

**PENZANCE COUNCIL – 19 JANUARY 2026**

**REPORT FOR DECISION**

**ARTS AND CULTURE PROJECTED 2025/26 OUTTURN AND PROPOSED  
2026/27 BUDGET**

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

**Recommendation:**

1. The projected out-turn for 2025/26, as set out at Appendix 1 to this report, be approved.
2. The Arts and Culture proposed budget for 2026/27, as set out at Appendix 1 to this report, be approved.
3. The level of existing earmarked reserves and their respective contributions in 2026/27, as set out at Appendix 2 to this report, be approved and adopted.

**Background:**

**INCOME**

***Projected outturn 2025-26***

Penlee House Retail income has had a difficult year and is expected to return an adverse variance of £64,100 in comparison to the original set budget for 2025/26, therefore the budgets have had to be revised down to update the new projected outturn for the year. 2024-25 saw very high visitor figures with hugely popular exhibitions, Harold Harvey Painter of Cornwall and Flora: Curated by Kurt Jackson. 2025-26 has seen a reduction in visitor numbers. As an indoor attraction, the unusually

high levels of sunny days has had an impact on our summer visitors, this is supported by evidence from elsewhere, with sites that have accompanying outdoor space (such as National Trust properties), seeing strong footfall, but sites such as museums and art galleries seeing a reduction in visitors compared to previous years. Income is impacted by this reduction in visitors, but additionally, in the midst of a cost of living crisis, there is evidence of a reduction in secondary spend amongst those who are visiting galleries which is reflected in our reduced retail income in 2025-26.

Grant funding and sponsorship income has been on target, the capital receipts from 'Other Grant Funding' of £250,000 is from the Town Deal Enterprise grant which was awarded for the Coach House café refurbishment which is currently ongoing and due to be finished by the end of the year, this amount is not included in the revenue income as it is match funding and placed into the capital project account for the Coach House to support this spend. During the year, the Art Fund Going Places project was commissioned which was not known when the budget was agreed, this increases the income but also increases the expenditure at the same level. The Going Places programme partners Penlee House with OnFife and Museums Worcestershire, who are working together to develop two touring exhibitions. The first will be displayed at Penlee House in Summer 2026 and will focus on women artists. The second in summer 2028, will focus on childhood. Each exhibition will be accompanied by community engagement work, including, at Penlee House, working with Care Free Cornwall.

The Orangery café franchise income has been on target, and it is projected that the outturn will be slightly improved to the level that was set in the agreed budget.

Overall net income from the Arts and Culture Committee is projected to decrease by £27,488 within the current financial year, in comparison to the agreed budget.

### ***Proposed budget 2026-27***

Admissions income is projected to remain in line with the projected outturn for 2025/26 but is still a reduction on the original agreed budget for 2025/26. Admissions income in the financial year 2026-27 is anticipated to be comparable to 2025-26. This is due to the proposed exhibition programme. The Going Places programme is being delivered with the Art Fund. Whilst it is anticipated that the exhibition relating to this will prove popular, a core audience will be Art Fund members, who receive free admission to the gallery (as a condition of financial grant support provided over a number of years by the Art Fund for acquisition of artworks).

Merchandise income is set to be slightly higher than the out-turn for this year due to the provision of bespoke goods to accompany the Going Places exhibition in May-September 2026 as well as the provision of a book being produced to accompany the touring show from the Bowerman Trust which will be on display from October – January 2026-27.

Education workshop income is budgeted to be in line with the current year's projected out-turn.

Grant funding income is appearing lower due to the unknown factor of whether Arts Council England is able to provide funding for 2026/27, in the current year they provided £80,000, which was also reflected in the expenditure. Arts Council England (ACE) have notified all those currently in receipt of funding that there will be an extension to the programme for 2026-27. However, at present ACE have not received their financial settlement from DCMS and therefore cannot confirm the level of financial commitment to organisations for 2026-27. Going Places funding is for a period of five years, and the amount set for 2026/27 is the agreed value from the funder which matches the expenditure.

Other points of note for the draft budget 2026-27 for income:

- Café franchise income is maintained at the projected income for this year, despite the new café opening at the Coach House with a much-increased amount of covers, it is unknown what the levels of income will be. This will be monitored carefully with performance meetings with the operator once the new agreement begins, which is expected by 1 April.
- In line 400/2/5, Other Grant income is set at zero because there is no confirmed grant income for next year. However, applications will be made for suitable funding opportunities as they arise and historically have always generated income in this line.
- The Buildings Appeal continues to bring in a small amount of income, but the roof project is due to be completed imminently with funds already made available, so there won't be any campaign for the building appeal fundraising at this time.

## EXPENDITURE

### ***Projected outturn 2025-26***

The projected net outturn for expenditure is anticipated to be at a similar level as the original agreed budget.

Salary costs are anticipated to be around £9,000 less than expected and this is because during the financial year there has been turnover of some posts and periods of vacancies before re-recruitment where salary costs haven't been incurred, combined with new members of staff starting at the bottom of their salary scale range where the predecessors were at the top of their scales; the pay award for the current financial year was 3.2% when a 5% allowance was included in the budget, giving a further 1.8% saving.

Shop expenditure is anticipated to be lower due to the equivalent lower projected sale demand, so the variable costs, merchandise for resale, has been projected down, but not so much that it would restrict further income generation.

Gallery exhibitions and museum related costs have been revised down, mainly around the specific exhibition costs; this is due to transportation and loan costs being less this year. This is as a result of exhibitions being installed which were predominantly from single sources, in the case of the Bidy Picard and Lamorna Birch exhibitions, or with a higher proportion of local works, in the case of the Birds exhibition.

The Coach House budget line appears significantly higher than the original budget, but includes capital costs funded from reserve, not from the revenue budget. £519,915 of this is funded from The Coach House reserve, £250,000 of this is match funding from the Town Deal Enterprise Grant as referenced from the income.

The Art Fund Going Places project was not included in the original budget, the same as with the income, so was added during the year to the same value as the income level, so they have no net effect as they balance each other out.

Golowan Festival budget has been revised up slightly due to recalculation of payments due for the service level agreement with Golowan Festival CIC, payments in preparation for the 2026 festival also include index linking for inflation which was at 3.8%. Also included in this budget is the provision for Golowan fireworks and the Golowan youth stage project.

### ***Proposed budget 2026-27***

Officers have been mindful to make cost savings wherever possible in the budget looking ahead and have made the following considerations:-

- **Salary costs** - a 4% increase for pay awards in 2026-7 has been allowed for across all Council employees, equating to a predicted increase of c.£16,000 for the Penlee House department. For reference, this current year the pay award impact on the salaries budget was a 3.2% increase upon the previous scales. The salaries budget includes two of the Art Fund Going Places funded roles, where costs are recouped through the income next year, it also includes the existing two Arts Council funded posts, the Learning Assistant and Marketing Assistant, as an extension has been made to their current posts which would have ended 31 March, to 31<sup>st</sup> July as resolved by Council on 10 November 2025, this is a contingent cost as it is expected that Arts Council will award funding for the whole of 2026/27 and the funded projects will be able to continue. The salaries budget for 2026/27 also includes the additional capacity to the Director role and Visitor Experience and Retail Manager on a temporary basis up to 31 March 2027 as was also resolved by Council on 10 November 2025. Despite the changes, the salaries budget is still at a similar level of the original agreed 2025/26 budget, this is because currently the two Arts Council

funded roles are included on a full-time basis for the whole 12 months this year, and only included for four months at present in the draft 2026/27 budget, if Arts Council funding is agreed between the time of writing this report and is accepted by Penzance Council, then the budget will be amended, but with no net effect as the additional expenditure will be off-set by the additional income.

- Due to inflation, where appropriate, external contracts have had 4% added as these costs are beyond the Council's control or where officers have already been informed of price increases, they have been able to include the actual increased amount.
- Electricity expenditure is predicted to remain the same, a slight increase on unit charges being balanced out by both a reduction on standing charge and predicted usage reduction due to café relocation resulting in the same predicted spend for 26/27. Gas expenditure is predicted to follow the same trend with a small increase on unit charge being balanced out by a reduction in usage being seen, resulting in a predicted 2k saving on projected out-turn for 25/26 and draft budget for 26/27.
- Line 4100/2/9 - Capital Refurbishment – has £27,000 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 been completed. This was originally planned to be done in January 2026, but it cannot progress until the Coach House Café operation has commenced which is expected by April 2026, and the works will need to be planned in for January 2027 when a closure period can take place.
- Line 4100/4/1 – Merchandise for Resale – has been reduced in line with the expected demand of income from retail sales, this is in line with the expected bespoke products and exhibitions planned for 2026/27.
- Line 4100/5/1 – exhibition costs have been calculated based on the programme of exhibitions within the 2026/27 financial year taking into account the transportation and loan costs for each. Officers have included agreed funding from the Friends of Penlee House at £7,000 in 400/2 Grants and Funding to support some of the exhibition costs and also some of the Art Fund Going Places funding is towards exhibition costs.
- Line 4100/5/5 – Volunteer refreshments costs have increased with inflation due to increasing food and drink 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 – The Coach House budget line has now reduced following the capital project, an amount for utilities and maintenance has been included for contingency, while it will be the operator that is responsible for most areas, this

contract has not been awarded and so there is no confirmed start date as of yet.

- Line 4100/8/1 – Council Funded Educational Activities. This budget line has reduced due to Arts Council funding being unconfirmed, in 2025/26 this was £22,350 of the education budget. If the Arts Council funding is awarded, then it would be calculated how much of this would be assigned to education and the additional grant income would off-set this.
- The Golowan Festival SLA in 2026/27 will be the second year of the 3-year festival agreement, as per the agreement it was agreed that each year the amounts paid to the CIC would be reduced slightly with the intention that they raise additional funding from sponsorships and commercial agreements to make them more financially sustainable. The budget also includes, in addition to the SLA, £6,000 for youth stage provision.
- As agreed from last year, Christmas lights were handed over to Penzance BID to organise, but the Council would keep a budget for contribution to the cost of this. In 2026/27's budget, it is proposed that the same level of funding is provided with no increase.
- Town Flags and Banners budget for commission and rigging for the 2026 year has been reduced, this is due to the type of flag now produced, which has meant that many of the flags can be re-used for a second season, with only part of them needing replacement. The rigging contract will still be required, but the budget for the flag procurement has been reduced due to the reduction in flags needing replacement.

### **Earmarked Reserves**

- Penlee House Building Fund – the roof replacement works which Council agreed last year are still pending, with up to £180,000 allocated for these works, this project is now expected to be completed in Spring/Summer 2026. A further contribution of £8,000 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.
- Penlee House Plant Fund – a contribution of £96,000 in the 2026/27 is proposed in order to build back up to the level required to undertake the upgrade works to the plant equipment, once the exterior work with the roof has been completed the plant project will be re-considered, looking at the different options. The upgrade of the plant equipment would be more environmentally friendly and reduce energy consumption once completed, having a positive impact on the environment and financial savings.

- Penlee House Visitor Experience – a £3,000 reserve contribution is proposed to bring up to £10,000; this reserve is currently called the Orangery Equipment Replacement, but once the Coach House Café opens this reserve will be used to develop the visitor experience space where the current shop and Orangery café is now. The catering equipment used by The Orangery is owned by the Council and this can be used in the space to provide light refreshments, so provision will be still needed in a reserve for replacement of this in the future anyway.
- The Coach House – this reserve which was previously used for the Coach House development project as match funding for the Town Deal Enterprise grant will now be used for future repairs and replacement of catering equipment and building improvements as this will be the responsibility of the Council to the operator of the café. A £9,000 contribution is proposed with the intention this level will be sustained on an annual basis (in addition to an inflationary increase) for 10 years, as this is likely when some of the larger items of catering equipment will need replacing.
- Christmas Lighting Infrastructure – this reserve is no longer required as this was handed over to Penzance BID and therefore does not meet the criteria to be held as an earmarked reserve, therefore it is proposed to be released in the 2026/27 budget to help reduce the precept requirement.

### **Increases to Budget Analysed**

Referring to the budget summary in Appendix 1 -

#### **2025/26 Out-turn**

Projected net expenditure is expected to be £982 less than agreed in the original budget, which is a favourable variance, but projected income is expected to be £27,488 less than agreed in the original budget, which is an adverse variance, meaning there is a projected shortfall between income and expenditure of £26,506. This shortfall needs to be considered alongside the other committees' budgets to see if this shortfall can be absorbed due to underspends in other areas, if not then the General Fund or another reserve may be required to meet this.

#### **2026/27 Proposed**

In comparison to the original agreed budget set for 2025/26, projected expenditure in 2026/27 has decreased by £66,858, earmarked reserve contributions have remained at the same level, of £116,000 and there are releases from reserves totalling £51,285 which includes £27,500 from Christmas Lighting Infrastructure and up-to £23,785 from the HR Contingency reserve to cover the potential cost of the Arts Council funded posts extended for four months into 2026/27 if Arts Council funding is not awarded. This makes the net expenditure to be £938,814 which is £118,143 less than in the original agreed budget for 2025/26.

Income for 2026/27 in comparison to the original agreed budget set for 2025/26 is £82,777 less, due to the reasons mentioned in this report.

The difference between the expenditure, releases from reserves and the projected income is £633,547 and this is the projected amount from The Arts and Culture Committee required from the Council precept. In comparison to 2025/26 requirement, this is £35,336 less.

This report was considered by the Arts and Culture Committee at its meeting held on 24 November 2025 where it unanimously resolved to make the recommendations set out above.

Appendix 1 - Budget Summary and Spreadsheet

Appendix 2 - Earmarked Reserves

Verity Anthony

Director, Penlee House (maternity cover) / Visitor Experience and Retail Manager

Cameron Sil

Finance Manager

## Arts and Culture Budget Comparison 25/26 and 26/27

	2025/26 BUDGET	2025/26 OUTTURN	2026/27 DRAFT BUDGET	Change from previous year agreed	% change
<b>Expenditure (excl. EMRs):</b>	940,957	1,447,454	874,099	<b>-66,858</b>	<b>-7.1</b>
<b>Income:</b>	388,044	360,556	305,267	<b>-82,777</b>	<b>-21.3</b>
<b>Earmarked Reserves:</b>					
Budget Additions	116,000	116,000	116,000	<b>0</b>	<b>0.0</b>
Other Additions					
Releases		-507,479	-51,285	<b>51,285</b>	<b>-100</b>
<b>Total Expenditure:</b>	<b>1,056,957</b>	<b>1,055,975</b>	<b>938,814</b>	<b>-118,143</b>	<b>-11</b>
<b>Projected Precept Requirement:</b>	<b>668,913</b>	<b>695,420</b>	<b>633,547</b>	<b>-35,366</b>	

Arts and Culture Committee - Projected Out-turn 2025/26 and Draft Budget 2026/27

2023/24 Actual £	2024/25 Actual to 30.09.24 £	2024/25 Actual £	<b>INCOME</b>		2025/26 Agreed Budget £	2025/26 Actual to 30.09.25 £	2025/26 Projected Out-turn £	2026/27 Draft Budget £
			<b>400</b>	<b>Penlee House Gallery &amp; Museum</b>				
			<b>400/1</b>	<b>Shop</b>				
86,920.84	89,678.58	133,277.76	400/1/1	Admissions	115,000.00	64,191.67	95,000.00	95,000.00
99,232.82	73,665.19	107,061.78	400/1/2	Sale of Merchandise	110,000.00	43,468.12	65,000.00	80,000.00
871.11	1,277.14	1,462.49	400/1/3	Image Licensing Fees	1,200.00	293.94	1,000.00	1,000.00
1,072.00	293.00	1,050.00	400/1/4	Education Workshops	400.00	944.67	1,500.00	1,500.00
21.11	68.91	93.40	400/1/5	Till Discrepancies	0.00	23.81	0.00	0.00
<b>188,117.88</b>	<b>164,982.82</b>	<b>242,945.43</b>	<b>400/1/1</b>	<b>Total</b>	<b>226,600.00</b>	<b>108,922.21</b>	<b>162,500.00</b>	<b>177,500.00</b>
			<b>400/2</b>	<b>Grants and Funding</b>				
0.00	0.00	0.00	400/2/2	Capital Build Grants	0.00	0.00	0.00	0.00
50,475.75	20,824.90	35,085.81	400/2/3	Friends of Penlee Funding	24,324.00	0.00	24,011.00	21,245.00
80,104.94	40,000.00	80,827.63	400/2/4	Arts Council	80,000.00	40,000.00	80,000.00	0.00
21,085.00	2,000.00	6,050.00	400/2/5	Other Grant Funding	0.00	15,752.18	250,000.00	0.00
0.00	5,443.54	40,223.23	400/2/6	Building Projects Donations	0.00	1,485.58	1,600.00	0.00
0.00			400/2/7	Art Fund - Going Places		32,900.00	34,376.00	57,149.00
<b>151,665.69</b>	<b>68,268.44</b>	<b>162,186.67</b>	<b>400/2</b>	<b>Total</b>	<b>104,324.00</b>	<b>90,137.76</b>	<b>389,987.00</b>	<b>78,394.00</b>
			<b>400/3</b>	<b>The Orangery Café</b>				
45,822.58	31,106.97	54,136.03	400/3/1	Franchise Payments	48,000.00	31,829.29	50,000.00	48,000.00
5,623.63	4,765.31	8,742.70	400/3/2	Utility Re-charges	7,800.00	4,587.88	8,000.00	0.00
<b>51,446.21</b>	<b>35,872.28</b>	<b>62,878.73</b>	<b>400/3</b>	<b>Total</b>	<b>55,800.00</b>	<b>36,417.17</b>	<b>58,000.00</b>	<b>48,000.00</b>
<b>1,100.00</b>	<b>1,100.00</b>	<b>1,100.00</b>	<b>400/4</b>	<b>Community Toilet Scheme</b>	<b>1,320.00</b>	<b>0.00</b>	<b>1,320.00</b>	<b>1,373.00</b>
187,370.34	328.74	819.41	<b>400/5</b>	<b>Miscellaneous</b>	<b>0.00</b>	<b>348.34</b>	<b>349.00</b>	
<b>579,700.12</b>	<b>270,552.28</b>	<b>469,930.24</b>	<b>400</b>	<b>Total</b>	<b>388,044.00</b>	<b>235,825.48</b>	<b>612,156.00</b>	<b>305,267.00</b>
0.00	0.00	0.00	<b>495</b>	<b>Miscellaneous Arts &amp; Culture Income</b>	<b>0.00</b>	<b>0.00</b>		
<b>579,700.12</b>	<b>270,552.28</b>	<b>469,930.24</b>		<b>Subtotal on all Arts &amp; Culture Income</b>	<b>388,044.00</b>	<b>235,825.48</b>	<b>612,156.00</b>	<b>305,267.00</b>
				<b>Additional Contributions to reserves</b>		<b>15,752.18</b>	<b>251,600.00</b>	
<b>579,700.12</b>	<b>270,552.28</b>	<b>469,930.24</b>		<b>Arts &amp; Culture Total Income</b>	<b>388,044.00</b>	<b>220,073.30</b>	<b>360,556.00</b>	<b>305,267.00</b>

2023/24 Actual £	Actual to 30.09.24 £	2024/25 Actual £	<b>EXPENDITURE</b>		2025/26 Agreed Budget £	2025/26 Actual to 30.09.25 £	2025/26 Projected Out-turn £	2026/27 Draft Budget £
323,262.03	183,009.59	384,093.25	<b>4000</b>	<b>Penlee House Salaries</b>	431,315.00	203,602.24	421,622.00	432,330.00
			<b>4100</b>	<b>Penlee House Gallery &amp; Museum</b>				
			<b>4100/1</b>	<b>Administration</b>				
385.51	502.37	708.79	4100/1/1	Staff Travel	750.00	283.75	750.00	750.00
11,609.66	6,087.27	12,420.27	4100/1/3	IT Provision	12,900.00	6,828.28	13,200.00	13,720.00
380.70	107.91	358.81	4100/1/4	Office Postage	400.00	118.26	400.00	450.00
150.00	150.00	150.00	4100/1/5	Website	350.00	150.00	150.00	350.00
963.44	404.43	923.88	4100/1/6	Office Supplies & Equipment	1,500.00	409.80	1,500.00	1,500.00
1,500.00	1,469.60	1,487.60	4100/1/7	Subscription & Membership Fees	1,800.00	1,640.52	1,800.00	1,900.00
23,518.22	11,501.64	23,765.82	4100/1/8	Insurance	26,000.00	12,592.74	26,000.00	27,300.00
16,895.68	0.00	0.00	4100/1/9	Agency Support	0.00	0.00	0.00	0.00
<b>55,483.21</b>	<b>20,223.22</b>	<b>39,815.17</b>	<b>4100/1</b>	<b>Total</b>	<b>43,700.00</b>	<b>22,023.35</b>	<b>43,800.00</b>	<b>45,970.00</b>
			<b>4100/2</b>	<b>Penlee House Building</b>				
0.00	0.00	0.00	4100/2/1	Non-Domestic Rates	0.00			
14,467.15	9,836.37	16,336.29	4100/2/2	Gas	16,000.00	6,471.75	14,000.00	14,000.00
40,267.47	31,895.88	51,250.68	4100/2/3	Electric	50,000.00	29,728.28	52,000.00	50,000.00
5,385.06	3,367.29	6,040.18	4100/2/4	Water	6,200.00	5,599.83	9,400.00	9,500.00
10,648.71	5,662.36	12,527.50	4100/2/5	Cleaning Contract & Materials	20,000.00	9,743.15	20,000.00	20,000.00
8,969.04	3,580.78	5,383.65	4100/2/6	Maintenance & Repairs	9,000.00	5,170.74	9,000.00	9,000.00
2,262.39	1,208.94	2,504.35	4100/2/7	Fittings	3,000.00	574.19	3,000.00	3,000.00
19,717.08	13,161.43	30,824.70	4100/2/8	Contracts	25,000.00	16,310.96	30,000.00	33,000.00
7,125.00	7,125.00	19,678.79	4100/2/9	Capital Refurbishment	25,000.00	1,120.00	0.00	27,000.00
<b>108,841.90</b>	<b>75,838.05</b>	<b>144,546.14</b>	<b>4100/2</b>	<b>Total</b>	<b>154,200.00</b>	<b>74,718.90</b>	<b>137,400.00</b>	<b>165,500.00</b>
			<b>4100/4</b>	<b>Shop</b>				
53,682.21	36,514.89	55,076.82	4100/4/1	Inventory Purchases	55,000.00	20,858.43	35,000.00	40,000.00
125.73	51.43	85.04	4100/4/1/1	Merchandise for resale	200.00	83.17	200.00	200.00
<b>53,807.94</b>	<b>36,566.32</b>	<b>55,161.86</b>	<b>4100/4/1</b>	<b>Total</b>	<b>55,200.00</b>	<b>20,941.60</b>	<b>35,200.00</b>	<b>40,200.00</b>
1,113.36	1,303.27	1,377.48	4100/4/2	Till & Consumables	2,000.00	1,069.31	1,500.00	2,000.00
3,080.86	2,485.36	4,244.33	4100/4/3	PDQ Charges	4,600.00	1,958.79	4,000.00	4,200.00
1,449.08	663.00	1,329.25	4100/4/4	Cash Collection	1,470.00	708.90	1,470.00	1,600.00
111.61	155.13	277.72	4100/4/5	Carriage outwards for orders	450.00	122.35	300.00	400.00
<b>59,562.85</b>	<b>41,173.08</b>	<b>62,390.64</b>	<b>4100/4</b>	<b>Total</b>	<b>63,720.00</b>	<b>24,800.95</b>	<b>42,470.00</b>	<b>48,400.00</b>
			<b>4100/5</b>	<b>Gallery Exhibitions &amp; Museum</b>				
50,425.01	19,148.33	45,433.46	4100/5/1	Exhibition Costs	40,000.00	9,285.32	32,000.00	32,000.00
8,711.86	7,367.87	8,397.33	4100/5/2	Marketing	11,000.00	6,490.73	10,000.00	11,000.00
0.00	0.00	0.00	4100/5/3	Art Conservation	0.00	0.00	0.00	0.00
0.00	0.00	9,800.00	4100/5/4	Consultancy Work	0.00	0.00	0.00	0.00
4,394.65	1,721.38	3,995.59	4100/5/5	Volunteer Refreshments	4,500.00	1,679.65	4,500.00	4,750.00








Item 12(a) - Appendix 1

		0.00	4100/5/6 Acquisitions	0.00	0.00	0.00	0.00
<b>63,531.52</b>	<b>28,237.58</b>	<b>67,626.38</b>	<b>4100/5 Total</b>	<b>55,500.00</b>	<b>17,455.70</b>	<b>46,500.00</b>	<b>47,750.00</b>
916.82	859.08	1,638.82	<b>4100/6 The Orangery Café</b>				
1,696.16	0.00	2,954.40	4100/6/1 Equipment Maintenance & Replacement	1,500.00	772.76	1,500.00	1,500.00
			4100/6/2 Capital Purchase	0.00	0.00	0.00	0.00
<b>2,612.98</b>	<b>859.08</b>	<b>4,593.22</b>	<b>4100/6 Total</b>	<b>1,500.00</b>	<b>772.76</b>	<b>1,500.00</b>	<b>1,500.00</b>
898.53	505.50	1,298.12	<b>4100/7 The Coach House</b>				
696.74	309.91	687.28	4100/7/1 Electric	1,750.00	295.31	1,750.00	1,750.00
798.40	478.40	798.40	4100/7/2 Water	750.00	725.23	750.00	750.00
791.83	65.00	1,451.00	4100/7/3 Non-Domestic Rates	800.00	478.40	42.00	0.00
6,600.50	625.00	13,607.50	4100/7/4 Maintenance & Cleaning	1,200.00	522.56	1,200.00	2,000.00
			4100/7/5 Capital Refurbishment	50,000.00	305,846.18	582,479.00	0.00
<b>9,786.00</b>	<b>1,983.81</b>	<b>17,842.30</b>	<b>4100/7 Total</b>	<b>54,500.00</b>	<b>307,867.68</b>	<b>586,221.00</b>	<b>4,500.00</b>
1,965.94	704.43	1,999.48	<b>4100/8 Education</b>				
22,378.95	9,276.72	22,638.30	4100/8/1 Council Funded Educational Activities	12,500.00	5,909.18	10,000.00	12,500.00
6,023.74	4,780.71	6,968.36	4100/8/2 Art Council Educational Activities	22,350.00	7,668.56	22,350.00	0.00
			4100/8/3 Other Funded Educational Activities	6,000.00	3,150.00	6,000.00	7,100.00
<b>30,368.63</b>	<b>14,761.86</b>	<b>31,606.14</b>	<b>4100/8 Total</b>	<b>40,850.00</b>	<b>16,727.74</b>	<b>38,350.00</b>	<b>19,600.00</b>
0.00	194.70	344.45	<b>4100/9 Fundraising Activities</b>	72.00	179.70	210.00	
65,459.81	0.00	250.00	<b>4100/10 Miscellaneous</b>	0.00	0.28	1.00	0.00
			<b>4100/11 Art Fund - Going Places</b>	0.00	9,339.23	29,930.00	31,149.00
<b>395,646.90</b>	<b>183,271.38</b>	<b>369,014.44</b>	<b>4100 Penlee House Gallery &amp; Museum Total</b>	<b>414,042.00</b>	<b>473,886.29</b>	<b>926,382.00</b>	<b>364,369.00</b>
			<b>4200 Town Flags and Banners</b>				
25,214.82	16,804.83	19,191.18	4200/1 Projects	24,000.00	18,274.95	24,000.00	15,000.00
7,462.95	100.00	6,100.00	4200/2 Erection and hanging	6,500.00	150.00	6,150.00	6,500.00
<b>32,677.77</b>	<b>16,904.83</b>	<b>25,291.18</b>	<b>4200 Total</b>	<b>30,500.00</b>	<b>18,424.95</b>	<b>30,150.00</b>	<b>21,500.00</b>
1,201.94	77.50	884.25	<b>4300 Penlee Open Air Theatre</b>	1,500.00	415.64	1,500.00	1,500.00
			<b>4400 Christmas Lights</b>				
23,685.83	1,790.00	23,575.38	4400/1 Contribution to BID	13,800.00	0.00	13,800.00	13,800.00
<b>23,685.83</b>	<b>1,790.00</b>	<b>23,575.38</b>	<b>4400 Total</b>	<b>13,800.00</b>	<b>0.00</b>	<b>13,800.00</b>	<b>13,800.00</b>
			<b>4500 Events</b>				
19,000.00	13,000.00	19,000.00	4500/1 Golowan Festival	44,800.00	36,000.00	49,000.00	40,600.00
0.00	2,600.00	2,600.00	4500/2 Cultural and General Events	0.00	0.00	0.00	0.00
6,000.00	4,500.00	6,000.00	4500/3 Annual Firework Display	0.00	0.00	0.00	0.00
<b>25,000.00</b>	<b>20,100.00</b>	<b>27,600.00</b>	<b>4500 Total</b>	<b>44,800.00</b>	<b>36,000.00</b>	<b>49,000.00</b>	<b>40,600.00</b>
0.00			<b>4600 Cultural Strategy</b>	5,000.00	0.00	5,000.00	0.00
<b>801,474.47</b>	<b>405,153.30</b>	<b>830,458.50</b>	<b>Subtotal on all expenditure</b>	<b>940,957.00</b>	<b>732,329.12</b>	<b>1,447,454.00</b>	<b>874,099.00</b>
			<b>4995 Earmarked Reserves</b>				
0.00	0.00		4995/1 Penlee House EMRs	0.00	0.00	0.00	0.00
20,000.00	47,000.00	47,000.00	4995/1/1 Penlee House Conservation	31,000.00	31,000.00	31,000.00	8,000.00
20,000.00	0.00	0.00	4995/1/2 Penlee House Building	0.00	0.00	0.00	9,000.00
10,000.00	0.00	0.00	4995/1/4 The Coach House	0.00	0.00	0.00	0.00
0.00	0.00	0.00	4995/1/5 Penlee House Projects	0.00	0.00	0.00	0.00
20,000.00	67,000.00	67,000.00	4995/1/6 Penlee House Acquisitions	80,000.00	80,000.00	80,000.00	96,000.00
5,000.00	2,000.00	2,000.00	4995/1/7 Penlee House Plant Fund	5,000.00	5,000.00	5,000.00	3,000.00
0.00		0.00	4995/1/8 Penlee House Visitor Experience	0.00	0.00	0.00	0.00
<b>75,000.00</b>	<b>116,000.00</b>	<b>116,000.00</b>	<b>4995 Total</b>	<b>116,000.00</b>	<b>116,000.00</b>	<b>116,000.00</b>	<b>116,000.00</b>
	<b>-9,950.00</b>		<b>Additional Contribution to reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
			<b>(Release from reserves)</b>	<b>0.00</b>	<b>-207,546.02</b>	<b>-507,479.00</b>	<b>-51,285.00</b>
<b>876,474.47</b>	<b>511,203.30</b>	<b>946,458.50</b>	<b>Arts &amp; Culture Total Expenditure</b>	<b>1,056,957.00</b>	<b>640,783.10</b>	<b>1,055,975.00</b>	<b>938,814.00</b>

<b>Arts and Culture Committee Earmarked Reserve Balances and Contributions in 2027/26 Draft Budget</b>			
<b>Fund</b>	<b>Description</b>	<b>Estimated 31<sup>st</sup> March 2026</b>	<b>2026/27 Contributions</b>
Penlee House Acquisition	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	This fund was established to use if pieces of art require repairing or restoring.	£2,426	£0
Penlee House Building	This fund is in place for capital refurbishment and replacement of infrastructure of Penlee House building (excluding the plant).	£239,472	£8,000
The Coach House	This reserve is in place in order to support future equipment spend for the Coach House after the expiration of warranties, and to enable future refresh and refurbishment of the Coach House Café.	£12,436	£9,000
Penlee House Plant	This reserve is in place to allow for the undertaking of a revised plant specification covering all	£154,001	£96,000

	areas of the plant infrastructure and will enable replacement of the existing plant and associated works.		
<del>The Orangery Equipment Replacement</del> Penlee House Visitor Experience	Previously The Orangery Equipment Replacement, this reserve will allow for any required replacement of fixtures and fittings relating to the Penlee House retail space, including replacement equipment such as tills, fittings and furniture.	£7,349	£3,000
Christmas Lighting Infrastructure	This fund is no longer required as Penzance BID is now responsible for lighting infrastructure and is proposed to be released to help reduce the precept increase in 2026/27 budget	£27,500	£0
<b>TOTALS:</b>		<b>£452,114</b>	<b>£116,000</b>

**PENZANCE COUNCIL – 19 JANUARY 2026****REPORT FOR DECISION****LEISURE AND AMENITIES PROJECTED 2025/26 OUTTURN AND PROPOSED  
2026/27 BUDGET**

<b>Our Culture</b>	<b>Our Decision Making</b>	<b>Our Environment</b>	<b>Our Money</b>	<b>Our People</b>	<b>Our Places</b>	<b>Our Resilience &amp; Wellbeing</b>
						
	✓	✓	✓	✓	✓	✓

**Recommendation:**

1. The projected outturn for 2025/26, as set out at Appendix 1 to this report, be approved.
2. The Leisure and Amenities proposed budget for 2026/27, as set out at Appendix 1 to this report, be approved.
3. The level of existing earmarked reserves and their respective contributions in 2026/27, as set out at Appendix 2 to this report, be approved and adopted subject to the 'Weed Treatment Equipment' earmarked reserve being incorporated into the 'Machinery Replacement' earmarked reserve and the 'Allotment Provision' earmarked reserve being renamed 'Allotments'.

**Background:****INCOME*****Projected out-turn 2025-26***

Leisure and Amenities income is on track to surpass the approved budget for 2025/26 and both daily and quarterly car park ticket income looks set to rise by £10,000 and £5,500 respectively. These figures can be difficult to project given the changes in the pricing of parking across the parish, with seasonal tariffs and annual price increases imposed by other operators, when compared to the static all-day pricing established

in Wellfields Car Park. The final position of car park income at the year ended 31 March 2025 is in line with the projected outturn for 2025/26.

Income from Penlee Lodge has also been revised up to £6,000, subject to the conclusion of the current tenancy. It is expected that this tenancy and the income should end at any point between now and the end of the financial year.

Due to the factors outlined above, income is projected to increase by approximately £21,800 above the agreed budget by the end of the current financial year.

### ***Proposed budget 2026-27***

Car park income has been set at the projected outturn for 2025/26, which is also a similar level to that received in 2024/25 and £15,500 more than the agreed budget for 2025/26. Penzance Council recently resolved that there would not be any price increases to car park charges for 2026/27 and this would be reviewed once the re-design has been approved, as spaces may reduce due to the need to improve the traffic flow and widen spaces. This may cause a reduction in income if the current pricing is maintained but would be an improvement to users of the car park. 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 within the parish.

It is anticipated that the tenancy of Penlee Lodge will conclude prior to the end of the 2025/26 financial year and, as such, the income has been set to zero in the proposed budget for 2026/27. Subject to future Council and committee decisions on the future use of the Lodge building, it is envisaged that it will be utilised for staff workspace.

Allotment charges were reviewed by this Committee on 6 October 2025 and it was resolved that they would be increased from the allotment renewal date on 1 January 2027. The increase in estimated income for the forthcoming year is therefore based on the approved price increases.

Overall, projected income for 2026/27 is set to rise by £18,495 above the agreed 2025/26 budget to £133,895. As highlighted above, the majority of this increase is due to the revised car park income which make up £15,500 of the increase, as well as the increase in allotment charges.

## **EXPENDITURE**

### ***Projected out-turn 2025-26***

The projected gross expenditure for the Leisure and Amenities budget is expected to be £77,701 higher than the agreed budget, primarily due to releases from earmarked reserves which were not planned in advance of the 2025/26 budget being set. The releases from reserves total £92,767.63, which includes the following:-

- Up to £55,310 from the Princess May Recreation Ground reserve for safety works following the transfer from Cornwall Council. Over £28,000 worth of works have already been delivered, including fencing work and replacement play equipment.
- £23,427.63 for refurbishment of South Pier public toilets.
- £10,530 for repairs to Alexandra Tennis Courts.
- £3,000 for replacement equipment for THE weeding programme.
- £500 for a replacement bench at Jewish Cemetery.

Discounting the expenditure funded from established reserves, the net expenditure is £15,067 less than the agreed budget. This represents a favourable variance of 1.5% and, given its scale, is very close to the original agreed budget. This has been enabled by the refinements made across the Leisure and Amenities budget during recent years and the Council's adoption of a "little and often" approach to maintenance and upkeep of 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.

One significant area of saving is the public toilet budget. The new public cleaning contract started in October 2025, but had been anticipated to start earlier in the financial year, which meant that the cleaning costs were being incurred at the lower price in line with the contract agreed in 2020.

### ***Proposed budget 2026-27***

Officers have been mindful to make cost savings wherever possible in the budget. However, some items have required upward adjustment, such as where long standing contracts have concluded, as an example.

- **Salary costs** – the expansion of the Leisure and Amenities team which was considered and approved by Council on 10 November has an impact of a £108,112 increase on the salaries budget, dependent on the outcome of job evaluation exercises. The other increase when compared with the 2025/26 budget is £14,683 due to incremental pay increases and a 4% increase for pay awards in 2026-7 has been allowed for across all Council employees. This increase takes into account a reduction of approximately £9,000 in relief on employer pension contributions as a result of the recent actuarial valuation from the Pension fund.
- **1030/3 – Vehicles and Machinery, Lease Costs** have increased to reflect the expansion of the team which requires a third van for the Council's fleet.
- **1115/1 – War Memorials, Cleaning Contract** has increased to reflect the resolution to adopt the recommended best practice for war memorial cleansing. This represents a £6,400 increase on the 2025/26 approved budget.

- **1120/1 – Penzance Football Club, Statutory Checks and Inspections** has been increased to £1,500 to reflect Penzance Council's responsibilities as the landlord of the site and buildings.
- **1130/5 – Open Spaces, Phone Boxes** have had a budget of £3,200 allocated. This would be the cost of refurbishing one whole unit, the Council is responsible for three units, two in Penzance and one in Newlyn.
- **1130/6 – Open Spaces, Parish Footpath Maintenance**, this year was the first year Penzance Council has funded parish footpath maintenance improvement programmes with Cormac, it is proposed this is continued in 2026/27.
- **1060/07 – Wellfields Car Park, Capital Works** has been set at zero for the 2026/27 financial year. Initial concept drawings have been completed for the revised car park layout, although it is evident that further work is still required before a fully worked up proposal can be presented to Members.
- **1165 – Toilets** have decreased by £13,265 from the previous approved budget, this is mainly due to now having signed a new three-year contract for cleaning and knowing the exact pricing for its duration.
- **1320 – Princess May Recreation Ground**, the increase in this budget is due to waste increases and grass and verge cutting which are both external costs. It has also been necessary to increase the expenditure budget for the Princess May Recreation Ground following the changes at the Princess May CIC. A few maintenance and inspection obligations that were initially included as part of the CIC's SLA document with Penzance Council are no longer deliverable by the CIC and, as such, Penzance Council needs to budget for this expenditure.

### Earmarked Reserves

- In the 2026/27 proposed budget, 11 earmarked reserve contributions have been reduced to reflect the position of the reserves due to their being on track to meet their targeted position. 4 earmarked reserves will have increased contributions in 2026/27 to ensure that they are in a position to undertake the significant repair / replacement activity when required. As a result, the impact on reserve contributions for Leisure and Amenities in 2026/27 is a reduction in comparison to the current year budget of £58,041, or 28.6%.
- It is proposed that Weed Treatment Equipment reserve is combined with the Machinery Replacement reserve to result in a single reserve for machinery.

### Increases to Budget Analysed

Referring to the budget summary in Appendix 1 –

### **2025/26 Outturn**

Projected net expenditure is expected to be £15,067 less than the approved budget and income is expected to be £21,800 greater than the approved budget, so overall there is a projected surplus of £36,867 in the 2025/26 financial year.

### **2026/27 Proposed**

In comparison to the original approved budget set for 2025/26, projected expenditure in 2026/27 has increased by £124,884 or 15.6%. This is largely due to the resolution of Penzance Council at its meeting held on 10 November 2025 to expand the Leisure and Amenities team and has resulted in additional overhead costs. Earmarked reserve contributions have decreased by £58,041.

Income for 2026/27 in comparison to the original approved budget set for 2025/26 is increased by £18,495, due to the reasons mentioned in this report.

The difference between the expenditure, earmarked reserve contributions and the projected income is £937,458 and this is the projected amount from the Leisure and Amenities Committee required from the Council precept. In comparison to 2025/26 requirement, this is an increase of £66,843.

This report was considered by the Leisure and Amenities Committee at its meeting held on 1 December 2025 where it unanimously resolved to make the recommendations set out above.

Appendix 1 - Budget Summary and Spreadsheet

Appendix 2 - Earmarked Reserves

Ben Brosgall  
Leisure and Amenities Manager

Cameron Sil  
Responsible Financial Officer

Leisure and Amenities Budget Comparison 2025/26 and 2026/27

	2025/26 BUDGET	2025/26 OUTTURN	2026/27 DRAFT BUDGET	Change from previous year agreed	% change
<b>Expenditure (excl. EMRs):</b>	801,469	879,170	926,353	<b>124,884</b>	<b>15.6</b>
<b>Income:</b>	115,400	137,200	133,895	<b>18,495</b>	<b>16.0</b>
<b>Earmarked Reserves:</b>					
Budget Additions	203,041	203,041	145,000	<b>-58,041</b>	<b>-28.6</b>
Other Additions					
Releases		-92,768	0	<b>0</b>	
<b>Total Expenditure:</b>	<b>1,004,510</b>	<b>989,443</b>	<b>1,071,353</b>	<b>66,843</b>	<b>7</b>
<b>Projected Precept Requirement:</b>	<b>889,110</b>	<b>852,243</b>	<b>937,458</b>	<b>48,348</b>	

**Leisure and Amenities - Projected Out-turn 2025/26 and Draft Budget 2026/27**

2023/24 Actual £	Actuals to 30.09.24 £	2024/25 Actual £	<b>INCOME</b>		2025/26 Agreed Budget £	2025/26 Actuals to 30.09.25 £	2025/26 Projected Out-turn £	2026/27 Draft Budget £
92,359.77	54,002.22	102,704.37	<b>100</b>	<b>Wellfields Car Park</b>				
15,942.59	4,841.86	17,970.52	100/1	Daily Tickets	90,000.00	59,358.49	100,000.00	100,000.00
			100/2	Quarterly Tickets	12,500.00	10,082.94	18,000.00	18,000.00
<b>108,302.36</b>	<b>58,844.08</b>	<b>120,674.89</b>	<b>100</b>	<b>Total</b>	<b>102,500.00</b>	<b>69,441.43</b>	<b>118,000.00</b>	<b>118,000.00</b>
4,701.36	290.30	5,167.28	115	Allotment Rents	4,900.00	401.67	5,200.00	7,895.00
6,000.00	2,991.25	5,991.25	130	The Lodge	0.00	3,000.00	6,000.00	0.00
5,921.12	3,895.60	3,871.40	131	Misc	2,500.00	2,500.00	2,500.00	2,500.00
	2,749.98	5,500.00	<b>135</b>	<b>Penzance AFC</b>				
			135/1	Rental	5,500.00	2,749.98	5,500.00	5,500.00
<b>5,499.96</b>	<b>2,749.98</b>	<b>5,500.00</b>	<b>135</b>	<b>Total</b>	<b>5,500.00</b>	<b>2,749.98</b>	<b>5,500.00</b>	<b>5,500.00</b>
0.00	0.00	0.00	<b>140</b>	<b>Open Spaces</b>				
					0.00	0.00	0.00	0.00
<b>130,424.80</b>	<b>68,771.21</b>	<b>141,204.82</b>	<b>Subtotal on all Leisure &amp; Amenities Income</b>		<b>115,400.00</b>	<b>78,093.08</b>	<b>137,200.00</b>	<b>133,895.00</b>
	-762.50		<b>Additional Contributions to reserves</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>130,424.80</b>	<b>68,008.71</b>	<b>141,204.82</b>	<b>Leisure &amp; Amenities Total Income</b>		<b>115,400.00</b>	<b>78,093.08</b>	<b>137,200.00</b>	<b>133,895.00</b>

2023/24 Actual £	Actuals to 30.09.24 £	2024/25 Actual £	<b>EXPENDITURE</b>		2025/26 Agreed Budget £	2025/26 Actuals to 30.09.25 £	2025/26 Projected Out-turn £	2026/27 Agreed Budget £
321,787.95	164,089.23	344,162.99	1000	Salaries	376,383.00	186,601.61	376,383.00	499,178.00
0.00	0.00	30.60	1001	Travel Allowance	200.00	0.00	600.00	600.00
			<b>1015</b>	<b>Penlee Park</b>				
7,626.06	3,437.21	10,140.47	1015/1	Maintenance	10,000.00	2,765.02	10,000.00	12,500.00
1,037.29	573.34	731.70	1015/4	Water	950.00	965.06	1,150.00	1,200.00
3,458.93	2,197.57	3,007.57	1015/5	Plants, Materials & Tools	3,500.00	1,115.55	3,500.00	3,500.00
1,818.46	1,584.98	2,244.78	1015/6	Electricity	2,750.00	429.93	2,200.00	2,500.00
3,185.00	1,468.64	2,476.98	1015/7	Equipment Maintenance	3,500.00	1,416.64	3,500.00	3,500.00
6,542.13	4,048.95	8,018.66	1015/9	Waste & Recycling	9,680.00	2,173.32	4,200.00	4,200.00
13,670.00	22,659.00	22,659.00	1015/10	Capital Projects	0.00	0.00	0.00	0.00
5,296.10	2,131.10	5,095.65	1015/11	Security	5,700.00	2,215.50	5,700.00	6,000.00
<b>42,633.97</b>	<b>38,100.79</b>	<b>54,374.81</b>	<b>1015</b>	<b>Total</b>	<b>36,080.00</b>	<b>11,081.02</b>	<b>30,250.00</b>	<b>33,400.00</b>
			<b>1030</b>	<b>Vehicles and Machinery</b>				
2,306.17	1,082.57	2,090.95	1030/1	Fuel & Electric	2,750.00	854.72	2,200.00	3,250.00
2,971.80	0.00	2,336.23	1030/2	Insurance	2,750.00	0.00	2,750.00	2,750.00
22,102.70	9,820.98	19,641.96	1030/3	Lease	19,642.00	9,820.98	19,642.00	23,817.00
5,629.03	758.23	4,860.74	1030/4	Maintenance & Repair	5,000.00	1,893.96	5,000.00	5,000.00
1,797.50	0.00	0.00	1030/5	Capital Purchase	0.00	0.00	3,000.00	0.00
<b>34,807.20</b>	<b>11,661.78</b>	<b>28,929.88</b>	<b>1030</b>	<b>Total</b>	<b>30,142.00</b>	<b>12,569.66</b>	<b>32,592.00</b>	<b>34,817.00</b>
4,863.99	1,895.83	4,515.05	1040	Protective Clothing & Equipment	5,250.00	2,461.75	5,250.00	7,000.00
			<b>1045</b>	<b>Allotments</b>				
9.00	9.00	9.00	1045/3	Alverton Playing Field				
0.00	285.00	285.00	1045/4	Rent	9.00	9.00	9.00	9.00
			1045/3	Maintenance	250.00	0.00	250.00	250.00
			1045/4	Crancken				
130.00	0.00	130.00	1045/4	Rent	130.00	0.00	130.00	130.00
-216.25	175.92	216.12	1045/4	Water Rates	350.00	302.63	375.00	400.00
348.32	595.00	688.22	1045/4	Maintenance	1,500.00	710.00	1,500.00	1,500.00
			1045/5	Gulval				
1,946.35	0.00	0.00	1045/3	Maintenance	1,500.00	0.00	1,000.00	1,500.00
			1045/6	Lescudjack				
48.36	167.27	192.33	1045/6	Water Rates	250.00	348.38	375.00	375.00
1,125.00	7.47	7.47	1045/6	Maintenance	1,000.00	250.00	1,000.00	1,000.00
			1045/7	Leskinnick				
365.11	312.49	482.58	1045/7	Water Rates	520.00	445.72	650.00	700.00
36.65	0.00	1,705.00	1045/7	Maintenance	1,000.00	0.00	1,000.00	1,000.00
			1045/8	Love Lane				
500.00	0.00	0.00	1045/8	Maintenance	500.00	0.00	500.00	500.00
			1045/9	Mennaye				
10.00	10.00	10.00	1045/9	Rent	10.00	10.00	10.00	10.00
675.00	0.00	261.78	1045/9	Maintenance	1,000.00	0.00	1,000.00	1,000.00
			1045/11	Trannack				
13.00	0.00	13.00	1045/11	Rent	13.00	0.00	13.00	13.00
315.65	581.96	610.78	1045/11	Water Rates	750.00	871.35	1,000.00	1,000.00
608.34	70.00	70.00	1045/11	Maintenance	1,500.00	495.00	1,500.00	1,500.00
305.10	319.50	319.50	1045/12	Software	335.00	329.40	329.40	350.00
		0.00	1045/13	Payment Services charges	30.00	8.94	40.00	60.00
<b>6,219.63</b>	<b>2,533.61</b>	<b>5,000.78</b>	<b>1045</b>	<b>Total</b>	<b>10,647.00</b>	<b>3,780.42</b>	<b>10,681.40</b>	<b>11,297.00</b>
1,499.38	1,871.15	2,479.79	1055	Weed Control	3,000.00	1,639.29	3,000.00	3,500.00
			<b>1060</b>	<b>Wellfields Car Park</b>				
474.60	594.20	905.00	1060/1	Consumables	1,150.00	606.60	1,150.00	1,150.00
17,358.96	10,630.50	17,714.50	1060/2	Non-Domestic Rates	17,715.00	10,630.50	17,715.00	17,715.00
2,418.28	1,325.16	2,650.32	1060/3	Drainage Rates	2,900.00	1,696.61	3,400.00	3,500.00
14,066.56	3,458.82	4,740.84	1060/4	Maintenance	4,000.00	3,206.71	4,000.00	4,500.00
4,560.53	1,886.32	4,784.33	1060/5	Enforcement Charges	5,500.00	2,413.88	5,500.00	5,800.00
372.03	46.05	46.05	1060/6	Cycle Hub	250.00	40.80	250.00	250.00

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89,050.99	0.00	0.00	1060/7	Capital Works	0.00	1,700.00	20,000.00	0.00
1,589.33	663.00	1,347.79	1060/8	Payment Service charges	1,720.00	832.17	1,720.00	1,800.00
<b>129,891.28</b>	<b>18,604.05</b>	<b>32,188.83</b>	<b>1060</b>	<b>Total</b>	<b>33,235.00</b>	<b>21,127.27</b>	<b>53,735.00</b>	<b>34,715.00</b>
212.99	4.31	90.81	1064	Outdoor Gym	250.00	7.49	250.00	250.00
			<b>1071</b>	<b>Community Toilets</b>				
15,600.00	7,885.00	15,165.00	1071/1	Operational Scheme Costs	18,792.00	8,784.00	17,892.00	19,506.00
4,666.43	0.00	5,363.23	1071/3	Communications	6,400.00	0.00	6,400.00	6,400.00
<b>20,266.43</b>	<b>7,885.00</b>	<b>20,528.23</b>	<b>1071</b>	<b>Total</b>	<b>25,192.00</b>	<b>8,784.00</b>	<b>24,292.00</b>	<b>25,906.00</b>
			<b>1111</b>	<b>Wherrytown Skate Park</b>				
90.00	45.00	90.00	1111/1	Rent	90.00	45.00	90.00	90.00
3,610.63	2,688.06	3,849.12	1111/3	Maintenance & Consumables	3,500.00	965.30	3,500.00	3,500.00
<b>3,700.63</b>	<b>2,733.06</b>	<b>3,939.12</b>	<b>1111</b>	<b>Total</b>	<b>3,590.00</b>	<b>1,010.30</b>	<b>3,590.00</b>	<b>3,590.00</b>
			<b>1115</b>	<b>War Memorials</b>				
697.00	374.00	786.00	1115/1	Cleaning Contract	1,000.00	412.00	1,000.00	7,400.00
1,269.16	0.00	0.00	1115/2	Maintenance & Upkeep	500.00		500.00	500.00
<b>1,966.16</b>	<b>374.00</b>	<b>786.00</b>	<b>1115</b>	<b>Total</b>	<b>1,500.00</b>	<b>412.00</b>	<b>1,500.00</b>	<b>7,900.00</b>
			<b>1120</b>	<b>Penzance Football Club</b>				
805.00	111.25	111.25	1120/1	Statutory Checks, Inspections & actions	500.00	1,290.00	1,500.00	1,500.00
69,765.03	0.00	0.00	1120/2	Capital Projects & Refurbishments	0.00	0.00	0.00	0.00
<b>70,570.03</b>	<b>111.25</b>	<b>111.25</b>	<b>1120</b>	<b>Total</b>	<b>500.00</b>	<b>1,290.00</b>	<b>1,500.00</b>	<b>1,500.00</b>
			<b>1130</b>	<b>Open Spaces</b>				
4,070.88	892.37	1,823.95	1130/1	Heamoor Field	3,000.00	245.20	2,500.00	2,500.00
74.96	0.00	68.07	1130/2	Jewish Cemetery	250.00	0.00	750.00	250.00
1,569.06	361.90	823.16	1130/4	Planters	2,000.00	0.00	2,000.00	1,500.00
	0.00	0.00	1130/5	Phone Boxes	0.00	0.00	0.00	3,200.00
	0.00	0.00	1130/6	Parish Footpath Maintenance	15,000.00	4,991.60	15,000.00	15,000.00
<b>5,714.90</b>	<b>1,254.27</b>	<b>2,715.18</b>	<b>1130</b>	<b>Total</b>	<b>20,250.00</b>	<b>5,236.80</b>	<b>20,250.00</b>	<b>22,450.00</b>
			<b>1140</b>	<b>Water Fountains</b>				
0.00	0.00	56.07	1140/1	Wherrytown Skatepark				
1,475.00	1,078.02	1,988.04	1140/1/1	Water	150.00	0.00	100.00	100.00
<b>1,475.00</b>	<b>1,078.02</b>	<b>2,044.11</b>	<b>1140</b>	<b>Total</b>	<b>3,150.00</b>	<b>1,285.12</b>	<b>3,100.00</b>	<b>3,100.00</b>
			<b>1165</b>	<b>Toilets</b>				
102,649.92	60,598.29	104,889.92	1165/1	All Sites				
5,157.96	2,578.98	5,157.96	1165/1/1	Cleaning Contract	135,000.00	51,324.96	112,000.00	124,000.00
14,374.59	162.13	345.32	1165/1/2	Sanitary & Sharps	6,600.00	2,578.98	2,578.98	0.00
0.00	350.00	400.00	1165/1/3	General Supplies	500.00	355.32	500.00	500.00
0.00	5,525.00	5,525.00	1165/1/4	Additional Event Support	1,500.00	1,028.89	1,500.00	1,500.00
			1165/1/5	Capital Refurbishment	0.00	0.00	23,427.63	0.00
			<b>1165/3</b>	<b>Alexandra Road</b>				
1,582.72	289.53	1,367.75	1165/3/1	Maintenance	1,500.00	742.55	1,500.00	1,500.00
494.39	508.46	493.18	1165/3/3	Electricity	600.00	149.56	350.00	600.00
911.42	422.08	767.59	1165/3/4	Water	900.00	576.15	1,150.00	1,175.00
			<b>1165/4</b>	<b>Penalverne</b>				
1,404.20	80.00	1,081.72	1165/4/1	Maintenance	1,000.00	430.00	1,000.00	1,000.00
272.01	170.70	384.91	1165/4/3	Electricity	475.00	214.63	475.00	475.00
1,176.66	1,915.45	2,265.18	1165/4/4	Water	2,000.00	1,775.12	2,300.00	2,500.00
			<b>1165/5</b>	<b>Princess May</b>				
1,952.86	855.11	1,725.09	1165/5/1	Maintenance	2,000.00	476.16	2,000.00	2,000.00
2,163.59	1,371.41	2,195.87	1165/5/3	Electricity	3,000.00	624.37	2,000.00	2,200.00
4,057.64	1,644.51	3,101.72	1165/5/4	Water	4,300.00	2,343.59	5,200.00	5,000.00
			<b>1165/6</b>	<b>South Pier</b>				
966.04	962.52	1,552.28	1165/6/1	Maintenance	2,000.00	1,033.44	2,000.00	2,000.00
246.30	159.14	385.45	1165/6/3	Electricity	450.00	228.58	450.00	450.00
2,017.42	1,731.57	4,401.78	1165/6/4	Water	2,600.00	3,602.95	6,900.00	4,700.00
			<b>1165/7</b>	<b>TIC</b>				
5,951.08	764.53	3,059.71	1165/7/1	Maintenance	4,000.00	1,348.97	4,000.00	4,000.00
0.00	0.00	0.00	1165/7/3	Electricity	800.00	0.00	0.00	0.00
6,958.39	4,355.65	-275.01	1165/7/4	Water	7,500.00	5,379.26	9,350.00	9,600.00
			<b>1165/8</b>	<b>Wherrytown</b>				
1,375.85	261.56	955.62	1165/8/1	Maintenance	1,750.00	560.38	1,500.00	1,500.00
673.47	298.70	727.55	1165/8/3	Electricity	900.00	233.98	700.00	800.00
1,155.19	955.43	1,373.70	1165/8/4	Water	1,550.00	1,027.69	1,850.00	1,800.00
			<b>1165/9</b>	<b>Newlyn</b>				
2,318.74	114.46	739.74	1165/9/1	Maintenance	1,750.00	550.83	1,750.00	1,750.00
<b>157,860.44</b>	<b>86,075.21</b>	<b>142,622.03</b>	<b>1165</b>	<b>Total</b>	<b>182,675.00</b>	<b>76,586.36</b>	<b>184,481.61</b>	<b>169,050.00</b>
434.66	75.00	196.00	1211	The Lodge	7,500.00	1,176.63	7,500.00	0.00
	0.00	1,500.00	1270	Devolutions - Surveys & Inspections	0.00	0.00	0.00	0.00
18,105.00	0.00	10,747.00	1280	Tree Management	15,000.00	0.00	15,000.00	15,000.00
			<b>1310</b>	<b>Alexandra Play Park &amp; Tennis Courts</b>				
2,118.37	3,500.22	2,872.00	1310/1	Waste	3,850.00	2,262.52	2,262.52	2,400.00
13,373.21	6,142.32	13,274.06	1310/4	Security	14,000.00	5,249.00	11,000.00	11,500.00
0.00	0.00	0.00	1310/5	Machinery	0.00	0.00	0.00	0.00
2,513.90	267.09	2,247.83	1310/6	Maintenance/planting	3,000.00	0.00	3,000.00	3,000.00
2,456.30	623.39	2,815.31	1310/7	Play Equipment repairs	4,000.00	683.66	3,000.00	3,500.00
20.83	0.00	388.77	1310/8	Tools & Equipment	200.00	128.30	200.00	200.00
			1310/9	Capital Refurbishment				
<b>20,482.61</b>	<b>10,533.02</b>	<b>21,597.97</b>	<b>1310</b>	<b>Total</b>	<b>25,050.00</b>	<b>18,530.00</b>	<b>10,530.00</b>	<b>0.00</b>
			<b>1320</b>	<b>Princess May Recreation Ground</b>				
0.00	0.00	530.00	1320/2	Street Lighting	0.00	0.00	0.00	0.00
0.00	3,691.58	3,691.58	1320/3	Waste	4,000.00	2,663.44	5,300.00	5,500.00
0.00	0.00	0.00	1320/5	Security	3,000.00	0.00	0.00	3,500.00

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0.00	0.00	0.00	1320/6	Machinery	0.00	0.00	0.00	0.00
0.00	6,916.03	7,943.43	1320/7	Maintenance - contractor for cutting	8,900.00	6,181.27	8,900.00	13,000.00
0.00	0.00	757.66	1320/8	Plants & Materials	1,000.00	502.62	1,000.00	1,500.00
168.91	190.77	2,679.43	1320/9	Play Equipment & Skatepark Repairs	2,725.00	773.39	2,725.00	7,000.00
0.00	7,600.00	7,600.00	1320/10	Princess May Rec CIC	0.00	0.00	0.00	0.00
0.00	0.00	0.00	1320/11	Capital Refurbishment	0.00	28,538.34	55,310.00	0.00
<b>168.91</b>	<b>18,398.38</b>	<b>23,202.10</b>	<b>1320</b>	<b>Total</b>	<b>19,625.00</b>	<b>38,659.06</b>	<b>73,235.00</b>	<b>30,500.00</b>
			<b>1330</b>	<b>Foxes Lane Play Park</b>				
328.66	200.29	200.29	1330/1	Waste	250.00	237.50	237.50	250.00
691.58	284.10	545.12	1330/3	Maintenance - repairs	1,000.00	370.83	1,000.00	1,000.00
655.27	0.00	535.46	1330/4	Play Equipment Repairs	1,000.00	0.00	750.00	750.00
<b>1,675.51</b>	<b>484.39</b>	<b>1,280.87</b>	<b>1330</b>	<b>Total</b>	<b>2,250.00</b>	<b>608.33</b>	<b>1,987.50</b>	<b>2,000.00</b>
<b>844,336.67</b>	<b>367,762.35</b>	<b>703,043.40</b>		<b>Subtotal on all expenditure</b>	<b>801,469.00</b>	<b>393,170.59</b>	<b>879,170.03</b>	<b>926,353.00</b>
			<b>1995</b>	<b>Earmarked Reserves Contributions</b>				
15,000.00	33,000.00	33,000.00	1995/1	Wellfields Car Park	25,000.00	25,000.00	25,000.00	30,000.00
4,000.00	20,000.00	20,000.00	1995/2	Allotment Provision	10,000.00	10,000.00	10,000.00	0.00
15,000.00	15,000.00	15,000.00	1995/3	Penlee Park Play Equipment	15,000.00	15,000.00	15,000.00	21,000.00
15,000.00	20,000.00	20,000.00	1995/4	Public Toilet Refurbishment	20,000.00	20,000.00	20,000.00	13,000.00
2,500.00	2,500.00	2,500.00	1995/6	Weed Treatment Equipment	2,500.00	2,500.00	2,500.00	0.00
10,000.00	15,000.00	15,000.00	1995/7	Penzance AFC	5,000.00	5,000.00	5,000.00	0.00
15,000.00	15,000.00	15,000.00	1995/8	Tree Maintenance	15,000.00	15,000.00	15,000.00	0.00
2,000.00	0.00	0.00	1995/9	Machinery Replacement	10,000.00	10,000.00	10,000.00	0.00
			1995/10	Penlee Park - Lodge	10,000.00	10,000.00	10,000.00	10,000.00
10,000.00	10,000.00	10,000.00	1995/11	Penlee Park Infrastructure	20,000.00	20,000.00	20,000.00	7,000.00
5,000.00	15,000.00	15,000.00	1995/12	Open Spaces Boundary Repair/Replacement	9,000.00	9,000.00	9,000.00	7,000.00
12,500.00	15,000.00	15,000.00	1995/15	Alexandra Play Park & Tennis Courts	25,000.00	25,000.00	25,000.00	20,000.00
8,000.00	0.00	0.00	1995/16	Princess May Recreation Ground	0.00	0.00	0.00	0.00
2,500.00	15,000.00	15,000.00	1995/17	Foxes Lane Play Park	10,000.00	10,000.00	10,000.00	13,000.00
500.00	20,000.00	20,000.00	1995/24	Wherrytown Skate Park	13,000.00	13,000.00	13,000.00	17,000.00
1,000.00	20,000.00	20,000.00	1995/25	War Memorial Maintenance	3,541.00	3,541.00	3,541.00	0.00
6,000.00	0.00	0.00	1995/26	Utility Billing				0.00
0.00	2,500.00	2,500.00	1995/27	Outdoor Gym	10,000.00	10,000.00	10,000.00	7,000.00
<b>124,000.00</b>	<b>218,000.00</b>	<b>218,000.00</b>	<b>1995</b>	<b>Total</b>	<b>203,041.00</b>	<b>203,041.00</b>	<b>203,041.00</b>	<b>145,000.00</b>
				<b>Additional Contribution to reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>-5,525.00</b>			<b>(Releases from reserves)</b>	<b>0.00</b>	<b>-39,068.34</b>	<b>-92,767.63</b>	<b>0.00</b>
<b>933,529.47</b>	<b>568,575.57</b>	<b>892,113.52</b>		<b>Leisure &amp; Amenities Total Expenditure</b>	<b>1,004,510.00</b>	<b>557,143.25</b>	<b>989,443.40</b>	<b>1,071,353.00</b>

### Leisure and Amenities Committee Earmarked Reserve Balances and Contributions in 2026/27 Draft Budget

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
Wellfields Car Park	<p>Following the completion of the retaining wall rebuild, remaining work to Wellfield's Car Park includes:</p> <ul style="list-style-type: none"> <li>• Re surfacing and relining</li> <li>• Drain repair / replacement</li> </ul> <p>Estimates on resurfacing, relining and drains in the region of £125k are required within the next 2 years with no other unbudgeted expenditure.</p>	£68,674	£30,000
Machinery Replacement	<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 the next financial year. However, it is likely that between £5k - £7.5k</p>	£37,495	-

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	<p>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.</p> <p>It is proposed that once the budget is approved by Council, that the Weed Treatment Equipment reserve is combined with this reserve to just have one reserve for machinery.</p>		
Penlee Park Play Equipment	<p>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</p>	£65,000	£21,000

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	replacement in the next 2-5 years at an estimated cost of £60k		
Allotment Provision	<p>Earmarked reserve established to invest in creating additional allotment space in the future should suitable land become 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>	£41,000	-
Public Toilet Refurbishment	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	£57,853	£13,000

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	<p>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 the condition of the skylights in both the TIC and Alexandra Play Park public toilets. As per resolutions by the Leisure and Amenities Committee, a refurbishment project to improve the facilities at South Pier Public Toilet is scheduled to be completed in Q1 2026.</p>		
Weed Treatment Equipment	<p>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.</p> <p>It is proposed that once the budget is approved by Council, that the Weed Treatment Equipment reserve funds are combined into the general machinery replacement reserve and this reserve will be removed.</p>	£9,500	-

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
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.	£40,482	-
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	£40,070	-

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	be required on a safety basis or as a result of unforeseen storm damage.		
Penlee Park Infrastructure	<p>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.</p> <p>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.</p>	£80,984	£7,000
Open Spaces Boundary Repair/Replacement	Penzance Council are responsible for a number of walls and boundaries across the parish,	£31,030	£7,000








Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	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.		
Wherrytown Skate Park	Earmarked reserve established to contribute towards significant repairs at the skate park. In addition to the above, it has been established that should future work be required to the skatepark surface to preserve its condition and maximise its lifespan, that the current reserve value is insufficient. Estimates have been received in the region of £85k to undertake this work.	£45,829	£17,000
War Memorial Maintenance	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	£30,000	-

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	<p>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>		
Alexandra Play Park & Tennis Court	<p>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. The surface repair and repainting work has been completed in 2025. 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 £20k and £40k to replace which will significantly reduce the fund's ability to build for future</p>	£68,705	£20,000

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	significant work without further contributions.		
Foxes Lane Play Park	Earmarked reserve established in line with other play equipment areas. Outdoor play equipment 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	£31,500	£13,000
Princess May Recreation Ground	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	£35,257	-

Fund	Description	Estimated 31 <sup>st</sup> March 2026	26/27 Contributions
	identified following the completion of the upcoming public consultation.		
Utility Billing	This reserve exists to accommodate for the fluctuations in the energy market across the facilities owned and managed by Penzance Council and the Leisure and Amenities Committee	£6,000	-
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.	£13,500	£7,000
Penlee Lodge	Reserve established to address future plans and development activity at Penlee Lodge.	£10,000	£10,000
<b>TOTALS:</b>		<b>£712,879</b>	<b>£145,000</b>

**PENZANCE COUNCIL – 19 JANUARY 2026****REPORT FOR DECISION****FINANCE & GENERAL PURPOSES PROJECTED 2025/26 OUTTURN AND  
PROPOSED 2026/27 BUDGET**

<b>Our Culture</b>	<b>Our Decision Making</b>	<b>Our Environment</b>	<b>Our Money</b>	<b>Our People</b>	<b>Our Places</b>	<b>Our Resilience &amp; Wellbeing</b>
						
✓	✓	✓	✓	✓	✓	✓

**Recommendation:**

1. The projected outturn for 2025/26, as set out within Appendix 1 to this report, be approved.
2. The Finance and General Purposes proposed budget for 2026/27, as set out at Appendix 1 to this report, be approved.
3. The level of existing earmarked reserves and their respective contributions in 2026/27, as set out at Appendix 2 to this report, be approved and adopted.

**Background:****INCOME*****Projected out-turn 2025-26***

Projected income for year ending 31 March 2026 is £35,572 higher than anticipated when the 2025/26 budget was set; this is primarily due to return on investment being greater than expected through interest rates and dividends.

***Proposed budget 2026-27***

For the forthcoming financial year, it is anticipated that income will increase by £30,163, for Finance and General Purposes Committee in comparison to the original agreed level of 2025/26; 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 outturn 2025-26***

The projected gross expenditure for the Finance and General Purposes budget is expected to be £34,560 higher than the agreed budget and this is due to releases from earmarked reserves which were not planned in advance of the 2025/26 budget being set. The releases from reserves total £56,246.44 and some of these include: -

- Estimated £3,829 from the Town CCTV Infrastructure reserve; this Committee had previously resolved to use up to £15,000 from this reserve due to infrastructure upgrades to the system, but with underspends within other areas of the CCTV budgets it is only expected to require £3,829.
- £22,505.32 from Elections reserve for the May contested and non-contested elections and the by-election for the Promenade Ward in November.
- £13,163.86 for works in relation to the Penlee Centre building for electrical and relocation costs due to the Coach House Café project.
- £16,151.30 to clear the remaining funds in the S106 Reserve which was a historic reserve held for the Penzance Regeneration Board from the Sainsbury's development S106 funds.

Discounting the expenditure funded from established reserves, the net expenditure is £17,029 less than the agreed budget. This represents a favourable variance of 1.72%. The majority of this underspend is due to the underspend of £16,675 under budget line 2200/1, Additional ASB Support, which was resolved by Council for the provision of street marshals in Penzance town centre, but up until this date, has been funded by the Police and Crime Commissioner, but this is due to end soon.

### ***Proposed budget 2026-27***

Within revenue expenditure under the Finance & General Purposes budget there is an increase of £30,730 compared to the agreed 2025/26 budget.

- **Salary costs** – the expansion of the Communications team, as resolved in 2025/26, has an impact on the salaries budget of c£34,000, but due to the recent actuarial valuation on the Pension fund, employer contributions have reduced by approximately £22,000. The remaining increase when compared with the 2025/26 budget is due to incremental pay increases on scales. The provision of a 4% increase for pay awards in 2026/7 has been made for all Council employees, as these are determined by the National Joint Council for Local Government Services. The salaries cost increase contributes to the majority of the increase in revenue expenditure.
- **Service Level Agreements (SLAs)** – Following previous Council agreement, the SLAs for Pengarth Day Centre and Sustainable Penzance have been extended for another three years from 1 April 2026, and the Cornwall Council

Anti-Social Behaviour Officer contribution of 80% has also been agreed for another twelve months. There is a provision of £40,000 for an extension to Jubilee Pool's SLA on the same level of funding, to be confirmed by Council before the new financial year.

- **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, during the financial year 2025/26 this has mainly been funded by the Police and Crime Commissioner, but this funding is due to end shortly. It is proposed that the same level of funding is budgeted for in 2026/27 including an allowance to support the probation service delivered graffiti clean ups across the parish. Both of these projects will be undertaken in partnership with the Penzance BID which will also be contributing funds.
- **Official Functions** – Remembrance Sunday and St. John's Feast have had increases due to both needing road closures and the increased responsibilities required by Martyn's Law.

### Earmarked Reserves

Referring to the Appendices, the overall contributions for earmarked reserves have increased from 2025/26's budget by £11,000 and there are no proposed releases from reserves, which stood at £4,658 in 2025/26. Each reserve's purpose is detailed within Appendix 2, but some of the main increases are set out below:-

- **Town CCTV Infrastructure** – there has been significant investment into the CCTV system this year with replacement of radio signalling and these funds need to be replenished. It is also known that some of the older cameras in system will soon need replacement.
- **IT Replacement** – significant work is required to improve the Council's IT network to modernise physical systems into cloud computing and to upgrade firewalls. This is anticipated to take place in 2026/27.
- **Town Deal Projects** – The Council has supported the principle of moving the Corporate Services function to a newly developed Market House in the centre of town, which is being developed as part of the Town Deal fund; A furniture fit-out would be required from the Council before moving in, and additional funds would therefore be required. It is anticipated that the building will be completed in Spring 2027, therefore procurement and orders will need to be made in the 2026/27 financial year.
- **Neighbourhood Plan** – the current Neighbourhood Plan expires in 2030 and so it will require review, with an updated/new Plan approved by Council prior to the various steps which need to be undertaken to allow it to be 'made'. It is proposed to start building the reserve up annually to ensure there are enough funds available before works need to start, which will include consultant fees and promotional materials.

## **Increases to Budget Analysed**

Referring to the budget summary in Appendix 1 –

### **2025/26 Outturn**

Projected net expenditure is expected to be £17,029 less than the approved budget and income is expected to be £35,572 greater than the approved budget, so overall there is a projected surplus of £52,601 in the 2025/26 financial year.

### **2026/27 Proposed**

In comparison to the original approved budget set for 2025/26, projected gross expenditure in 2026/27 has increased by £30,730 or 3.34% as listed above; earmarked reserve contributions have increased by £11,000, with no releases of reserves, which impacts this further by £4,658 which was the amount released in 2025/26 and income is increased by £30,163.

The difference between the expenditure and earmarked reserve contributions/releases when set against the projected income is £957,952 and this is the projected amount from the Finance and General Purposes Committee required from the Council precept. In comparison to 2025/26 requirement, this is an increase of £16,225.

This report was considered by the Finance and General Purposes Committee at its meeting held on 15 December 2025 where it unanimously resolved to make the recommendations set out above.

Appendix 1 - Budget Summary and Spreadsheet

Appendix 2 - Earmarked Reserves

James Hardy  
Town Clerk

Cameron Sil  
Finance Manager

**Finance and General Purposes Budget Comparison 2025/26 and 2026/27**

	<b>2025/26 BUDGET</b>	<b>2025/26 OUTTURN</b>	<b>2026/27 DRAFT BUDGET</b>	<b>Change from previous year agreed</b>	<b>% change</b>
<b>Expenditure (excl. EMRs):</b>	919,584	954,144	950,314	<b>30,730</b>	<b>3.3</b>
<b>Income:</b>	46,199	81,771	76,362	<b>30,163</b>	<b>65.3</b>
<b>Earmarked Reserves:</b>					
Budget Additions	73,000	73,000	84,000	<b>11,000</b>	<b>15.1</b>
Other Additions	0	0	0		
Releases	-4,658	-56,246	0	<b>-4,658</b>	<b>-100.0</b>
<b>Total Expenditure:</b>	<b>987,926</b>	<b>970,897</b>	<b>1,034,314</b>	<b>46,388</b>	<b>5</b>
<b>Projected Precept Requirement:</b>	<b>941,727</b>	<b>889,126</b>	<b>957,952</b>	<b>16,225</b>	

Finance and General Purposes Committee - Final Approved Budget 2026/27

Actuals to 30.09.24 £	2024/25 Actual £	<b>INCOME</b>		2025/26 Agreed Budget £	2025/26 Actuals to 30.09.25 £	2025/26 Projected Out-turn £	2026/27 Draft Budget £
2,306,332	2,306,332	200	Precept	2,499,750.00	2,499,750.00	2,499,750.00	
6,026.50	6,026.50	210	Commerical Rents				
		210/1	Tennis Club	6,129.00	6,129.00	6,129.00	6,362.00
<b>6,026.50</b>	<b>6,026.50</b>	<b>210</b>	<b>Total</b>	<b>6,129.00</b>	<b>6,129.00</b>	<b>6,129.00</b>	<b>6,362.00</b>
41,867.07	86,308.00	220	Grants				
13,724.29	15,504.05	230	Investments, Interest and Savings	40,070.00	44,348.33	75,000.00	70,000.00
13,021.34	73,052.93	240	Section 106/CIL Receipts		1,322.75	13,009.26	0.00
		250	Miscellaneous	0.00	642.22	642.22	0.00
<b>2,380,971.20</b>	<b>2,489,721.23</b>	<b>Subtotal on all F&amp;GP Income</b>		<b>2,545,949.00</b>	<b>2,552,192.30</b>	<b>2,594,530.48</b>	<b>76,362.00</b>
-26,745.63		<b>Additional Contributions to reserves</b>			1,322.75	13,009.26	
<b>2,354,225.57</b>	<b>2,489,721.23</b>	<b>Finance &amp; General Purposes Total Income</b>		<b>2,545,949.00</b>	<b>2,550,869.55</b>	<b>2,581,521.22</b>	<b>76,362.00</b>

Actuals to 30.09.24 £	2024/25 Actual £	<b>EXPENDITURE</b>		2025/26 Agreed Budget £	2025/26 Actuals to 30.09.25 £	2025/26 Projected Out-turn £	2026/27 Draft Budget £
192,084.33	409,970.45	2000	Salaries	448,199.00	227,643.56	450,681.00	477,000.00
		<b>2100</b>	<b>Central Services</b>				
2,179.00	2,179.00	2100/1	Accounting Software	2,400.00	2,442.50	2,442.50	2,600.00
13,994.00	33,058.19	2100/2	Insurance	35,000.00	16,287.06	35,000.00	37,000.00
7,349.50	10,985.50	2100/3	Legal Fees	15,000.00	7,285.48	15,000.00	15,000.00
943.00	943.00	2100/4	Penzance BID Levy	943.00	1,109.56	1,109.56	1,000.00
		<b>2100/5</b>	<b>Personnel</b>				
1,108.50	6,174.50	2100/5/1	Consultancy Services	5,000.00	201.00	5,000.00	5,000.00
282.76	449.66	2100/5/2	Employee Support	3,000.00	398.00	1,500.00	1,500.00
		2100/5/3	Health and Safety				
5,415.42	5,701.84	2100/5/3/	Contracts	6,000.00	5,194.56	5,200.00	6,000.00
7.33	411.33	2100/5/3/	Actions (Repairs, Supplies, DSE)	3,000.00	212.64	3,000.00	3,000.00
<b>5,422.75</b>	<b>6,113.17</b>	<b>2100/5/3</b>	<b>Total</b>	<b>9,000.00</b>	<b>5,407.20</b>	<b>8,200.00</b>	<b>9,000.00</b>
964.60	1,950.40	2100/5/4	Payroll Processing	2,250.00	1,109.30	2,250.00	2,350.00
36.08	36.08	2100/5/5	Recruitment	1,000.00	45.00	500.00	1,000.00
7,458.50	10,623.32	2100/5/6	Staff Training and Development	15,000.00	3,359.50	11,000.00	12,000.00
<b>39,738.69</b>	<b>72,512.82</b>	<b>2100</b>	<b>Total</b>	<b>88,593.00</b>	<b>37,644.60</b>	<b>82,002.06</b>	<b>86,450.00</b>
		<b>2200</b>	<b>Community Services and Support</b>				
0.00	0.00	2200/1	Additional ASB Support	29,250.00	250.00	13,000.00	29,250.00
		<b>2200/2</b>	<b>CCTV</b>				
0.00	0.00	2200/2/1	Annual Monitoring	24,171.00	0.00	18,000.00	20,000.00
16,134.95	37,973.07	2200/2/2	Additional Monitoring	1,500.00	4,092.70	1,500.00	1,500.00
5,395.14	12,402.28	2200/2/3	Maintenance Contract	10,000.00	0.00	10,000.00	10,000.00
0.00	9,730.01	2200/2/4	Repair & Replacement	5,000.00	1,339.97	15,000.00	5,000.00
<b>21,530.09</b>	<b>60,105.36</b>	<b>2200/2</b>	<b>Total</b>	<b>40,671.00</b>	<b>5,432.67</b>	<b>44,500.00</b>	<b>36,500.00</b>
0.00	5,275.59	2200/3	Climate Emergency Initiatives	7,000.00	59.99	7,000.00	7,000.00
336.00	2,969.51	2200/4	Community Engagement	5,000.00	279.54	5,000.00	5,000.00
49,715.97	62,957.97	2200/5	Community Grants	70,000.00	28,167.98	70,000.00	70,000.00
		2200/7	Service Level Agreements				
0.00	30,111.00	2200/7/1	Cornwall Council ASB Officer Contribution	39,183.00	0.00	38,758.00	39,917.00
0.00	40,000.00	2200/7/2	Jubilee Pool	40,000.00	0.00	40,000.00	40,000.00
11,000.00	22,000.00	2200/7/3	Pengarth Day Centre	24,200.00	12,100.00	24,200.00	25,410.00
0.00	0.00	2200/7/4	Penzance and Newlyn Youth	20,000.00	10,000.00	20,000.00	20,500.00
5,000.00	20,000.00	2200/7/5	Sustainable Penzance	20,000.00	10,000.00	20,000.00	21,000.00
<b>16,000.00</b>	<b>112,111.00</b>	<b>2200/7</b>	<b>Total</b>	<b>143,383.00</b>	<b>32,100.00</b>	<b>142,958.00</b>	<b>146,827.00</b>
<b>87,582.06</b>	<b>243,419.43</b>	<b>2200</b>	<b>Total</b>	<b>295,304.00</b>	<b>66,290.18</b>	<b>282,458.00</b>	<b>294,577.00</b>
		<b>2300</b>	<b>Council Administration</b>				
4,634.62	4,730.50	2300/1	Association Fees	4,950.00	4,170.59	4,700.00	5,000.00
0.00	5,440.00	2300/2	Audit Fee	5,940.00	0.00	5,440.00	5,940.00
565.91	1,220.36	2300/3	Bank Charges	1,500.00	471.67	1,200.00	1,200.00
213.72	435.99	2300/4	Confidential Waste Collection	450.00	112.20	225.00	250.00
0.00	1,214.98	2300/5	External Communications	2,000.00	633.80	2,000.00	2,000.00
		<b>2300/6</b>	<b>IT Solutions</b>				
1,171.97	2,295.95	2300/6/1	Lease	3,100.00	1,834.31	3,100.00	3,600.00
156.31	1,836.16	2300/6/2	Purchase	1,000.00	596.96	1,596.96	1,000.00
2,553.10	5,210.38	2300/6/3	Software and Support	7,000.00	2,652.44	7,000.00	10,000.00
<b>3,881.38</b>	<b>9,342.49</b>	<b>2300/6</b>	<b>Total</b>	<b>11,100.00</b>	<b>5,083.71</b>	<b>11,696.96</b>	<b>14,600.00</b>
365.60	774.35	2300/7	Lease and Management Print	800.00	390.95	800.00	800.00
249.99	983.51	2300/8	Office Furniture	1,000.00	22.50	1,000.00	1,000.00
953.70	1,785.94	2300/9	Office Supplies & Stationery	1,800.00	837.57	1,800.00	1,800.00
-30.62	436.14	2300/10	Postage	600.00	-45.93	500.00	500.00
300.00	523.40	2300/11	Staff Travel Allowance	500.00	380.94	500.00	500.00
322.00	339.99	2300/12	Website	500.00	272.00	500.00	500.00
<b>11,456.30</b>	<b>27,227.65</b>	<b>2300</b>	<b>Total</b>	<b>31,140.00</b>	<b>12,330.00</b>	<b>30,361.96</b>	<b>34,090.00</b>
		<b>2400</b>	<b>Democratic Management and Civic Functions</b>				
		<b>2400/1</b>	<b>Councillor Costs</b>				
673.50	1,033.50	2400/1/1	Training	5,000.00	2,203.85	3,500.00	2,500.00

0.00	0.00	2400/1/2	Child Care	300.00	0.00	0.00	300.00
136.12	0.00	2400/1/3	Travel Expenses	500.00	0.00	100.00	250.00
5,038.93	10,430.11	2400/1/4	IT Provision	11,000.00	6,760.40	12,500.00	15,000.00
<b>5,848.55</b>	<b>11,463.61</b>	<b>2400/1</b>	<b>Total</b>	<b>16,800.00</b>	<b>8,964.25</b>	<b>16,100.00</b>	<b>18,050.00</b>
0.00	25,063.76	2400/2	Election Costs	0.00	0.00	22,505.32	0.00
566.08	4,532.98	2400/3	Mayor's Allowance	4,800.00	161.24	4,800.00	4,800.00
0.00	2,425.10	2400/4	Neighbourhood Plan	0.00	0.00	0.00	0.00
		<b>2400/5</b>	<b>Official Functions</b>				
0.00	0.00	2400/5/1	Annual Town Meeting	500.00	0.00	0.00	0.00
150.00	685.00	2400/5/2	Honorarium Payments	700.00	75.00	700.00	700.00
2,225.42	2,225.42	2400/5/3	Mayor Choosing	3,000.00	1,628.25	1,628.25	4,000.00
557.98	577.98	2400/5/4	Mazey Day Hospitality	600.00	624.05	624.05	650.00
589.81	662.91	2400/5/5	Miscellaneous	1,000.00	221.24	750.00	750.00
0.00	625.00	2400/5/6	Remembrance Sunday	1,000.00	80.00	1,000.00	2,000.00
840.00	840.00	2400/5/7	St. John Feast	850.00	650.00	650.00	1,500.00
<b>4,363.21</b>	<b>5,616.31</b>	<b>2400/5</b>	<b>Total</b>	<b>7,650.00</b>	<b>3,278.54</b>	<b>5,352.30</b>	<b>9,600.00</b>
176.26	432.46	2400/6	Venue Hire	1,800.00	144.24	1,000.00	1,000.00
<b>10,954.10</b>	<b>49,534.22</b>	<b>2400</b>	<b>Total</b>	<b>31,050.00</b>	<b>12,548.27</b>	<b>49,757.62</b>	<b>33,450.00</b>
		<b>2500</b>	<b>Penlee Centre</b>				
330.00	660.00	2500/1	Broadband	720.00	330.00	660.00	720.00
1,684.24	4,720.25	2500/2	Electricity	7,200.00	1,264.59	5,000.00	5,700.00
		<b>2500/3</b>	<b>Service Contracts</b>				
2,123.73	3,901.56	2500/3/1	Cleaning	4,400.00	2,081.83	4,400.00	4,500.00
279.35	591.75	2500/3/2	Fire Safety	660.00	577.98	660.00	700.00
834.12	957.38	2500/3/3	Security	1,135.00	614.28	4,635.00	1,135.00
<b>3,237.20</b>	<b>5,450.69</b>	<b>2500/3</b>	<b>Total</b>	<b>6,195.00</b>	<b>3,274.09</b>	<b>9,695.00</b>	<b>6,335.00</b>
2,665.10	4,441.10	2500/4	Non-Domestic Rates	4,442.00	2,665.10	4,442.00	4,442.00
0.00	0.00	2500/5	Refurbishment Project	0.00	4,612.86	13,163.86	0.00
193.03	2,128.55	2500/6	Repairs and Maintenance	3,000.00	1,687.55	6,000.00	3,000.00
0.00	440.00	2500/7	Statutory electrical checks	550.00	0.00	0.00	550.00
1,131.53	2,325.39	2500/8	Telephone	2,316.00	1,254.28	2,520.00	2,700.00
393.05	794.46	2500/9	Water	875.00	618.46	1,250.00	1,300.00
<b>9,634.15</b>	<b>20,960.44</b>	<b>2500</b>	<b>Total</b>	<b>25,298.00</b>	<b>15,706.93</b>	<b>42,730.86</b>	<b>24,747.00</b>
		<b>2800</b>	<b>Miscellaneous</b>				
	5,945.00	<b>2600</b>	<b>Section 406 Funds</b>	0.00	0.00	0.00	0.00
8,500.00	18,500.00	<b>2700</b>	<b>Youth Activities</b>	0.00	0.00	0.00	0.00
		<b>2800</b>	<b>Miscellaneous</b>		16,152.28	16,152.28	0.00
<b>359,949.63</b>	<b>848,070.01</b>		<b>Subtotal on all expenditure</b>	<b>919,584.00</b>	<b>388,315.82</b>	<b>954,143.78</b>	<b>950,314.00</b>
		<b>2995</b>	<b>Earmarked Reserve Contributions</b>				
5,000.00	5,000.00	2995/1	Town CCTV Infrastructure	10,000.00	10,000.00	10,000.00	15,000.00
10,000.00	10,000.00	2995/4	Elections	28,000.00	28,000.00	28,000.00	14,000.00
		2995/5	Events	0.00	0.00	0.00	0.00
5,000.00	5,000.00	2995/6	HR Contingency	10,000.00	10,000.00	10,000.00	10,000.00
1,000.00	1,000.00	2995/7	IT Replacement	5,000.00	5,000.00	5,000.00	10,000.00
0.00		2995/8	Legal Contingency	5,000.00	5,000.00	5,000.00	0.00
60,000.00	60,000.00	2995/9	Penlee Centre Building	0.00	0.00	0.00	0.00
10,000.00	10,000.00	2995/10	Town Deal Projects	15,000.00	15,000.00	15,000.00	25,000.00
10,000.00	10,000.00	2995/11	Youth Strategy	0.00	0.00	0.00	0.00
0.00	0.00	2995/12	Neighbourhood Plan	0.00	0.00	0.00	10,000.00
<b>101,000.00</b>	<b>101,000.00</b>	<b>2995</b>	<b>Total</b>	<b>73,000.00</b>	<b>73,000.00</b>	<b>73,000.00</b>	<b>84,000.00</b>
0.00	0.00		<b>Additional Contribution to reserves</b>	0.00	0.00	0.00	0.00
-25,047.45	0.00		<b>(Releases from reserve)</b>	<b>-4,658.00</b>	<b>-16,151.30</b>	<b>-56,246.44</b>	<b>0.00</b>
<b>435,902.18</b>	<b>949,070.01</b>		<b>Finance &amp; General Purposes Total Expenditure</b>	<b>987,926.00</b>	<b>445,164.52</b>	<b>970,897.34</b>	<b>1,034,314.00</b>








<b>Finance &amp; General Purposes Committee Earmarked Reserve Balances and Contributions in 2026/27 Draft Budget</b>			
<b>Fund</b>	<b>Description</b>	<b>Estimated 31<sup>st</sup> March 2026</b>	<b>26/27 Contributions</b>
Penlee Centre Building	Following the roof replacement in 2025, the next capital project for the building is the forecourt and lane need resurfacing, and drainage works as well as some internal renovations to the building; these works will be planned in 2026 with further costings to follow.	£85,318	-
Elections	Following the costs of the May 2025 elections and one by-election, the remaining balance would provide the cost of just one by-election if needed, the suggested contribution would mean there would be funds for around two by-elections with also saving for the main elections in 2029.	£15,947	£14,000
Devolution of Services (Allocated)	This reserve is in place for the last phase of the current devolution project, which is Princess May Recreation Ground, consultation analysis is now on-going to determine what to develop on the site.	£194,808	-

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	-
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 which would require IT infrastructure to be installed.	£24,067	£10,000
HR Contingency	This reserve is for HR related issues that may unexpectedly arise, such as recruitment, interim staffing cover, evaluations.  There is currently resolution of a £23,785 commitment from this reserve to support the contingency of not receiving Arts Council funding.	£29,248	£10,000
Neighbourhood Plan	The current neighbourhood plan expires in 2030, the adopted plan will need reviewing and recommending again before consultation to the public which will need to be done before the plan expires, therefore an initial contribution has been recommended to build up a reserve for when needed in 2028/29.	£0	£10,000
Events	This reserve was originally setup for coronation events, Jubilee celebrations, royal visits, and	£4,583	-

	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.		
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.	£11,000	-
Community Infrastructure Levy (CIL)	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.	£48,030	-
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.	£29,790	£25,000
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	-

Town CCTV Infrastructure	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 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	£19,933	£15,000
<b>TOTALS:</b>		<b>£501,738</b>	<b>£84,000</b>

**PENZANCE COUNCIL – 19 JANUARY 2026****REPORT FOR DECISION****2026/27 PRECEPT SETTING**

<b>Our Culture</b>	<b>Our Decision Making</b>	<b>Our Environment</b>	<b>Our Money</b>	<b>Our People</b>	<b>Our Places</b>	<b>Our Resilience &amp; Wellbeing</b>
						
✓	✓	✓	✓	✓	✓	✓

**Recommendation**

A precept of £2,528,957 be set for the financial year 2026/27, representing an increase in council tax charge of 0.30%.

**Background**

The Local Government Finance 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 12(a)-(c) to allow for final approval of the projected outturn for 2025/26 and proposed budget for 2026/27.

It is considered prudent and good practice to review Council Reserves in advance of setting the annual precept. Council reserves are required to be reviewed regularly and accepted as being at appropriate levels for their purpose. They were last formally approved at budget setting in January 2025 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 projects.

The earmarked reserve position appendices are included as a part of the committee budget reports and show estimated levels at 31 March 2026, based on commitments made by Council during the 25/26 year. They also show the proposed contributions to reserves as required by the draft budgets, set out in the appropriate appendices, and any proposed releases or usage during the 26/27 year.

The Council holds two types of reserves, general fund 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 31A and 42A 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 or if precept is unable to be paid from the tax raising authority.

It is stated in the *Practitioners' Guide for Governance and Accountability for Smaller Authorities in England* that the authority's 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 who has supported the budget preparations this year. By 31 March 2026, the Council's general reserve is projected to be at a level of 7 months of net expenditure for 2026/27, 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 2026/27, and summarised below, the required precept for 2026/27 is:-

<b>Total Precept:</b>	<b>£2,528,957</b>
<b>Band D Precept:</b>	<b>£328.07 per annum (annual increase of £1.04/weekly increase of 2p)</b>
<b>Annual Increase:</b>	<b>0.30%</b>

### **Taxbase Change**

The tax base for the Penzance Council parish has increased from 7,643.87 to 7,708.62 which is a **+0.85%** change from 2025/26. As per Appendix 2, the precept comparison spreadsheet, this provides a slight relief on the precept requirement and reduces it

from what would be an 1.2% increase, if the taxbase remained at the current year level, down to an increase of 0.30%

The taxbase change is made up of an increase to equivalent band D properties of 130.28 and a reduction in band D equivalent second homes of 65.53, a net increase of 64.75 additional band D equivalent properties paying council tax in the Penzance parish.

Standard Band D equivalent properties total 7,344.15 and Second Home Band D equivalent properties total 364.47 giving a total tax base of 7,708.62 (based on a collection rate of 99.1%).

### **Expenditure**

Expenditure has increased by £64,971 in comparison to the 2025/26 agreed budget. Revenue expenditure is, effectively, the intended operating costs throughout the financial year, such as contracts, insurance, maintenance, leases, utilities, and salaries. The increase is broken down by committee in the appropriate appendices and is made up of a £30,730 increase from Finance and General Purposes, a £124,884 increase from Leisure and Amenities and a decrease of £90,643 from Arts and Culture.

Some of the increases analysed from the individual committee budgets include increases to staffing resources, with an expansion in the Leisure and Amenities Team and Communications Team which increases salary costs and the associated additional costs, such as equipment and machinery for the expanded workforce. The decrease in the Arts and Culture committee is due to the unconfirmed continuation of funding by Arts Council England, which was £80,000 in 2025/26; it is anticipated that a level of funding will be provided but this has not yet been confirmed at the time of writing.

Increases to expenditure contribute to a 2.6% increase in precept change.

### **Earmarked Reserves**

Earmarked reserve contributions have decreased by £47,041 in comparison to the 2025/26 budget. As mentioned previously, the purpose of the Council's earmarked reserves is to build up funds for replacing and improving assets, but also to 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, but this should be a last resort.

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 and 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 ongoing liabilities and to replace assets at the end of their lives.

Decreases to earmarked reserves contributions reduce the precept change by 1.9%.

After reviewing reserves, one was identified which no longer met the criteria of being an earmarked reserve which was the Christmas Lighting Infrastructure reserve; due to Penzance Council not being responsible for this anymore, it did not meet the criteria to be held as an earmarked reserve. By releasing this reserve from 1 April 2026, this reduces the precept change by 0.90%

### **Income**

Income as per the draft budget has decreased by £34,119 in comparison to the original 2025/26 approved budget. This is mainly due to unknown continuation of Arts Council funding for Penlee House Gallery and Museum and therefore less anticipated grant funding income, it is also due to a reduction in anticipated visitor and retail spend at the gallery, based on market trends and what the programme of exhibitions are for the 2026/27 financial year.

Decreases in projected income raise the precept change by 1.4%.

As a result of the above changes, this makes a net precept increase of 1.2% before the increase in taxbase which reduces it further down to 0.30%.

Appendix 1 - Budget Summary

Appendix 2 - Precept Breakdown and Comparison

Appendix 3 - Tax Base Calculator

Cameron Sil  
Finance Manager

**PENZANCE COUNCIL**  
**BUDGET 2026/27 FINANCIAL SUMMARY**

	2025/26 Budget	2025/26 Forecast	2026/27 Budget
<b>Expenditure (excl. from EMRs) :</b>			
Finance & General Purposes	919,584	897,897	950,314
Leisure & Amenities	801,469	786,402	926,353
Arts & Culture	940,957	939,975	850,314
<b>Total</b>	<b>2,662,010</b>	<b>2,624,274</b>	<b>2,726,981</b>
<b>Income (excl. to EMRs):</b>			
Finance & General Purposes	46,199	81,771	76,362
Leisure & Amenities	115,400	137,200	133,895
Arts & Culture	388,044	360,556	305,267
	<b>549,643</b>	<b>579,527</b>	<b>515,524</b>
Precept	2,499,750	2,499,750	2,528,957
General Fund movement before EMRs	387,383	455,003	317,500
Earmarked Reserves:			
Additions - per Budget	392,041	392,041	345,000
Additions - Other	0	3,834	
Releases - to General Fund	(4,658)	(4,658)	(27,500)
General Fund Inc./(Decr)	0	63,786	0
Income added to EMRs	0	264,609	0
Expenditure offset by EMR releases	(302,000)	(656,494)	(203,785)
Closing Fund Balances:			
Earmarked Reserves	1,670,644	1,682,873	1,796,588
General Fund (GF)	1,010,221	1,291,385	1,291,385
<b>Total</b>	<b>2,680,865</b>	<b>2,974,258</b>	<b>3,087,973</b>
GF Equiv. Months	5.8	7.6	7.0
GF % of Expenditure	48.1	63.5	58.4
Tax Base	7,643.87	7,643.87	7,708.62
Band D Precept	327.03	327.03	328.07
Band D Precept % Incr/(Decr)	1.8	1.8	0.3
<b>General Fund Month's Equiv. Calculation:</b>			
Net Expenditure	2,112,367	2,044,747	2,211,457
Less Capital expenditure not funded by EMR releases	11,000	11,500	0
<b>Base</b>	<b>2,101,367</b>	<b>2,033,247</b>	<b>2,211,457</b>
GF Closing Balance	1,010,221	1,291,385	1,291,385

**PENZANCE COUNCIL**  
**BUDGET 2026/27 PRECEPT COMPARISON**

	2025/26 Original Budget	2026/27 Draft Budget	Precept Change	
			Difference	% Incr/ (Decr.)
Precept	<b>2,499,750</b>	<b>2,528,957</b>	<b>29,207</b>	<b>1.2</b>
Resulting from:				
<u>Expenditure (excl. from EMRs):</u>				
Finance & General Purposes	919,584	950,314	30,730	
Leisure & Amenities	801,469	926,353	124,884	
Arts & Culture	940,957	850,314	(90,643)	
Total	2,662,010	2,726,981	64,971	2.6
<u>Income:</u>				
Finance & General Purposes	46,199	76,362	(30,163)	
Leisure & Amenities	115,400	133,895	(18,495)	
Arts & Culture	388,044	305,267	82,777	
	549,643	515,524	34,119	1.4
<u>Reserves:</u>				
Additions to EMRs	392,041	345,000	(47,041)	(1.9)
Releases from EMRs	(4,658)	(27,500)	(22,842)	(0.9)
Precept	<b>2,499,750</b>	<b>2,528,957</b>	<b>29,207</b>	<b>1.2</b>
Precept - % increase after allowing for increase in Taxbase				<b>0.3</b>

## Notes:

Precept for 2026/27 results in Band D rate of £328.07, 0.3% higher than 2025/26.

**COUNCIL TAX ANALYSIS****Penzance**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****For 2026/27****Proposed precept for 2026/27 2,528,957.00**Divided by the taxbase 2026/27 **7,708.62****Equals : Band D Council Tax 2026/27 328.07**

	<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Parish Council Tax Charge 2025/26	218.02	254.36	290.69	327.03	399.70	472.38	545.05	654.06
<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 2026/27	218.71	255.17	291.62	328.07	400.97	473.88	546.78	656.14
<b>Annual change (£) for 2026/27</b>	<b>0.69</b>	<b>0.81</b>	<b>0.93</b>	<b>1.04</b>	<b>1.27</b>	<b>1.50</b>	<b>1.73</b>	<b>2.08</b>
<b>Annual change (%) for 2026/27</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>