 | 155.13 | 450.00 | 450.00 |
| 39,662.94 | 59,562.85 | 4100/4 Total | 69,187.00 | 41,173.08 | 66,087.00 | 63,720.00 |
| | | 4100/5 Gallery Exhibitions & Museum | | | | |
| 10,523.62 | 50,425.01 | 4100/5/1 Exhibition Costs | 43,000.00 | 19,148.33 | 43,000.00 | 40,000.00 |
| 5,975.86 | 8,711.86 | 4100/5/2 Marketing | 11,000.00 | 7,367.87 | 11,000.00 | 11,000.00 |
| 0.00 | 0.00 | 4100/5/3 Art Conservation | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 4100/5/4 Consultancy Work | 0.00 | 0.00 | 9,800.00 | 0.00 |
| 1,963.99 | 4,394.65 | 4100/5/5 Volunteer Refreshments | 4,000.00 | 1,721.38 | 4,200.00 | 4,500.00 |
| 18,463.47 | 63,531.52 | 4100/5/6 Acquisitions | | | | |
| | | 4100/5 Total | 58,000.00 | 28,237.58 | 68,000.00 | 55,500.00 |
| | | 4100/6 The Orangery Café | | | | |
| 425.00 | 916.82 | 4100/6/1 Equipment Maintenance & Replacement | 1,500.00 | 859.08 | 1,700.00 | 1,500.00 |
| 0.00 | 1,696.16 | 4100/6/2 Capital Purchase | 0.00 | 0.00 | 0.00 | 0.00 |
| 425.00 | 2,612.98 | 4100/6 Total | 1,500.00 | 859.08 | 1,700.00 | 1,500.00 |
| | | 4100/7 The Coach House | | | | |
| 228.40 | 898.53 | 4100/7/1 Electric | 2,850.00 | 505.50 | 1,500.00 | 1,750.00 |
| 191.00 | 696.74 | 4100/7/2 Water | 650.00 | 309.91 | 750.00 | 750.00 |

Item 11(a) - Appendix 1

| | | | | | | | |
|-------------------|-------------------|----------------|--|-------------------|-------------------|-------------------|---------------------|
| 478.40 | 798.40 | 4100/7/3 | Non-Domestic Rates | 800.00 | 478.40 | 800.00 | 800.00 |
| 622.50 | 791.83 | 4100/7/4 | Maintenance & Cleaning | 1,200.00 | 65.00 | 2,000.00 | 1,200.00 |
| 0.00 | 6,600.50 | 4100/7/5 | Capital Refurbishment | 0.00 | 625.00 | 0.00 | 50,000.00 |
| 1,520.30 | 9,786.00 | 4100/7 | Total | 5,500.00 | 1,983.81 | 5,050.00 | 54,500.00 |
| | | 4100/8 | Education | | | | |
| 752.85 | 1,965.94 | 4100/8/1 | Council Funded Educational Activities | 2,000.00 | 704.43 | 2,000.00 | 12,500.00 |
| 1,891.08 | 22,378.95 | 4100/8/2 | Art Council Educational Activities | 22,750.00 | 9,276.72 | 22,750.00 | 22,350.00 |
| 3,431.49 | 6,023.74 | 4100/8/3 | Other Funded Educational Activities | 5,000.00 | 4,780.71 | 9,050.00 | 6,000.00 |
| 6,075.42 | 30,368.63 | 4100/8 | Total | 29,750.00 | 14,761.86 | 33,800.00 | 40,850.00 |
| 0.00 | 0.00 | 4100/9 | Fundraising Activites | 1,000.00 | 194.70 | 411.00 | 72.00 |
| 0.00 | 65,459.81 | 4100/10 | Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| 148,677.40 | 395,646.90 | 4100 | Penlee House Gallery & Museum Total | 357,815.00 | 183,271.38 | 350,733.00 | 414,042.00 |
| | | 4200 | Town Flags and Banners | | | | |
| 21,157.35 | 25,214.82 | 4200/1 | Projects | 24,000.00 | 16,804.83 | 24,000.00 | 24,000.00 |
| 6,056.95 | 7,462.95 | 4200/2 | Erection and hanging | 8,160.00 | 100.00 | 8,160.00 | 6,500.00 |
| 27,214.30 | 32,677.77 | 4200 | Total | 32,160.00 | 16,904.83 | 32,160.00 | 30,500.00 |
| 206.47 | 1,201.94 | 4300 | Penlee Open Air Theatre | 2,000.00 | 77.50 | 1,000.00 | 1,500.00 |
| | | 4400 | Christmas Lights | | | | |
| 12,948.28 | 12,712.53 | 4400/1 | Light Hire | 12,949.00 | 0.00 | 12,949.00 | 13,300.00 |
| 11.65 | 8,856.56 | 4400/2 | Light Rigging | 10,797.00 | 0.00 | 9,000.00 | 0.00 |
| 940.00 | 470.00 | 4400/3 | Christmas Tree installation & delivery | 1,090.00 | 450.00 | 1,090.00 | 500.00 |
| 1,340.00 | 1,340.00 | 4400/4 | Overhead wire testing | 1,340.00 | 1,340.00 | 1,340.00 | 0.00 |
| 0.00 | 306.74 | 4400/5 | Suspended wire repairs | 2,000.00 | 0.00 | 2,000.00 | 0.00 |
| 15,239.93 | 23,685.83 | 4400 | Total | 28,176.00 | 1,790.00 | 26,379.00 | 13,800.00 |
| | | 4500 | Events | | | | |
| 13,000.00 | 19,000.00 | 4500/1 | Golowan Festival | 19,000.00 | 13,000.00 | 19,000.00 | 44,800.00 |
| 0.00 | 0.00 | 4500/2 | Cultural and General Events | 0.00 | 2,600.00 | 0.00 | 0.00 |
| 6,000.00 | 6,000.00 | 4500/3 | Annual Firework Display | 6,000.00 | 4,500.00 | 4,500.00 | 0.00 |
| 19,000.00 | 25,000.00 | 4500 | Total | 25,000.00 | 20,100.00 | 23,500.00 | 44,800.00 |
| 0.00 | 0.00 | 4600 | Cultural Strategy | | | | 5,000.00 |
| 353,777.43 | 801,474.47 | | Subtotal on all expenditure | 844,458.00 | 405,153.30 | 816,458.00 | 940,957.00 |
| | | 4995 | Earmarked Reserves | | | | |
| 0.00 | 0.00 | 4995/1 | Penlee House EMRs | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 20,000.00 | 4995/1/1 | Conservation Fund | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 20,000.00 | 4995/1/2 | Building Fund | 47,000.00 | 47,000.00 | 47,000.00 | 31,000.00 |
| 0.00 | 10,000.00 | 4995/1/4 | Coach House Fund | 0.00 | 0.00 | 20,000.00 | 0.00 |
| 0.00 | 0.00 | 4995/1/5 | Projects Fund | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 20,000.00 | 4995/1/6 | Acquisition Fund | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 5,000.00 | 4995/1/7 | Plant Fund | 67,000.00 | 67,000.00 | 67,000.00 | 80,000.00 |
| 0.00 | 0.00 | 4995/1/8 | Catering Equipment Fund | 2,000.00 | 2,000.00 | 2,000.00 | 5,000.00 |
| 0.00 | 0.00 | 4995/2 | Christmas Lighting Infrastructure | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 75,000.00 | 4995 | Total | 116,000.00 | 116,000.00 | 136,000.00 | 116,000.00 |
| | | | Additional Contribution from reserves | | -9,950.00 | | |
| 0.00 | 75,000.00 | | Total Contributions to/(from) Reserves | 116,000.00 | 106,050.00 | 136,000.00 | 116,000.00 |
| 353,777.43 | 876,474.47 | | Arts & Culture Total Expenditure | 960,458.00 | 511,203.30 | 952,458.00 | 1,056,957.00 |








| Arts and Culture Committee Earmarked Reserve Balances and Contributions in 2025/26 Draft Budget | | | |
|--|---|---|----------------------------|
| Fund | Description | Estimated 31st March 2025 | 25/26 Contributions |
| Penlee House Acquisition Fund | This fund was established to help with bidding/purchasing new pieces of art for the gallery to cover some of the costs or match fund. | £8,930 | £0 |
| Penlee House Conservation Fund | This fund was established to use if pieces of art require repairing or restoring. | £2,426 | £0 |
| Penlee House Building Fund | <p>This fund is in place for capital refurbishment and replacement of infrastructure of Penlee House building (excluding the plant).</p> <p>The total estimated balance of £180,243 will be utilised for the roof replacement and other external work which can be done at the same time to make use of the scaffolding. Once this work has been completed, the reserve will be depleted and needs to be built up again to address other building issues internally which</p> | £180,243 | £31,000 |

| | | | |
|--------------------------------|---|----------|----|
| | <p>have been identified.</p> <p>Due to the campaign of building appeal, we have projected that by the end of March 2025, we will have received £20,000 in external funding and this is reflected within the projected balance.</p> | | |
| Coach House Refurbishment Fund | This reserve is holding the match funded amount required for the enterprise grant, which will be used to fund the Coach House café project starting early 2025. | £269,915 | £0 |
| Penlee House Projects Fund | Originally set up to pay for projects and expenditure that relate to the recommendations of the Activist reports and to carry out projects that will help with visibility and promotion of the gallery. Part of the external review was to expand our café and retail offering, which we have allocated to the Coach House Refurbishment Fund following success of Town Deal enterprise grant bid for the new café project. | £0 | £0 |

| | | | |
|------------------------------------|--|---------|---------|
| Penlee House Plant Fund | The replacement of the plant was expected to take place within the beginning of 2025, but no responses were given to the tender of the project, but since this the project to replace the roof has become more of a priority, the funds have been reallocated to the building reserve to complete that project first. A contribution of £80,000 is proposed within the 2025/26 budget to build up the plant fund for when the upgrade works will take place in the future. | £84,001 | £80,000 |
| The Orangery Equipment Replacement | Reserve established to build up funds for capital replacement of appliances that we are responsible for in the Orangery Café, we have still have one more year before the new café opens in the Coach House, and we are going to have to replace the dishwasher using this reserve shortly, which will bring the estimated reserve down to £2,304 by the end of the financial year. | £2,304 | £5,000 |
| Christmas Lighting Infrastructure | This fund is established to carry out necessary improvement of the electrical and physical infrastructure which enables the Christmas light display in Penzance. It is recommended this reserve is retained because even though it is | £27,500 | £0 |

| | | | |
|----------------|--|-----------------|-----------------|
| | proposed for the BID to deliver Christmas Lights next year, we may need in future years to contribute to the upgrade of the lighting infrastructure in the town. | | |
| TOTALS: | | £575,319 | £116,000 |

PENZANCE COUNCIL – 13 JANUARY 2025**REPORT FOR DECISION****LEISURE AND AMENITIES PROJECTED 2024/25 OUTTURN AND PROPOSED
2025/26 BUDGET**

| Our Culture | Our Decision Making | Our Environment | Our Money | Our People | Our Places | Our Resilience & Wellbeing |
|--|---|---|---|--|---|---|
|  |  |  |  |  |  |  |
| | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Recommendation:

1. The projected out-turn for 2024/25, as set out at Appendix 1 to this report, be approved.
2. The Leisure and Amenities proposed budget for 2025/26, as set out at Appendix 1 to this report, be approved, subject to the inclusion of a new budget line, consisting of £15,000, entitled 'Parish Footpath Maintenance (1130/7)'.
3. The level of existing earmarked reserves and their respective contributions in 2025/26, including proposed new reserves, as set out at Appendix 2 to this report, be approved and adopted.

Background

This paper is to be read in conjunction with: -

Appendix 1: Budget Summary and Spreadsheet
Appendix 2: Earmarked Reserves

INCOME

Projected out-turn 2024-25

Leisure and Amenities income is on track to surpass the approved budget for 2024 / 25; marginal increases on budgeted income are projected to the end of the current financial year. Both daily and quarterly car park ticket income looks set to rise by £5,000 and £2,500 respectively. These figures are difficult to project given the changing pricing of parking across the parish when compared to the static all-day pricing established in Wellfield's Car Park alongside the fluctuating demand for parking outside of the summer season. Income from Penlee Lodge has also risen by approximately £2,000 subject to the conclusion of the current tenancy, again, this figure may need to be adjusted depending on the exact point that this tenancy is ended.

In line with the above, income is projected to increase by approximately £10,000 over the agreed budget by the end of the current financial year.

Proposed budget 2025-26

Marginal changes have been identified for the proposed 2025 / 26 Leisure and Amenities income Budget.

It is anticipated the current tenancy of Penlee Lodge will be concluded prior to the end of the 2024/25 financial year and as such the income from this has been removed from the proposed budget. Subject to future Council and Committee decisions on the future use of the Lodge building it may be possible to re-introduce an income line for this building.

Despite the reduction identified above, projected income for 2025/26 is set to rise by £6,020 above the agreed 2024/25 budget to £115,400. The majority of this increase is as a result of revised car park income figures and is based on the figures from the current year. It should be noted that these figures can fluctuate depending on the car park pricing strategy employed by Cornwall Council across the rest of the car parks across the parish.

EXPENDITURE

Projected out-turn 2024-25

The projected outturn for the Leisure and Amenities Budget is anticipated to be £21,661 lower than the agreed budget, which is a favourable variance of 2.7% and for a budget of this size is close to the agreed budget, which is always going to be an estimation.

Largely this has been due to the refinements being made across the Leisure and Amenities budget and the Council's adoption of a "little and often" approach to maintenance and upkeep in its facilities and sites, with larger investments being delivered with future maintenance obligations in mind. This has led to facilities and sites being maintained to a higher standard, more consistently and at a reducing cost.

A number of budget lines have been reduced as a result of this and good examples would include most site and asset maintenance budget lines across the Leisure and Amenities budget.

Proposed budget 2025-26

We have been mindful to make cost savings wherever possible in the budget looking ahead however some items have needed to be adjusted upwards to reflect the culmination in long standing contracts for example.

- **Salary costs.** The Employers National Insurance increase had a c£8,000 impact on the Leisure and Amenities budget for the coming year's budget. The Ministry of Housing Communities and Local Government have confirmed the position of local Councils in England in relation to the additional costs of employers National Insurance contributions from April 2025, which were announced in the Autumn Budget. ***"The policy set by the Chancellor is to compensate those who are direct public sector employees funded out of public money. Parish and Town Councils are not directly funded by central government and so do not fall into this category. We recognise that this will require Town and Parish Councils to make some difficult financial decisions and in particular that many may need to raise their precept"***. A 5% increase for pay awards in 2025-6 has been allowed for across all Council employees, equating to a predicted increase of circa £18,000 for the Leisure and Amenities department. As well as this, some roles are subject to incremental scale increases if they are not already at the top of their graded ranges.

- 1060/07 - The Capital Projects line for Wellfield's Car Park has been set at zero for the 25/26 financial year with further work dependent on the results of the car park survey.
- Line 1015/7 - Capital Projects – This line has been reduced to zero to reflect the completion of the Penlee Park play area fence project.
- Line 1071 – Increases have been made to reflect committee resolution to increase the community toilet scheme membership costs for 25/26
- Line 1120/1 – Penzance Football Club, statutory checks and inspections has been reduced from £2.5k to £500 to reflect the fact that Penzance AFC are responsible for carrying out all statutory H&S obligations.
- Line 1130/5 – An additional budget line has been added for “phone boxes”. This is due to Penzance Council now being responsible maintenance and upkeep of the phone boxes adjacent to Market House in Penzance. There is no proposed budget to be allocated during 2025/26 as any works required are going to be proposed to be funded from Community Infrastructure Levy receipts, which are paid because of planning developments in the parish that introduce new dwellings.
- Line 1165/1/1 – Public Toilet Cleaning Contract. This budget line has increased to reflect the fact Penzance Council will soon be going out to tender on this contract. The previous contract which has run for 5 years allowed for no inflationary increases, so the next contract is expected to be more expensive than the current one.
- Allotment and Public Toilet Maintenance Lines – Where possible, all maintenance lines have been reduced to reflect current spending levels and the benefit of adopting a regular programme of maintenance and upkeep across the sites.
- Line 1320 – Princess May Recreation Ground has increased due to taking on the site earlier this year and now understanding more accurately what the costs are involved for maintaining the site, this does not include any capital improvements to the facilities, which will come following a consultation next year and then be funded from the Devolution earmarked reserves.

Earmarked Reserves

- In total, 7 earmarked reserve contributions have been reduced to reflect the position of the reserve in relation to it being on track to meet its targeted position. 5 Earmarked reserves will have increased contributions in the 25/26 to try and bring these reserves on track with where they will need to be by the time significant repair / replacement activity is required.
- The overall impact on EMR contributions for L&A for 2025/26 is a reduction in contributions to reserves of £14,959. This is despite creating and contributing to a new reserve.
- An earmarked reserve has been created for Penlee lodge to acknowledge the need for some work to be completed once the current tenancy has been concluded. £10,000 has been entered as a starting contribution.
- The Penlee Park Infrastructure Improvement EMR in year contribution has increased from £10k to £20k. This is to reflect the aspirations for creating a tarmacked pathway connecting the top and bottom field and connecting one end of the play area to other hard standing paths to make the space more usable for wheelchair / push chairs and people wanting to access different areas of the park all year round.
- The Outdoor gym earmarked reserve contribution has increased from £2,500 to £10,000 as a result of deterioration of the equipment witnessed throughout 2024. The deterioration is due to the proximity to salty air and reflects the reduction in manufacturer's warranty as a result of the equipment being installed here.

Increases to Budget Analysed

Referring to the budget summary in Appendix 1, total expenditure in 2025/26 has decreased by £12,175. This is largely due to refinements being made across the operational budget alongside the completion of some capital projects in 2023/24 and reduction in reserve contributions.

Income is projected to increase by £6,020 largely due to forecasted income increases in car park usage.

The contribution to earmarked reserves has decreased £14,959 to reflect the position of the reserves and a number now being on track to meet their desired targets within the identified timeframes.

This report was considered by the Leisure and Amenities Committee at its meeting held on 2 December 2024, where it unanimously resolved to make the recommendations set out above. This report was subsequently reviewed by the Finance and General Purposes Committee at its meeting held on 16 December 2024.

Ben Brosgall
Leisure and Amenities Manager

Cameron Sil
Responsible Financial Officer

Leisure & Amenities Budget Comparison 24/25 and 25/26

| | 2024/25 BUDGET | 2024/25 FORECAST | 2025/26 DRAFT BUDGET | Difference | % Incr. |
|----------------------------------|-------------------|---------------------|----------------------------|----------------|------------|
| Expenditure (excl. EMRs): | 783,685 | 762,024 | 786,469 | 2,784 | 0.4 |
| Income: | 109,380 | 119,525 | 115,400 | 6,020 | 5.5 |
| Earmarked Reserves: | | | | | |
| Budget Additions | 218,000 | 218,000 | 203,041 | -14,959 | -6.9 |
| Other Additions | | | | | |
| Releases | | | | | |
| Total Expenditure: | 1,001,685 | 980,024 | 989,510 | -12,175 | -1.2 |

| 2023/24 Actuals to 30.09.23 | 2023/24 Actual £ | BUDGET | 2024/25 Agreed* Budget £ | 2024/25 Actuals to 30.09.24 £ | 2024/25 Projected Out-turn £ | 2025/26 Draft Budget £ |
|-----------------------------------|------------------------|--------|-----------------------------------|--|---------------------------------------|---------------------------------|
|-----------------------------------|------------------------|--------|-----------------------------------|--|---------------------------------------|---------------------------------|

Leisure & Amenities - Projected Out-turn 2024/25 and Draft Budget 2025/26

| 2023/24 Actuals to 30.09.23 | 2023/24 Actual £ | INCOME | 2024/25 Agreed Budget £ | 2024/25 Actuals to 30.09.24 £ | 2024/25 Projected Out-turn £ | 2025/26 Draft Budget £ |
|-----------------------------------|------------------------|---|----------------------------------|--|---------------------------------------|---------------------------------|
| 49,710.15 | 92,359.77 | | 100 Wellfields Car Park | | | |
| 4,833.16 | 15,942.59 | 100/1 Daily Tickets | 85,000.00 | 54,002.22 | 90,000.00 | 90,000.00 |
| | | 100/2 Quarterly Tickets | 10,000.00 | 4,841.86 | 12,500.00 | 12,500.00 |
| 54,543.31 | 108,302.36 | 100 Total | 95,000.00 | 58,844.08 | 102,500.00 | 102,500.00 |
| 378.17 | 4,701.36 | 115 Allotment Rents | 4,880.00 | 290.30 | 4,900.00 | 4,900.00 |
| 3,000.00 | 6,000.00 | 130 The Lodge | 1,500.00 | 2,991.25 | 3,492.00 | 0.00 |
| 2,779.19 | 5,921.12 | 131 Misc | 2,500.00 | 3,895.60 | 3,133.00 | 2,500.00 |
| | | 135 Penzance AFC | | | | |
| | | 135/1 Club House and Ground Rent | 5,500.00 | 2,749.98 | 5,500.00 | 5,500.00 |
| 1,791.65 | 5,499.96 | 135 Total | 5,500.00 | 2,749.98 | 5,500.00 | 5,500.00 |
| | | 140 Open Spaces | | | | |
| 62,492.32 | 130,424.80 | Subtotal on all Leisure & Amenities Income | 109,380.00 | 68,771.21 | 119,525.00 | 115,400.00 |
| | | Additional Contributions to reserves | | -762.50 | | |
| 62,492.32 | 130,424.80 | Leisure & Amenities Total Income | 109,380.00 | 68,008.71 | 119,525.00 | 115,400.00 |

| 2023/24 Actuals to 30.09.23 | 2023/24 Actual £ | EXPENDITURE | 2024/25 Agreed Budget £ | 2024/25 Actuals to 30.09.24 £ | 2024/25 Projected Out-turn £ | 2025/26 Draft Budget £ |
|-----------------------------------|------------------------|--------------------------------------|----------------------------------|--|---------------------------------------|---------------------------------|
| 147,650.54 | 321,787.95 | | 1000 Salaries | 348,039.00 | 164,089.23 | 346,127.00 |
| 0.00 | 0.00 | 1001 Travel Allowance | 200.00 | 0.00 | 100.00 | 200.00 |
| | | 1015 Penlee Park | | | | |
| 4,470.10 | 7,626.06 | 1015/1 Maintenance | 10,000.00 | 3,437.21 | 10,000.00 | 10,000.00 |
| 627.41 | 1,037.29 | 1015/4 Water | 980.00 | 573.34 | 950.00 | 950.00 |
| 1,553.55 | 3,458.93 | 1015/5 Plants, Materials & Tools | 3,500.00 | 2,197.57 | 3,500.00 | 3,500.00 |
| 355.90 | 1,818.46 | 1015/6 Electricity | 2,500.00 | 1,584.98 | 3,500.00 | 2,750.00 |
| 1,078.87 | 3,185.00 | 1015/7 Equipment Maintenance | 3,500.00 | 1,468.64 | 3,500.00 | 3,500.00 |
| 2,562.41 | 6,542.13 | 1015/9 Waste & Recycling | 8,030.00 | 4,048.95 | 8,800.00 | 9,680.00 |
| 3,300.00 | 13,670.00 | 1015/10 Capital Projects | 23,000.00 | 22,659.00 | 22,659.00 | 0.00 |
| 1,867.35 | 5,296.10 | 1015/11 Security | 18,000.00 | 2,131.10 | 18,000.00 | 5,700.00 |
| 15,815.59 | 42,633.97 | 1015 Total | 69,510.00 | 38,100.79 | 70,909.00 | 36,080.00 |
| | | 1030 Vehicles and Machinery | | | | |
| 1,034.05 | 2,306.17 | 1030/1 Fuel & Electric | 3,000.00 | 1,082.57 | 2,750.00 | 2,750.00 |
| 166.23 | 2,971.80 | 1030/2 Insurance | 2,750.00 | 0.00 | 2,750.00 | 2,750.00 |
| 11,340.79 | 22,102.70 | 1030/3 Lease | 19,700.00 | 9,820.98 | 19,642.00 | 19,642.00 |
| 3,447.97 | 5,629.03 | 1030/4 Maintenance & Repair | 5,000.00 | 758.23 | 5,000.00 | 5,000.00 |
| 0.00 | 1,797.50 | 1030/5 Capital Purchase | 0.00 | 0.00 | 0.00 | 0.00 |
| 15,989.04 | 34,807.20 | 1030 Total | 30,450.00 | 11,661.78 | 30,142.00 | 30,142.00 |
| 2,147.73 | 4,863.99 | 1040 Protective Clothing & Equipment | 5,000.00 | 1,895.83 | 5,000.00 | 5,250.00 |
| | | 1045 Allotments | | | | |
| 9.00 | 9.00 | 1045/3 Alverton Playing Field | | | | |
| 0.00 | 0.00 | 1045/3/1 Rent | 9.00 | 9.00 | 9.00 | 9.00 |
| | | 1045/3/2 Maintenance | 250.00 | 285.00 | 250.00 | 250.00 |
| | | 1045/4 Cranken | | | | |
| 0.00 | 130.00 | 1045/4/1 Rent | 130.00 | 0.00 | 130.00 | 130.00 |
| 123.00 | -216.25 | 1045/4/2 Water Rates | 520.00 | 175.92 | 300.00 | 350.00 |
| 348.32 | 348.32 | 1045/4/3 Maintenance | 1,500.00 | 595.00 | 1,500.00 | 1,500.00 |
| | | 1045/5 Gulval | | | | |
| 665.00 | 1,946.35 | 1045/5/1 Maintenance | 2,000.00 | 0.00 | 1,500.00 | 1,500.00 |
| | | 1045/6 Lescudjack | | | | |
| 197.50 | 48.36 | 1045/6/1 Water Rates | 400.00 | 167.27 | 250.00 | 250.00 |
| 0.00 | 1,125.00 | 1045/6/2 Maintenance | 1,200.00 | 7.47 | 1,000.00 | 1,000.00 |
| | | 1045/7 Leskinnick | | | | |
| 152.50 | 365.11 | 1045/7/1 Water Rates | 480.00 | 312.49 | 520.00 | 520.00 |
| 0.00 | 36.65 | 1045/7/2 Maintenance | 1,600.00 | 0.00 | 1,000.00 | 1,000.00 |
| | | 1045/8 Love Lane | | | | |
| 0.00 | 500.00 | 1045/8/1 Maintenance | 600.00 | 0.00 | 500.00 | 500.00 |
| | | 1045/9 Mennaye | | | | |
| 10.00 | 10.00 | 1045/9/1 Rent | 10.00 | 10.00 | 10.00 | 10.00 |
| 675.00 | 675.00 | 1045/9/3 Maintenance | 1,200.00 | 0.00 | 1,000.00 | 1,000.00 |
| | | 1045/11 Trannack | | | | |
| 0.00 | 13.00 | 1045/11/1 Rent | 20.00 | 0.00 | 13.00 | 13.00 |
| 592.00 | 315.65 | 1045/11/2 Water Rates | 820.00 | 581.96 | 750.00 | 750.00 |
| 83.34 | 608.34 | 1045/11/3 Maintenance | 1,600.00 | 70.00 | 1,500.00 | 1,500.00 |
| 305.10 | 305.10 | 1045/12 Software | 306.00 | 319.50 | 320.00 | 335.00 |
| | | 1045/13 Payment Services charges | | | 30.00 | 30.00 |
| 3,160.76 | 6,219.63 | 1045 Total | 12,645.00 | 2,533.61 | 10,582.00 | 10,647.00 |
| 1,425.13 | 1,499.38 | 1055 Weed Control | 2,500.00 | 1,871.15 | 2,500.00 | 3,000.00 |
| | | 1060 Wellfields Car Park | | | | |
| 0.00 | 474.60 | 1060/1 Consumables | 1,150.00 | 594.20 | 1,150.00 | 1,150.00 |
| 10,414.96 | 17,358.96 | 1060/2 Non-Domestic Rates | 17,359.00 | 10,630.50 | 17,715.00 | 17,715.00 |
| 1,209.14 | 2,418.28 | 1060/3 Drainage Rates | 2,500.00 | 1,325.16 | 2,650.00 | 2,900.00 |
| 2,180.00 | 14,066.56 | 1060/4 Maintenance | 5,000.00 | 3,458.82 | 5,000.00 | 4,000.00 |
| 1,949.99 | 4,560.53 | 1060/5 Enforcement Charges | 5,500.00 | 1,886.32 | 5,500.00 | 5,500.00 |
| 69.75 | 372.03 | 1060/6 Cycle Hub | 500.00 | 46.05 | 250.00 | 250.00 |
| 59,550.00 | 89,050.99 | 1060/7 Extraordinary Maintenance | 20,000.00 | 0.00 | 20,000.00 | 0.00 |

Item 11b - Appendix 1

| | | | | | | | |
|------------------|-------------------|---------------|--|-------------------|------------------|-------------------|-------------------|
| 884.10 | 1,589.33 | 1060/8 | Payment Handling Charges | 1,287.00 | 663.00 | 1,520.00 | 1,720.00 |
| 76,257.94 | 129,891.28 | 1060 | Total | 53,296.00 | 18,604.05 | 53,785.00 | 33,235.00 |
| 98.52 | 212.99 | 1064 | Outdoor Gym | 500.00 | 4.31 | 250.00 | 250.00 |
| | | 1071 | Community Toilets | | | | |
| 7,900.00 | 15,600.00 | 1071/1 | Operational Scheme Costs | 17,415.00 | 7,885.00 | 15,660.00 | 18,792.00 |
| 395.00 | 4,666.43 | 1071/3 | Communications | 4,900.00 | 0.00 | 4,900.00 | 6,400.00 |
| 8,295.00 | 20,266.43 | 1071 | Total | 22,315.00 | 7,885.00 | 20,560.00 | 25,192.00 |
| | | 1111 | Wherrytown Skate Park | | | | |
| 45.00 | 90.00 | 1111/1 | Rent | 90.00 | 45.00 | 90.00 | 90.00 |
| 3,843.51 | 3,610.63 | 1111/3 | Maintenance & Consumables | 4,000.00 | 2,688.06 | 4,000.00 | 3,500.00 |
| 3,888.51 | 3,700.63 | 1111 | Total | 4,090.00 | 2,733.06 | 4,090.00 | 3,590.00 |
| | | 1115 | War Memorials | | | | |
| 340.00 | 697.00 | 1115/1 | Cleaning Contract | 1,500.00 | 374.00 | 1,000.00 | 1,000.00 |
| 0.00 | 1,269.16 | 1115/2 | Maintenance & Upkeep | 500.00 | 0.00 | 500.00 | 500.00 |
| 340.00 | 1,966.16 | 1115 | Total | 2,000.00 | 374.00 | 1,500.00 | 1,500.00 |
| | | 1120 | Penzance Football Club | | | | |
| 690.00 | 805.00 | 1120/1 | Statutory Checks, Inspections & actions | 2,500.00 | 111.25 | 500.00 | 500.00 |
| 74,088.00 | 69,765.03 | 1120/2 | Capital Projects & Refurbishments | 0.00 | 0.00 | 0.00 | 0.00 |
| 74,778.00 | 70,570.03 | 1120 | Total | 2,500.00 | 111.25 | 500.00 | 500.00 |
| | | 1130 | Open Spaces | | | | |
| 12.38 | 4,070.88 | 1130/1 | Heamoor Field | 3,000.00 | 892.37 | 3,000.00 | 3,000.00 |
| 52.47 | 74.96 | 1130/2 | Jewish Cemetery | 250.00 | 0.00 | 250.00 | 250.00 |
| 13.45 | 1,569.06 | 1130/4 | Planters | 2,000.00 | 361.90 | 2,000.00 | 2,000.00 |
| | | 1130/5 | Phone Boxes | | | | |
| 78.30 | 5,714.90 | 1130 | Total | 5,250.00 | 1,254.27 | 5,250.00 | 5,250.00 |
| | | 1140 | Water Fountains | | | | |
| 0.00 | 0.00 | 1140/1 | Wherrytown Skatepark | | | | |
| 1,085.00 | 1,475.00 | 1140/1/1 | Water | 50.00 | 0.00 | 130.00 | 150.00 |
| | | 1140/1/2 | Maintenance & Cleaning | 4,970.00 | 1,078.02 | 3,000.00 | 3,000.00 |
| 1,085.00 | 1,475.00 | 1140 | Total | 5,020.00 | 1,078.02 | 3,130.00 | 3,150.00 |
| | | 1165 | Toilets | | | | |
| 49,804.13 | 102,649.92 | 1165/1 | All Sites | | | | |
| 2,149.15 | 5,157.96 | 1165/1/1 | Cleaning Contract | 110,000.00 | 60,598.29 | 105,000.00 | 135,000.00 |
| 623.86 | 14,374.59 | 1165/1/2 | Sanitary & Sharps | 5,675.00 | 2,578.98 | 5,158.00 | 6,600.00 |
| 0.00 | 0.00 | 1165/1/3 | General Supplies | 2,000.00 | 162.13 | 500.00 | 500.00 |
| 0.00 | 0.00 | 1165/1/4 | Additional Event Support | 2,500.00 | 350.00 | 1,000.00 | 1,500.00 |
| 0.00 | 0.00 | 1165/1/5 | Capital Refurbishment | 0.00 | 5,525.00 | 0.00 | 0.00 |
| | | 1165/3 | Alexandra Road | | | | |
| 302.60 | 1,582.72 | 1165/3/1 | Maintenance | 2,000.00 | 289.53 | 1,500.00 | 1,500.00 |
| 221.16 | 494.39 | 1165/3/3 | Electricity | 500.00 | 508.46 | 600.00 | 600.00 |
| 488.87 | 911.42 | 1165/3/4 | Water | 1,300.00 | 422.08 | 900.00 | 900.00 |
| | | 1165/4 | Penalverne | | | | |
| 50.00 | 1,404.20 | 1165/4/1 | Maintenance | 1,500.00 | 80.00 | 1,000.00 | 1,000.00 |
| 101.12 | 272.01 | 1165/4/3 | Electricity | 450.00 | 170.70 | 450.00 | 475.00 |
| 759.14 | 1,176.66 | 1165/4/4 | Water | 1,450.00 | 1,915.45 | 2,550.00 | 2,000.00 |
| | | 1165/5 | Princess May | | | | |
| 855.88 | 1,952.86 | 1165/5/1 | Maintenance | 2,500.00 | 855.11 | 2,000.00 | 2,000.00 |
| 828.56 | 2,163.59 | 1165/5/3 | Electricity | 4,700.00 | 1,371.41 | 3,000.00 | 3,000.00 |
| 1,098.16 | 4,057.64 | 1165/5/4 | Water | 3,300.00 | 1,644.51 | 4,200.00 | 4,300.00 |
| | | 1165/6 | South Pier | | | | |
| 285.19 | 966.04 | 1165/6/1 | Maintenance | 2,500.00 | 962.52 | 2,000.00 | 2,000.00 |
| 89.27 | 246.30 | 1165/6/3 | Electricity | 300.00 | 159.14 | 390.00 | 450.00 |
| 1,255.78 | 2,017.42 | 1165/6/4 | Water | 2,300.00 | 1,731.57 | 2,500.00 | 2,600.00 |
| | | 1165/7 | TIC | | | | |
| 234.70 | 5,951.08 | 1165/7/1 | Maintenance | 5,000.00 | 764.53 | 4,000.00 | 4,000.00 |
| 0.00 | 0.00 | 1165/7/3 | Electricity | 800.00 | 0.00 | 800.00 | 800.00 |
| 170.93 | 6,958.39 | 1165/7/4 | Water | 8,000.00 | 4,355.65 | 7,000.00 | 7,500.00 |
| | | 1165/8 | Wherrytown | | | | |
| 518.56 | 1,375.85 | 1165/8/1 | Maintenance | 2,250.00 | 261.56 | 1,750.00 | 1,750.00 |
| 116.34 | 673.47 | 1165/8/3 | Electricity | 900.00 | 298.70 | 900.00 | 900.00 |
| 242.98 | 1,155.19 | 1165/8/4 | Water | 1,300.00 | 955.43 | 1,550.00 | 1,550.00 |
| | | 1165/9 | Newlyn | | | | |
| 498.00 | 2,318.74 | 1165/9/1 | Maintenance | 2,000.00 | 114.46 | 1,500.00 | 1,750.00 |
| 60,694.38 | 157,860.44 | 1165 | Total | 163,225.00 | 86,075.21 | 150,248.00 | 182,675.00 |
| 205.00 | 434.66 | 1211 | The Lodge | 1,000.00 | 75.00 | 5,000.00 | 7,500.00 |
| 0.00 | | 1270 | Devolutions - Surveys & Inspections | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 18,105.00 | 1280 | Tree Management | 15,000.00 | 0.00 | 15,000.00 | 15,000.00 |
| | | 1310 | Alexandra Play Park & Tennis Courts | | | | |
| 2,249.85 | 2,118.37 | 1310/1 | Waste | 2,500.00 | 3,500.22 | 3,501.00 | 3,850.00 |
| 6,452.62 | 13,373.21 | 1310/4 | Security | 14,202.00 | 6,142.32 | 13,750.00 | 14,000.00 |
| 0.00 | 0.00 | 1310/5 | Machinery | 0.00 | 0.00 | 0.00 | 0.00 |
| 911.82 | 2,513.90 | 1310/6 | Maintenance/planting | 3,000.00 | 267.09 | 3,000.00 | 3,000.00 |
| 1,145.28 | 2,456.30 | 1310/7 | Play Equipment repairs | 5,000.00 | 623.39 | 4,000.00 | 4,000.00 |
| 20.83 | 20.83 | 1310/8 | Tools & Equipment | 500.00 | 0.00 | 200.00 | 200.00 |
| 10,780.40 | 20,482.61 | 1310 | Total | 25,202.00 | 10,533.02 | 24,451.00 | 25,050.00 |
| | | 1320 | Princess May Recreation Grounds | | | | |
| 0.00 | 0.00 | 1320/2 | Street Lighting | 414.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 1320/3 | Waste | 2,202.00 | 3,691.58 | 3,692.00 | 4,000.00 |
| 0.00 | 0.00 | 1320/5 | Security | 2,550.00 | 0.00 | 0.00 | 3,000.00 |
| 0.00 | 0.00 | 1320/6 | Machinery | 1,100.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 1320/7 | Maintenance - contractor for cutting | 2,500.00 | 6,916.03 | 6,916.00 | 8,900.00 |
| 0.00 | 0.00 | 1320/8 | Plants & Materials | 1,090.00 | 0.00 | 400.00 | 1,000.00 |
| 0.00 | 168.91 | 1320/9 | Play Equipment & Skatepark Repairs | 2,725.00 | 190.77 | 191.00 | 2,725.00 |
| 0.00 | 0.00 | 1320/10 | Princess May Rec CIC | 0.00 | 7,600.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 1320/11 | Capital Refurbishment | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 168.91 | 1320 | Total | 12,581.00 | 18,398.38 | 11,199.00 | 19,625.00 |
| | | 1330 | Foxes Lane Play Park | | | | |
| 328.66 | 328.66 | 1330/1 | Waste | 362.00 | 200.29 | 201.00 | 250.00 |
| 40.76 | 691.58 | 1330/3 | Maintenance - repairs | 1,500.00 | 284.10 | 1,000.00 | 1,000.00 |

Item 11b - Appendix 1

| | | | | | | | |
|-------------------|-------------------|-------------|---|---------------------|-------------------|-------------------|-------------------|
| 0.00 | 655.27 | 1330/4 | Play Equipment Repairs | 1,500.00 | 0.00 | 500.00 | 1,000.00 |
| 369.42 | 1,675.51 | 1330 | Total | 3,362.00 | 484.39 | 1,701.00 | 2,250.00 |
| 423,059.26 | 844,336.67 | | Subtotal on all expenditure | 783,685.00 | 367,762.35 | 762,024.00 | 786,469.00 |
| | | 1995 | Earmarked Reserves Contributions | | | | |
| 0.00 | 15,000.00 | 1995/1 | Wellfields Car Park Maintenance Fund | 33,000.00 | 33,000.00 | 33,000.00 | 25,000.00 |
| 0.00 | 4,000.00 | 1995/2 | Allotment Provision Fund | 20,000.00 | 20,000.00 | 20,000.00 | 10,000.00 |
| 0.00 | 15,000.00 | 1995/3 | Penlee Park Play Equipment Fund | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 |
| 0.00 | 15,000.00 | 1995/4 | Toilet Refurbishment Fund | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 |
| 0.00 | 2,500.00 | 1995/6 | Weed Treatment Equipment | 2,500.00 | 2,500.00 | 2,500.00 | 2,500.00 |
| 0.00 | 10,000.00 | 1995/7 | Penzance AFC | 15,000.00 | 15,000.00 | 15,000.00 | 5,000.00 |
| 0.00 | 15,000.00 | 1995/8 | Tree Maintenance | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 |
| 0.00 | 2,000.00 | 1995/9 | Machinery Replacement | 0.00 | 0.00 | 0.00 | 10,000.00 |
| | | 1995/10 | Penlee Park - Lodge | | | | 10,000.00 |
| 0.00 | 10,000.00 | 1995/11 | Penlee Park - Infrastructure Improvements | 10,000.00 | 10,000.00 | 10,000.00 | 20,000.00 |
| 0.00 | 5,000.00 | 1995/12 | Open Spaces Boundary Repair/Replacement | 15,000.00 | 15,000.00 | 15,000.00 | 9,000.00 |
| 0.00 | 12,500.00 | 1995/15 | Alexandra Play Park & Tennis Courts | 15,000.00 | 15,000.00 | 15,000.00 | 25,000.00 |
| 0.00 | 8,000.00 | 1995/16 | Princess May Rec | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 2,500.00 | 1995/17 | Foxes Lane Playpark | 15,000.00 | 15,000.00 | 15,000.00 | 10,000.00 |
| 0.00 | 500.00 | 1995/24 | Wherrytown Skate Park Maintenance | 20,000.00 | 20,000.00 | 20,000.00 | 13,000.00 |
| 0.00 | 1,000.00 | 1995/25 | War Memorials Maintenance | 20,000.00 | 20,000.00 | 20,000.00 | 3,541.00 |
| 0.00 | 6,000.00 | 1995/26 | Utility Billing | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 0.00 | 1995/27 | Outdoor Gym | 2,500.00 | 2,500.00 | 2,500.00 | 10,000.00 |
| 0.00 | 124,000.00 | 1995 | Total | 218,000.00 | 218,000.00 | 218,000.00 | 203,041.00 |
| | | | Additional Contribution to/(from) reserves | | -5,525.00 | | |
| 0.00 | 124,000.00 | | Total Contributions to Reserves | 218,000.00 | 212,475.00 | 218,000.00 | 203,041.00 |
| 423,059.26 | 933,529.47 | | Leisure & Amenities Total Expenditure | 1,001,685.00 | 580,237.35 | 980,024.00 | 989,510.00 |

Leisure and Amenities Committee Earmarked Reserve Balances and Contributions in 2025/26 Draft Budget

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|----------------------|---|---------------------------------------|---------------------|
| Car Park Maintenance | <p>Fund established to carry out the necessary works required in Wellfield’s Car Park. Wall rebuild and replacement car park machines completed in 2023/24. Outstanding works include:</p> <ul style="list-style-type: none"> • Re surfacing and relining • Drain repair / replacement <p>Estimates on resurfacing, relining and drains in the region of £100k are required within the next 3 years with no other unbudgeted expenditure.</p> | £43,674 | £25,000 |
| Machinery Fund | <p>This reserve was established to support the required equipment replacement programme for existing machinery in Penlee Park alongside the aspiration to switch to commercial electric mowing equipment to be used in Penlee Park and other sites managed by Penzance Council. Currently the cost of appropriate electrical commercial mowers is in the region of £35k which would mean the council would be in position to purchase the equipment within</p> | £30,495 | £10,000 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|----------------------------|--|---------------------------------------|---------------------|
| | the next financial year. However, it is likely that between £5k - £7.5k will need to be spent over the next 2 years for replacement of other equipment which will set this programme back further. Fund has reached required initial level and no additional contribution is recommended. | | |
| Penlee Park Play Equipment | As per the Alexandra Play Park budget lines. This earmarked reserve was established to make smaller, year on year contributions to build a fund to carry out required replacement activity in future years without committing future councils to have to make substantial precept increases to fund the work. The equipment installed in 2022 had a cost in the region of £100k and a lifespan of 10 – 15 years. In addition to this the toddler equipment will require replacement in the next 2-5 years at an estimated cost of £60k | £50,000 | £15,000 |
| Allotment Provision | Earmarked reserve established to invest in creating additional allotment space in the future should suitable land become | £31,000 | £10,000 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|-----------------------------|---|---------------------------------------|---------------------|
| | <p>available through devolution or private acquisition. Recent conversations through the National Allotment Association have revealed that a number of Council's have a significantly larger reserve in order to help facilitate suitable land purchases.</p> <p>This reserve is also in place for significant repair works that maybe required on the allotment sites.</p> | | |
| Public Toilet Refurbishment | <p>The purpose of this reserve is to carry out significant pieces of refurbishment work / and or emergency work as required across the Public Toilet Facilities. Examples of work where this budget has been utilised include Wallgate replacement, re flooring as a result of fire damage and roof replacement activity, items of repair due to vandalism, roof repairs and window replacement. In addition to this, this reserve is the budget available to the Council for significant facility improvements eg. Further work needs to be undertaken to assess</p> | £61,280 | £20,000 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|--------------------------|---|---------------------------------------|---------------------|
| | the condition of the skylights in both the TIC and Alexandra Play Park public toilets. | | |
| Weed Treatment Equipment | Penzance Council have resolved to carry out mechanical weed treatment across the parish. This reserve is to be utilised to replace elements of the battery-operated kit to include the all-day battery pack. It is anticipated that approximately £4k of this reserve will be required in the next 12 – 24 months | £7,000 | £2,500 |
| Penzance AFC | This earmarked reserve was established to resolve the roof replacement work at Penzance Football Club. Penzance Council now has more responsibility in terms of the facility including responsibility for the stand and trees on the site which will require further investment to maintain. | £35,482 | £5,000 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|----------------------------|---|---------------------------------------|---------------------|
| Tree Maintenance | Penzance Council are required to periodically assess the condition of its tree stock across sites owned and managed by Penzance Council. Over time, significant work will be required across all sites. This will include safety issues and work required which will help prolong the life and health of the tree stock. In addition to this, it is important for the Council to appropriately budget for unforeseen / emergency tree works which will be required on a safety basis or as a result of unforeseen storm damage. | £25,070 | £15,000 |
| Penlee Park Infrastructure | This earmarked reserve was established to build a fund for future improvement works to the Penlee and also to provide Penzance Council with the ability to address a number of legacy issues throughout the space, which to date, have focussed on wall repairs and hazard / public safety items.. We have 100's of metres of boundary wall and fencing that we are responsible for in and around Penlee Park. | £60,984 | £20,000 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|----------------------------------|---|---------------------------------------|---------------------|
| | Originally the reserve was also set up for additional aspirational projects such as improving accessibility by linking the play areas and all fields / entrances with a wheelchair / pram friendly pathway and to carry out the repair works around the park pond where a spring often causes flooding. | | |
| Open Spaces Boundary Repair | Penzance Council are responsible for a number of walls and boundaries across the parish, many of which are alongside the public highway. Failure of any of these boundaries often requires swift rectification to ensure that obstructions are not caused that may require the closure of roads or footpaths. A further failure of roadside wall at Leskinnick allotments to assess whether this will be a part repair or full rebuild. | £22,530 | £9,000 |
| Wherrytown Skatepark Maintenance | Earmarked reserve established to contribute towards significant repairs at the skatepark and to begin to budget towards the proposed “second phase” of the skatepark in conjunction with | £30,348 | £13,000 |








| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|--------------------------|--|---------------------------------------|---------------------|
| | <p>Kerbs. In addition to the above, it has been established that should future work be required to the skatepark surface to preserve it's condition and maximise it's lifespan, that the current reserve value is insufficient. Estimates have been received in the region of £70k to undertake this work.</p> | | |
| War Memorial Maintenance | <p>Earmarked reserve established in order to suitably maintain and restore war memorials across the parish – repairing worn lettering / structural issues etc. It had been hoped that a preventative maintenance programme would have been possible on the memorials, however the listed building consent requirements stipulated by Cornwall Council have meant that implementation of this is not currently feasible.</p> <p>That being said, Penzance Council are still responsible for the maintenance of these memorials and it is important to continue to build this reserve to a level that would be of significant help should major repairs be required.</p> | £26,459 | £3,541.00 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|-----------------------------------|--|---------------------------------------|---------------------|
| Alexandra Playpark & Tennis Court | The earmarked reserves for the tennis courts and play area have now been combined into one earmarked reserve. Elements that will require the use of this reserve include repainting / lining and surfacing works on the tennis courts. It is anticipated that “rejuvenation” work will be required on the courts surface every 3-5 years to keep the courts in a good condition. This piece of work is currently being costed. A number of the original pieces of play equipment are still installed on the site and are envisaged to require replacement within the next two years. Some of these pieces of equipment will cost between £15k and £25k to replace which will significantly reduce the fund’s ability to build for future significant work without further contributions. As such a larger contribution has been recommended for the upcoming financial year. | £45,000 | £25,000 |
| Foxes Lane Playpark | Earmarked reserve established in line with other play equipment areas. Outdoor play equipment | £21,500 | £10,000 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|--------------------------------|---|---------------------------------------|---------------------|
| | <p>can last for between 10 and 15 years with appropriate maintenance. The maintenance programme undertaken by Penzance Council will help to maximise of the play equipment itself on this site, however, it has been noted that the safety flooring at the site is beginning to deteriorate significantly. Replacement of this specialist flooring will incur significant expense, and it is anticipated that this flooring and the equipment will be required within the next 5 year at an estimate cost between £60k - £80k</p> | | |
| Princess May Recreation Ground | <p>Earmarked reserve established in line with other play equipment areas. This amount consists of the amounts previously resolved to be available to adress safety issues across the site now that handover has been completed. Further expenditure items will be identified following the completion of the upcoming public consultation.</p> | £62,257 | £0 |
| Utility Billing | <p>This reserve exists to accommodate for the fluctuations</p> | £6,000 | £0 |

| Fund | Description | Estimated 31 st March 2025 | 25/26 Contributions |
|----------------|---|---------------------------------------|---------------------|
| | in the energy market across the facilities owned and managed by Penzance Council and the Leisure and Amenities Committee | | |
| Outdoor Gym | Reserve established in order to provide cover for vandalism and replacement activity. Current fund levels would not fund the replacement of one piece of equipment and as such the contribution has been increased to address the increasing age of the installations and their levels of deterioration. | £3,500 | £10,000 |
| Penlee Lodge | This is a new reserve established to address future plans and development activity at Penlee Lodge. The £10,000 projected at 31 st March 2025, is subject to approval of the committee at a future meeting transferring underspend from the Penlee Park budget into this reserve which will supplement the £10,000 proposed to contribute in the 2025/26 budget. | £10,000 | £10,000 |
| TOTALS: | | £572,579 | £203,041 |

PENZANCE COUNCIL – 13 JANUARY 2025**REPORT FOR DECISION****FINANCE & GENERAL PURPOSES PROJECTED 2024/25 OUTTURN AND
PROPOSED 2025/26 BUDGET**

| Our Culture | Our Decision Making | Our Environment | Our Money | Our People | Our Places | Our Resilience & Wellbeing |
|--|---|---|---|--|---|---|
|  |  |  |  |  |  |  |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Recommendation:

1. The projected out-turn for 2024/25, as set out within Appendix 1 to this report, be approved.
2. The Finance and General Purposes proposed budget for 2025/26, as set out at Appendix 1 to this report, be approved.
3. The level of existing earmarked reserves and their respective contributions in 2025/26, as set out at Appendix 2 to this report, be approved and adopted.

Background:

This paper is to be read in conjunction with: -

Appendix 1: Budget Summary and Spreadsheet

Appendix 2: Earmarked Reserves

INCOME

Projected out-turn 2024-25

Projected income for year ending 31 March 2025 is £46,473 higher than anticipated when the 24/25 budget was set; this is primarily due to interest rates increasing throughout the year and the change in investment strategy. Last year we received £37,019.42 for the whole year, at six months through the current year we had already received £41,795, projecting to be £70,000 by the end of the financial year 24/25.

Proposed budget 2025-26

For the forthcoming financial year, it is anticipated that income will increase by £14,073, for Finance and General Purposes Committee in comparison to the original agreed level of 2024/25; the income includes interest in savings and investments and the tennis club ground rent. The main reason for the increase is due to the increase in interest rates, again from savings accounts.

EXPENDITURE

Projected out-turn 2024-25

Projected expenditure for the year is £818,689 which is £27,313 more than anticipated in the original 2024/25 budget. However, this is entirely offset by the increase in income being £46,473 higher than originally envisaged, resulting in a net additional income of £19,160 just within the Finance and General Purposes budget.

The reasons for the increase in expenditure include the salaries budget, which is projected to be £11,259 higher than anticipated. The reason for this was due to arranging maternity cover and having a handover period, which was identified to this Committee at the meeting held on 21 October 2024. If necessary, it had been resolved that this additional funding would be taken from the HR Contingency reserve, but due to the additional income identified this was not required.

One other identifiable increase is under Council Office budget heading. It has been proposed that, due to ageing IT infrastructure and the need to refresh all the Councillor laptops before April, that this work is brought forward to commence during the last quarter of the current financial year and take advantage of the increased income within the Finance and General Purposes budget to deliver this work with no net overspend. This resulted in an increase across the Council Office heading of £13,212.

Other budget lines across the Committee have had slight decreases or increases, as well as using the general fund to increase the grant budget in-year (which has had unprecedented demand this year) and to fund the new Service Level Agreement for Sustainable Penzance.

Proposed budget 2025-26

Within revenue expenditure under the Finance & General Purposes budget there is an increase of £128,208 compared to the agreed 2024/25 budget.

- **Salary costs** - The Employers National Insurance increase had a c£9,000 impact on the Finance and General Purposes budget for the coming year. The Ministry of Housing Communities and Local Government have confirmed the position of local Councils in England in relation to the additional costs of employers National Insurance contributions from April 2025, which were announced in the Autumn Budget. ***“The policy set by the Chancellor is to compensate those who are direct public sector employees funded out of public money. Parish and Town Councils are not directly funded by central government and so do not fall into this category. We recognise that this will require Town and Parish Councils to make some difficult financial decisions and in particular that many may need to raise their precept”***. A 5% increase for pay awards in 2025-6 has been allowed for across all Council employees, equating to a predicted increase of circa £20,000 for the Corporate Services department. For reference, the 2024/25 pay award in the current year had an impact of 4% increase on average across the salaries budget for this department. As well as this, some roles are subject to incremental scale increases if they are not already at the top of their graded ranges. Due to the unknown of the current job description review of the Corporate Services Team, as resolved by Council earlier this year, there has been a lump sum allowance of £20,000 for the impact of this to allow for any changes in scale points and the increased on-costs.
- **Staff and Councillor Training** - Due to the increased development of staff training and the Council elections in May 2025, which will require any new Councillors to receive a full suite of training and any returning Councillors’ refreshers, the overall training budget has increased by £7,500.
- **Insurance** – Due to increased liabilities of additional sites; activities; increased valuations on assets; the recommendation to take on risk management for Cyber-attacks and the general increase in premiums, the overall insurance budget has increased by £6,000 from 2024/25.
- **Grants** – Due to the unprecedented demand on grant applications this year and exhausting the allocated budget part-way through the financial year, it is recommended that the grants budget is condensed into one budget line and that the total amount for 2025/26 is set at £70,000. The original budget before the grants budget was increased mid-year from the general fund was £48,000 combined, therefore this is an increase of £22,000. From the revised budget, a total sum of c£63,000 was awarded in 2024/25 and therefore this will allow £7,000 more to be awarded in 2025/26. The revised grant policy from the working group will recommend any changes to the process of awarding grants and eligibility before the start of the new financial year.
- **Service Level Agreements (SLAs)** – It is recommended that the SLAs with Jubilee Pool and Cornwall Council for the Antil Social Behaviour Officer 80% contribution are maintained, as well as the strategic objective grant partners, Pengarth Day Centre who provide provision for the elderly residents within the

parish and the two new agreements with Sustainable Penzance for working to support our environmental aims and Penzance and Newlyn Youth providing support for the young people within the parish. These new agreements and any increases have to an uplift of £24,751 to our service level agreements budget.

- **Additional Anti-Social Behaviour Support** – At the Council meeting held on 11 November 2024, it was resolved that additional anti-social behaviour initiatives would be put in place, mainly funding the continuation of street marshals which has this year been funded by ‘Hotspot’ funding from Devon and Cornwall Police. Included in this budget is an additional £3,000 which is to support the probation service delivered graffiti clean ups across the parish, to be delivered in partnership with the Penzance BID. The combined additional anti-social behaviour support heading increases the budget by £29,250.

Earmarked Reserves

Referring to the Appendices, the overall contributions for Earmarked Reserves have decreased from 2024/25's budget by £28,000. Each reserve's purpose is detailed within Appendix 2, but some of the main increases are below.

- **Election Costs** – This current financial year, we have had the cost of two byelections, resulting in around £25,000 commitment from the elections reserve. In May 2025, the main local government elections will take place, but the cost is split with Cornwall Council, with Cornwall Council estimating that the share for Penzance Council will be in the region of £26,000 for all wards. The £28,000 contribution in this year's budget with the current balance will allow the cost of one byelection, which is in the region of £12,000 for each ward after the cost of the main elections.
- **HR Contingency** – It is proposed that a further £10,000 is added to the reserve. There is currently £30,355 earmarked, but with the increase in staffing levels and increased contingent liabilities, such as maternity or long-term sickness, there needs to be provision in place to make arrangements for cover which falls outside the scope of the revenue salaries budgets.
- **Events (Formerly Royal Events)** – It is recommended that the Royal Events reserve is renamed to incorporate all types of events which aren't regular annual events which are already budgeted for.
- **Town Deal Projects** – It has been agreed in principle that the Corporate Services team will relocate the reception and functions up to the newly developed Market House in the centre of town in future and therefore a £15,000 contribution for 2025/26 is proposed. There will be funds required for the move and to fit out the space before it can be operational. There may also be other town deal projects that the Council may wish to get involved in.

- **CCTV Repairs/Replacement** – The creation of the new CCTV monitoring centre in conjunction with St. Ives and Hayle Town Councils involved contributing some funds towards the infrastructure costs which were funded from this reserve. It is proposed to contribute a further £10,000 to the reserve due to the projected balance being £7,337 at year end and the reserve needs to have enough to replace the cameras as and when they need changing.

This report was considered by the Finance and General Purposes Committee at its meeting held on 16 December 2024 where it unanimously resolved to make the recommendations set out above.

James Hardy
Town Clerk

Cameron Sil
Responsible Financial Officer

Finance & General Purposes Budget Comparison 24/25 and 25/26

| | 2024/25 BUDGET | 2024/25 FORECAST | 2025/26 DRAFT BUDGET | Difference | % Incr. |
|----------------------------------|---------------------------|-----------------------------|-------------------------------------|-------------------|--------------------|
| Expenditure (excl. EMRs): | 791,376 | 818,689 | 919,584 | 128,208 | 16.2 |
| Income: | 32,126 | 78,599 | 46,199 | 14,073 | 43.8 |
| Earmarked Reserves: | | | | | |
| Budget Additions | 101,000 | 101,000 | 73,000 | -28,000 | -27.7 |
| Other Additions | | 10,000 | | | |
| Releases | | | -4,658 | | |
| Total Expenditure: | 892,376 | 929,689 | 987,926 | 95,550 | 10.7 |

| 2023/24 Actuals to 30.09.23 | 2023/24 Actual | BUDGET | 2024/25 Agreed* Budget | 2024/25 Actuals to 30.09.24 | 2024/25 Projected Out-turn | 2025/26 Draft Budget |
|-----------------------------|----------------|---------------|------------------------|-----------------------------|----------------------------|----------------------|
| £ | £ | | £ | £ | £ | £ |

Finance & General Purposes - Projected Out-turn 2024/25 and Draft Budget 2025/26

| 2023/24 Actuals to 30.09.23 | 2023/24 Actual | INCOME | 2024/25 Agreed Budget | 2024/25 Actuals to 30.09.24 | 2024/25 Projected Out-turn | 2025/26 Draft Budget |
|-----------------------------|---------------------|--|-----------------------|-----------------------------|----------------------------|----------------------|
| £ | £ | | £ | £ | £ | £ |
| 2,150,252.00 | 2,150,252.00 | 300 Precept | 2,306,332 | 2,306,332.00 | 2,306,332.00 | 2,499,750 |
| 13,321.90 | 37,019.42 | 310 Interest | | | | |
| | | 310/1 Interest from Savings | 26,000.00 | 41,795.19 | 70,000.00 | 40,000.00 |
| 5,648.00 | 5,648.00 | 315 Rents | | | | |
| | | 315/1 Tennis Club | 6,026.50 | 6,026.50 | 6,027.00 | 6,129.00 |
| 5,648.00 | 5,648.00 | 315 Total | 6,026.50 | 6,026.50 | 6,027.00 | 6,129.00 |
| 0.00 | 0.00 | 320 Neighbourhood Plan | 0.00 | 0.00 | 0.00 | 0.00 |
| 7,462.01 | 16,099.06 | 325 Section 106 Monies/CIL Payments | 0.00 | 13,724.29 | 0.00 | 0.00 |
| | | 330 Grants | | | | |
| | | 330/1 General Grants | 0.00 | 0.00 | 2,500.00 | 0.00 |
| 69.23 | 69.23 | 380 Investments | 100.00 | 71.88 | 72.00 | 70.00 |
| | | 399 Miscellaneous | | | | |
| 988.79 | 8,078.02 | 399/2 Miscellaneous | -0.50 | 13,021.34 | 0.00 | 0.00 |
| 988.79 | 8,078.02 | 399 Total | -0.50 | 13,021.34 | 0.00 | 0.00 |
| 2,177,741.93 | 2,217,165.73 | Subtotal on all F&GP Income | 2,338,458.00 | 2,380,971.20 | 2,384,931.00 | 2,545,949.00 |
| | | Additional Contributions to reserves | | -26,745.63 | | |
| 2,177,741.93 | 2,217,165.73 | Finance & General Purposes Total Income | 2,338,458.00 | 2,354,225.57 | 2,384,931.00 | 2,545,949.00 |

| 2023/24 Actuals to 30.09.23 | 2023/24 Actual | EXPENDITURE | 2024/25 Agreed Budget | 2024/25 Actuals to 30.09.24 | 2024/25 Projected Out-turn | 2025/26 Draft Budget |
|-----------------------------|------------------|--|-----------------------|-----------------------------|----------------------------|----------------------|
| £ | £ | | £ | £ | £ | £ |
| 166,953.44 | 359,646.02 | 3000 Salaries | 388,731.00 | 192,084.33 | 399,990.00 | 448,199.00 |
| | | 3005 Council Office | | | | |
| 2,665.10 | 4,441.10 | 3005/2 Non-Domestic Rates | 4,664.00 | 2,665.10 | 4,442.00 | 4,442.00 |
| 969.30 | 2,185.36 | 3005/3 Telephone | 2,300.00 | 1,131.53 | 2,200.00 | 2,316.00 |
| 704.26 | 1,455.96 | 3005/4 Office Supplies | 1,800.00 | 953.70 | 1,800.00 | 1,800.00 |
| 662.89 | 1,058.21 | 3005/5 Photocopier - Lease & Managed Print | 1,000.00 | 365.60 | 750.00 | 800.00 |
| 516.37 | 632.05 | 3005/6 Postage | 1,500.00 | -30.62 | 500.00 | 600.00 |
| 0.00 | 979.77 | 3005/7 Office Furniture | 1,000.00 | 249.99 | 1,000.00 | 1,000.00 |
| 282.84 | 994.06 | 3005/8 IT Equipment - Purchase | 1,000.00 | 156.31 | 15,000.00 | 1,000.00 |
| 542.72 | 2,381.32 | 3005/9 IT Equipment - Lease | 2,500.00 | 1,171.97 | 2,500.00 | 3,100.00 |
| 1,619.50 | 4,062.35 | 3005/10 IT Software & Support | 7,000.00 | 2,553.10 | 6,500.00 | 7,000.00 |
| 2,212.12 | 2,317.45 | 3005/11 Accounting Software & PDQ | 2,250.00 | 2,179.00 | 2,290.00 | 2,400.00 |
| 1,802.47 | 5,849.90 | 3005/13 Electricity | 8,500.00 | 1,684.24 | 6,750.00 | 7,200.00 |
| 297.50 | 693.80 | 3005/14 Water | 800.00 | 393.05 | 875.00 | 875.00 |
| 275.00 | 660.00 | 3005/15 Broadband | 720.00 | 330.00 | 660.00 | 720.00 |
| 2,911.35 | 6,716.09 | 3005/16 IT Provision for Councillors | 7,200.00 | 5,038.93 | 10,429.00 | 11,000.00 |
| 710.20 | 1,807.30 | 3005/17 Payroll Processing | 2,250.00 | 964.60 | 2,000.00 | 2,250.00 |
| 16,171.62 | 36,234.72 | 3005 Total | 44,484.00 | 19,806.50 | 57,696.00 | 46,503.00 |
| 272.00 | 279.99 | 3010 Website | 1,000.00 | 322.00 | 500.00 | 500.00 |
| 0.00 | 0.00 | 3012 External Communications | 2,000.00 | 0.00 | 2,000.00 | 2,000.00 |
| | | 3015 Training | | | | |
| 3,248.12 | 8,697.88 | 3015/1 Staff Training | 10,000.00 | 7,458.50 | 10,000.00 | 15,000.00 |
| 601.56 | 137.68 | 3015/2 Councillor Training | 2,500.00 | 673.50 | 2,500.00 | 5,000.00 |
| 3,849.68 | 8,835.56 | 3015 Total | 12,500.00 | 8,132.00 | 12,500.00 | 20,000.00 |
| 187.00 | 287.00 | 3020 Staff Travelling Allowance | 500.00 | 300.00 | 550.00 | 500.00 |
| | | 3026 Health & Safety | | | | |
| 5,216.25 | 4,929.83 | 3026/1 Contracts | 6,000.00 | 5,415.42 | 6,000.00 | 6,000.00 |
| 64.50 | 959.00 | 3026/5 Employee Support | 4,000.00 | 282.76 | 2,000.00 | 3,000.00 |
| 0.00 | 36.64 | 3026/6 Response (Repairs, Supplies, DSE) | 3,000.00 | 7.33 | 3,000.00 | 3,000.00 |
| 5,280.75 | 5,925.47 | 3026 Total | 13,000.00 | 5,705.51 | 11,000.00 | 12,000.00 |
| 12,587.06 | 28,947.38 | 3030 Insurance | 29,000.00 | 13,994.00 | 35,000.00 | 35,000.00 |
| | | 3035 Penlee Centre Building | | | | |
| 469.96 | 2,247.54 | 3035/1 Maintenance | 3,000.00 | 193.02 | 3,000.00 | 3,000.00 |
| 2,043.00 | 3,852.90 | 3035/2 Cleaning | 4,400.00 | 2,123.73 | 3,900.00 | 4,400.00 |
| 0.00 | 800.00 | 3035/3 Refurbishment Project | 0.00 | 0.00 | 0.00 | 0.00 |
| 167.85 | 409.00 | 3035/4 Confidential Waste Collection | 480.00 | 213.72 | 450.00 | 450.00 |
| 587.21 | 459.19 | 3035/5 Security | 660.00 | 650.59 | 700.00 | 750.00 |
| 53.33 | 226.47 | 3035/6 CCTV | 385.00 | 183.53 | 385.00 | 385.00 |
| 263.54 | 556.19 | 3035/7 Fire Safety Contract | 660.00 | 279.35 | 660.00 | 660.00 |
| 0.00 | 0.00 | 3035/9 Statutory electrical checks | 630.00 | 0.00 | 528.00 | 550.00 |
| 3,584.89 | 8,551.29 | 3035 Total | 10,215.00 | 3,643.94 | 9,623.00 | 10,195.00 |
| 3,666.50 | 9,336.50 | 3040 Legal Fees | 15,000.00 | 7,349.50 | 15,000.00 | 15,000.00 |
| 2,173.00 | 943.02 | 3045 Penzance BID Levy | 2,173.00 | 943.00 | 943.00 | 943.00 |

| | | | | | | | |
|-------------------|-------------------|-------------|---|-------------------|-------------------|-------------------|-------------------|
| 185.40 | 4,819.26 | 3050 | Mayor's Allowance | 4,800.00 | 566.08 | 4,800.00 | 4,800.00 |
| 0.00 | 0.00 | 3052 | Councillors Travel expenses | 500.00 | 136.12 | 250.00 | 500.00 |
| 420.10 | 838.00 | 3055 | Venue Hire | 800.00 | 176.26 | 800.00 | 1,800.00 |
| | | 3061 | Official Functions | | | | |
| 1,939.17 | 2,147.50 | 3061/1 | Mayor Choosing | 3,000.00 | 2,225.42 | 2,226.00 | 3,000.00 |
| 0.00 | 0.00 | 3061/2 | Annual Town Meeting | 500.00 | 0.00 | 0.00 | 500.00 |
| 800.00 | 800.00 | 3061/3 | St John Feast | 800.00 | 840.00 | 840.00 | 850.00 |
| 448.00 | 448.00 | 3061/4 | Mazey Lunch | 600.00 | 577.98 | 578.00 | 600.00 |
| 74.58 | 719.28 | 3061/5 | Remembrance Sunday | 1,000.00 | 0.00 | 1,000.00 | 1,000.00 |
| 452.00 | 484.50 | 3061/6 | Miscellaneous | 1,000.00 | 589.81 | 1,000.00 | 1,000.00 |
| 525.00 | 850.00 | 3061/8 | Honorarium Payments | 700.00 | 150.00 | 700.00 | 700.00 |
| 4,238.75 | 5,449.28 | 3061 | Total | 7,600.00 | 4,383.21 | 6,344.00 | 7,650.00 |
| 4,080.05 | 4,165.05 | 3070 | Association Fees | 4,950.00 | 4,634.62 | 4,950.00 | 4,950.00 |
| 0.00 | 0.00 | 3075 | Councillor's Child Care | 300.00 | 0.00 | 0.00 | 300.00 |
| 0.00 | 432.91 | 3080 | Recruitment | 1,000.00 | 36.08 | 1,000.00 | 1,000.00 |
| 0.00 | 5,020.00 | 3085 | Audit Fee | 5,520.00 | 0.00 | 5,440.00 | 5,940.00 |
| 1,136.88 | 2,235.57 | 3095 | Bank Commission | 3,000.00 | 565.91 | 1,500.00 | 1,500.00 |
| 0.00 | 10,933.30 | 3115 | Neighbourhood Plan | 0.00 | 0.00 | 2,000.00 | 0.00 |
| | | 3125 | Grants | | | | |
| 16,984.00 | 46,189.00 | 3125/1 | General Grants | 47,000.00 | 33,715.97 | 47,000.00 | 70,000.00 |
| 502.86 | 502.86 | 3125/3 | Climate Emergency Grants | 6,000.00 | 6,000.00 | 6,000.00 | 0.00 |
| 6,220.00 | 10,000.00 | 3125/4 | Social Action Grants | 10,000.00 | 10,000.00 | 10,000.00 | 0.00 |
| 23,706.86 | 56,691.86 | 3125 | Total | 63,000.00 | 49,715.97 | 63,000.00 | 70,000.00 |
| | | 3140 | Service Level Agreements | | | | |
| 40,000.00 | 40,000.00 | 3140/2 | Jubilee Pool | 40,000.00 | 0.00 | 40,000.00 | 40,000.00 |
| 0.00 | 33,544.14 | 3140/3 | Cornwall Council ASB Officer Contribution | 36,632.00 | 0.00 | 36,632.00 | 39,183.00 |
| 0.00 | 0.00 | 3140/4 | Pengarth Day Centre | 22,000.00 | 11,000.00 | 22,000.00 | 24,200.00 |
| 0.00 | 0.00 | 3140/5 | Sustainable Penzance | 20,000.00 | 5,000.00 | 20,000.00 | 20,000.00 |
| | | 3140/6 | Penzance and Newlyn Youth | 0.00 | 0.00 | 0.00 | 20,000.00 |
| 40,000.00 | 73,544.14 | 3140 | Total | 118,632.00 | 16,000.00 | 118,632.00 | 143,383.00 |
| | | 3145 | Additional ASB Support | | | | 29,250.00 |
| 0.00 | 4,237.17 | 3150 | HR Consultancy Services | 5,000.00 | 1,108.50 | 5,000.00 | 5,000.00 |
| 0.00 | 0.00 | 3170 | Election Costs | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 4,768.00 | 3180 | Community Engagement | 5,000.00 | 336.00 | 5,000.00 | 5,000.00 |
| 0.00 | 3,088.00 | 3220 | Climate Emergency Support | 7,000.00 | 0.00 | 9,500.00 | 7,000.00 |
| 0.00 | 18,500.00 | 3225 | Youth Activities Support | 0.00 | 8,500.00 | 0.00 | 0.00 |
| 20,406.48 | 20,406.48 | 3400/1 | Annual Monitoring | 24,171.00 | 16,134.95 | 24,171.00 | 24,171.00 |
| 0.00 | 0.00 | 3400/2 | Additional Monitoring | 1,500.00 | 0.00 | 1,500.00 | 1,500.00 |
| 6,677.28 | 13,354.56 | 3400/3 | Maintenance Contract | 15,000.00 | 5,395.14 | 15,000.00 | 10,000.00 |
| 0.00 | 0.00 | 3400/4 | Repairs | 5,000.00 | 0.00 | 5,000.00 | 5,000.00 |
| 27,083.76 | 33,761.04 | 3400 | Total | 45,671.00 | 21,530.09 | 45,671.00 | 40,671.00 |
| 314,177.74 | 767,470.53 | | Subtotal on all expenditure | 791,376.00 | 359,969.62 | 818,689.00 | 919,584.00 |
| | | 3995 | Earmarked Reserves Contributions | | | | |
| 0.00 | 0.00 | 3995/1 | Penlee Centre Building Fund | 60,000.00 | 60,000.00 | 60,000.00 | 0.00 |
| 0.00 | 2,500.00 | 3995/2 | Election Costs Fund | 10,000.00 | 10,000.00 | 10,000.00 | 28,000.00 |
| 0.00 | 0.00 | 3995/4 | Devolution Fund | | | | |
| 0.00 | 1,000.00 | 3995/7 | IT Replacement | 1,000.00 | 1,000.00 | 1,000.00 | 5,000.00 |
| 0.00 | 10,000.00 | 3995/9 | Youth Reserve | 10,000.00 | 10,000.00 | 10,000.00 | 0.00 |
| 0.00 | 5,000.00 | 3995/13 | HR Contingency | 5,000.00 | 5,000.00 | 15,000.00 | 10,000.00 |
| 0.00 | 0.00 | 3995/14 | Events | | | | |
| 0.00 | 0.00 | 3995/18 | Legal Fees | 0.00 | 0.00 | 0.00 | 5,000.00 |
| 0.00 | 0.00 | 3995/20 | CIL Funds | 0.00 | 0.00 | 0.00 | 0.00 |
| 0.00 | 10,000.00 | 3995/21 | Town Deal Projects | 10,000.00 | 10,000.00 | 10,000.00 | 15,000.00 |
| 0.00 | 3,000.00 | 3995/22 | CCTV repair/replacement | 5,000.00 | 5,000.00 | 5,000.00 | 10,000.00 |
| 0.00 | 31,500.00 | 3995 | Total | 101,000.00 | 101,000.00 | 111,000.00 | 73,000.00 |
| 0.00 | 0.00 | | Additional Contribution to reserves | | -25,047.45 | | -4,658.00 |
| -1,400.00 | 0.00 | 3999 | Total Contributions to Reserves | 101,000.00 | 75,952.55 | 111,000.00 | 68,342.00 |
| | | | Miscellaneous | | | | |
| 314,177.74 | 798,970.53 | | Finance & General Purposes Total Expenditure | 892,376.00 | 435,922.17 | 929,689.00 | 987,926.00 |

| Finance & General Purposes Committee Earmarked Reserve Balances and Contributions in 2025/26 Draft Budget | | | |
|--|---|---|----------------------------|
| Fund | Description | Estimated 31st March 2025 | 25/26 Contributions |
| Penlee Centre Building | The Penlee Centre roof is passed its estimated life expectancy when a condition survey was done in 2017 when the building was refurbished, as well as this, it has now been identified that the forecourt and lane need resurfacing and drainage works; these works will commence at the same time as the Coach House project in 2025. | £93,869 | £0 |
| Election Costs | Estimated cost of 2025 full election will be in the region of £26,000 based on current costs provided by Cornwall Council, this price is including the cost split between Cornwall Council for their elections. A single by-election where PZTC would be liable for 100% of the cost, is in the region of £12k, by increasing the reserve £28k, this allows one by-election after the cost of the main elections. | £10,453 | £28,000 |








| | | | |
|--------------------------------------|--|----------|--------|
| Devolution of Services (Allocated) | This reserve is in place for the last phase of the current devolution project, which is Princess May Recreation Ground, this has now been taken over and a consultation is going to take place during 2025 to determine what improvements will be done on the site. | £185,708 | £0 |
| Devolution of Services (Unallocated) | Reserve for costs associated with devolution but unallocated for unexpected costs or for surveys and inspections of sites before taking over. | £29,012 | £0 |
| Youth Strategy | We have now agreed a service level agreement with Penzance and Newlyn Youth Group to deliver youth provision within the parish, as well as provision for youth project for Golowan and the agreed funding is now added into the revenue budget and therefore there is not a current requirement for a reserve. | £4,658 | £0 |
| Section 106 (Regen Board) | These are not Penzance Council's funds, but that of the Penzance Regeneration Board, the remaining funds will be spent by the end of the financial year and therefore the estimate balance is £0. | £0 | £0 |
| IT Replacement | The IT infrastructure for Penlee Centre and Penlee House is aging as well as keeping in mind options for expanding with additional sites | £5,904 | £5,000 |

| | | | |
|--------------------------------|--|---------|---------|
| | which would require IT infrastructure to be installed. | | |
| HR Contingency | This reserve is for HR related issues that may unexpectedly arise, such as recruitment, interim staffing cover, evaluations. The outcome of the current staffing review for the Corporate Services team is still unconfirmed, so an allowance for this has been included in the proposed contribution for 25/26. | £30,355 | £10,000 |
| Neighbourhood Plan | The final amendments are being worked on before the plan goes to referendum by Cornwall Council, which will deplete this reserve by the 31 st March. No further contributions required. | £0 | £0 |
| Events (Formerly Royal Events) | This reserve was originally setup for coronation events, Jubilee celebrations, royal visits, and Operation London Bridge. It is proposed this reserve is now changed to incorporate all types of events which are not regular annual civic events already budgeted for. | £4,583 | £0 |
| Legal Contingency | This reserve was setup when there was an underspend in the legal fees budget in one financial year but was decided to put into a reserve so that it could be used as a contingency if needed in the future. This year it has already been proposed to spend up | £6,000 | £5,000 |

| | | | |
|--------------------------|--|---------|---------|
| | to the £6,000 which is in it for legal work relating to installing electric chargers in the car park, the reserve will then be down to £0 if all the amount is required. | | |
| CIL Funds | The funds within this reserve are collected by Community Infrastructure Levy payments from planning developments within the parish, the money can be used on specific areas, such as new infrastructure to benefit the parish. | £40,422 | £0 |
| Town Deal Projects | As it is known that there are various projects that are taking place around the town as part of town deal, one of which being the acquisition of market house, as Penzance Council would want to be included in this there is the need to start building up a fund to help with the costs of this. | £20,000 | £15,000 |
| Staff Training | As well as having an in-year amount for staff training budget, this amount is reserved for bespoke training programmes for employees which would be approved through Council. | £10,000 | £0 |
| CCTV Repairs/Replacement | This reserve was established to replace CCTV camera equipment as and when it fails. A number of these units are in exposed areas which will shorten the life of the units. In addition to this, the CCTV programme has been expanded across the parish meaning the | £7,337 | £10,000 |

| | | | |
|----------------|---|-----------------|----------------|
| | <p>Penzance Council are now responsible for more cameras than they originally were. Many of these CCTV units are reaching the end of their initially indicated lifespan of 6 years which could result in a significant number of cameras needing to be replaced in quick succession to keep the system operational. Depending on specification, replacement units and repeaters can cost between £2k and £3.5k per unit</p> | | |
| TOTALS: | | £448,301 | £73,000 |

PENZANCE COUNCIL – 13 JANUARY 2025**REPORT FOR DECISION****2025/26 PRECEPT SETTING**

| Our Culture | Our Decision Making | Our Environment | Our Money | Our People | Our Places | Our Resilience & Wellbeing |
|--|---|---|---|--|---|---|
|  |  |  |  |  |  |  |
| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Recommendation

A precept of £2,499,750 be set for the financial year 2025/26, representing an increase in council tax charge of 1.81%.

Background

This paper is to be read in conjunction with: -

- Item 11(d) - Appendix 1: Budget Summary
- Item 11(d) - Appendix 2: Precept Breakdown and Comparison
- Item 11(d) - Appendix 3: Tax Base Calculator

The Local Government Act 1992, Section 49A, requires a Local Precepting Authority to prepare a budget in advance of the start of the financial year to enable it to calculate its precept requirement and notify the tax raising authority, i.e., Cornwall Council.

The draft estimates have been prepared based on known commitments and external economic pressures e.g., inflation, nationally agreed pay awards and specific known price increases to contracts. Reports have been prepared by officers and then presented to the respective committee meetings and are included on the agenda for this meeting as items 11(a)-(c) to allow for final approval of the projected out-turn for 2024/25 and draft budget for 2025/26.

It is considered prudent and good practice to review Council Reserves in advance of setting the annual precept. Council reserves are required to be regularly reviewed and accepted as being appropriate levels for their purpose, they were last formally approved at budget setting in January 2024 and now again as part of this year's budget setting process. Committees also review their own reserves at committee meetings during the year when resolving to use funds for specific projects.

The earmarked reserve position appendices are included as a part of the committee budget reports and show estimated levels at 31 March 2025, based on commitments made by Council during the 24/25 year, it also shows the proposed contributions to reserves as required from the draft budget set out in Appendix 1 and any proposed releases or usage during the 25/26 year.

The Council holds two types of reserves, General and Earmarked, and it is essential that these are at sufficient levels for the Council to finance its day-to-day operations and to plan for when assets need improving or replacing. The requirement for financial reserves is acknowledged in Sections 32 and 43 of the Local Government Finance Act 1992.

The General Fund reserve is, as the name suggests, generally available to support against the impact of emerging events and genuine emergencies, the reserve is not set aside for specific purposes and should generally be maintained to cover the operational running costs should Council income be adversely affected in any way.

It is stated in The Joint Panel on Accountability and Governance (JPAG) guide for local councils that the general reserve should be maintained at between three and twelve months of net expenditure, with the minimum being three.

Both the Internal and External Auditor examine the levels of reserves during their annual review, and they have also been reviewed by an external accountant that has supported the budget preparations this year. By 31 March 2025, the Council's general reserve is projected to be at a level of 5.7 months of net expenditure for 2025/26, which is a sufficient level.

Earmarked Reserves have been established for specific purposes in the future where setting aside an annual sum allows for larger sums of one-off expenditure to happen and enables the mitigation of any risks identified in the Council's Risk Register as well as supporting Council's strategic aims.

During the budget setting process, existing earmarked reserves were reviewed to ensure that they are still required and that the level remains adequate for their intended purposes.

PRECEPT BREAKDOWN

As detailed in the attached Appendix 3, Penzance Tax Base Calculator 2025-26, and summarised below, is the required precept for 2025/26:

| | |
|-------------------------|---|
| Total Precept: | £2,499,750 |
| Band D Precept: | £327.03 per annum (annual increase of £5.82/weekly increase of 1p) |
| Annual Increase: | 1.81% |

Taxbase Change

The tax base for the Penzance Council parish has increased from 7,180.31 to 7,643.87 which is a **+6.46%** change from 2024/25. As per Appendix 2, the precept comparison spreadsheet, this has a positive impact on the precept requirement and reduces it from what would be an 8.3% increase if the taxbase remained at the current year level, down to an increase of 1.8%.

The taxbase change is primarily due to the newly introduced 'Second Home' Council tax premium, which accounts for 6% of the taxbase increase, with the 0.46% due to new properties within the parish due to developments. There are approximately 434 'Band D' equivalent second homes across the wards of Penzance Council for the 25/26 financial year that will be paying a 100% additional premium on their Council tax bill.

Expenditure

Expenditure has increased by £277,491 when compared with the original budget set for 2024/25. Revenue expenditure is, effectively, the operating costs throughout the financial year intended for that period, such as contracts, insurance, maintenance, leases, utilities, and salaries. The increase is broken down by committee in the appendix and is made up of a £163,208 increase from Finance and General Purposes, £17,784 from Leisure and Amenities and £96,499 from Arts and Culture.

Some of the increases analysed from the individual committee budgets include: an increase to available grants for community organisations; an additional service level agreement with Sustainable Penzance to help support sustainability initiatives; additional anti-social behaviour support across the parish to continue funding street marshal patrols which were piloted in 2024 from Police 'Hotspot' funding and graffiti clean ups; a new initiative to support footpath maintenance; the Coach House café development and as a result the redevelopment of a new education space and retail offering in the gallery. Finally, across all departments the effect of the national insurance increase on employers' contributions has had a significant impact to the wages bill in the region of £30,000.

The increase in revenue expenditure contributes to a 12% increase.

Earmarked Reserves

Earmarked reserve contributions have decreased by £42,959 when compared to the original budget set for 2024/25. As mentioned previously, the purpose of the Council's earmarked reserves is to build up funds for replacing and improving assets, but to also allow for unexpected expenditure, which might otherwise mean that the Council would have to precept a large amount within one year or, if an issue occurred during a financial year, use the general reserve which should be used for emergencies.

In previous years, many earmarked reserve levels had not been on target to achieve the level of funding needed when calculating how many years away the reserve would be required, this resulted in some significant in-year contributions which has now meant that annual contributions have reduced and the levels of reserve are in a better position to ensure financial security for on-going liabilities and to replace assets at the end of their lives.

Decreases to earmarked reserves contributions reduce the expenditure increase by 1.6%.

After reviewing reserves, one was identified which no longer met the criteria of being an earmarked reserve as it had a small balance of £4,658 remaining from a past project. By releasing this reserve from 1 April 2025, this reduces the expenditure increase by 0.2%

Income

Income as per the draft budget has increased by £36,456 compared to the original 2024/25 approved budget. Income from interest rates has continued to increase in the last twelve months but has now levelled out. Leisure and Amenities and Arts Culture income has marginal increases projected for the forthcoming year.

Increases in projected income reduces the expenditure increase by 1.6%.

As a result of the above changes, this makes a net precept increase of 8.3% before the increase in taxbase which reduces it further down to 1.8%.

Cameron Sil
Responsible Financial Officer

PENZANCE COUNCIL**BUDGET 2025/26****FINANCIAL SUMMARY**

| | 2023/24 Actuals | 2024/25 Agreed Budget | 2024/25 Forecast | 2025/26 Budget |
|--|--------------------|--------------------------|---------------------|-------------------|
| <u>Expenditure (excl. from EMRs):</u> | | | | |
| Finance & General Purposes | 674,225 | 791,376 | 818,689 | 919,584 |
| Leisure & Amenities | 778,712 | 783,685 | 762,024 | 801,469 |
| Arts & Culture | 792,096 | 844,458 | 816,458 | 940,957 |
| Total | 2,245,033 | 2,419,519 | 2,397,171 | 2,662,010 |
| <u>Income (excl. to EMRs):</u> | | | | |
| Finance & General Purposes | 35,070 | 32,126 | 78,599 | 46,199 |
| Leisure & Amenities | 128,125 | 109,380 | 119,525 | 115,400 |
| Arts & Culture | 473,876 | 371,681 | 404,838 | 388,044 |
| | 637,071 | 513,187 | 602,962 | 549,643 |
| Precept | 2,150,252 | 2,306,332 | 2,306,332 | 2,499,750 |
| Total Funds movement | 542,290 | 400,000 | 512,123 | 387,383 |
| Earmarked Reserves: | | | | |
| Additions - per Budget | 230,500 | 435,000 | 435,000 | 392,041 |
| Additions - Other | 153,398 | 0 | 40,000 | 0 |
| Releases | (35,858) | 0 | 0 | (4,658) |
| General Fund Inc./(Decr) | 194,250 | (35,000) | 37,123 | 0 |
| Total Funds movement | 542,290 | 400,000 | 512,123 | 387,383 |
| Closing Fund Balances: | | | | |
| Earmarked Reserves | 1,214,072 | 1,386,991 | 1,585,261 | 1,670,644 |
| General Fund (GF) | 973,098 | 740,348 | 1,010,221 | 1,010,221 |
| Total | 2,187,170 | 2,127,339 | 2,595,482 | 2,680,865 |
| GF Equiv. Months | 7.3 | 4.7 | 6.8 | 5.7 |
| GF % of Expenditure (excl. EMRs) | 43.3 | 30.6 | 42.1 | 37.9 |
| Tax Base | 7,170.85 | 7,180.31 | 7,180.31 | 7,643.87 |
| Band D Precept | 299.86 | 321.20 | 321.20 | 327.03 |
| Band D Precept % Incr/(Decr) | 21.7 | 7.1 | 7.1 | 1.8 |
| General Fund Month's Equiv. Calculation: | | | | |
| Net Expenditure | 1,607,962 | 1,906,332 | 1,794,209 | 2,112,367 |
| Less Capital Expenditure not funded by EMR releases | 15,642 | 10,000 | 16,000 | 11,000 |
| Base | 1,592,320 | 1,896,332 | 1,778,209 | 2,101,367 |
| GF Closing Balance | 973,098 | 740,348 | 1,010,221 | 1,010,221 |

PENZANCE COUNCIL

BUDGET 2025/26 PRECEPT COMPARISON

| | 2024/25 | 2025/26 | Precept Change | |
|---|------------------|------------------|----------------|-----------------|
| | Original Budget | Draft Budget | Difference | % Incr/ (Decr.) |
| Precept | 2,306,332 | 2,499,750 | 193,418 | 8.3 |
| Resulting from: | | | | |
| <u>Expenditure (excl. from EMRs):</u> | | | | |
| Finance & General Purposes | 756,376 | 919,584 | | |
| Leisure & Amenities | 783,685 | 801,469 | | |
| Arts & Culture | 844,458 | 940,957 | | |
| Total | 2,384,519 | 2,662,010 | 277,491 | 12.0 |
| <u>Income:</u> | | | | |
| Finance & General Purposes | 32,126 | 46,199 | | |
| Leisure & Amenities | 109,380 | 115,400 | | |
| Arts & Culture | 371,681 | 388,044 | | |
| | 513,187 | 549,643 | (36,456) | (1.6) |
| <u>Reserves:</u> | | | | |
| Additions to EMRs | 435,000 | 392,041 | (42,959) | (1.9) |
| Releases from EMRs | 0 | (4,658) | (4,658) | (0.2) |
| Precept | 2,306,332 | 2,499,750 | 193,418 | 8.3 |
| Precept - % increase after allowing for increase in Taxbase | | | | 1.8 |

Notes:

Expenditure in 2025/26 Budget for Staff costs include 2024/25 Agreement, 5% inflation for 2025/26, SCP increases for applicable staff and increases to Employer's NI per October Budget,

Taxbase increased by 6.46%, of which 6.0% is due to the second homes premium.

COUNCIL TAX ANALYSIS**Penzance**Precept for 2024/25 **2,306,332.00**Divided by the taxbase 2024/25 **7,180.31****Equals : Band D Council Tax 2024/25 321.20****For 2025/26****Proposed precept for 2025/26 2,499,750.00**Divided by the taxbase 2025/26 **7,643.87****Equals : Band D Council Tax 2025/26 327.03**

| | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Parish Council Tax Charge 2024/25 | 214.13 | 249.82 | 285.51 | 321.20 | 392.58 | 463.96 | 535.34 | 642.40 |
| <i>As a proportion of Band D</i> | <i>6/9</i> | <i>7/9</i> | <i>8/9</i> | <i>9/9</i> | <i>11/9</i> | <i>13/9</i> | <i>15/9</i> | <i>18/9</i> |
| Proposed Parish Council Tax Charge 2025/26 | 218.02 | 254.35 | 290.69 | 327.03 | 399.70 | 472.37 | 545.04 | 654.05 |
| Annual change (£) for 2025/26 | 3.89 | 4.53 | 5.18 | 5.82 | 7.12 | 8.41 | 9.70 | 11.65 |
| Annual change (%) for 2025/26 | 1.82% | 1.81% | 1.81% | 1.81% | 1.81% | 1.81% | 1.81% | 1.81% |