

**LLANTWIT FARDRE COMMUNITY COUNCIL
CYNGOR CYMUNED LLANILLTUD FAERDREF**



FINANCE AND POLICY COMMITTEE

18TH DECEMBER, 2024

REPORT OF THE CLERK

**PROPOSED BUDGET FOR THE 2024/25 FINANCIAL YEAR FOR
RECOMMENDATIONS TO FULL COUNCIL**

1. INTRODUCTION

- 1.1 At the meeting of this Committee held on the 26th October, 2023, Members reviewed the accounts for the first six months of the 2023/24 financial year which were detailed for each cost centre comparing expenditure for the six month period for the previous financial year (2022/23).
- 1.2 There were no major areas of concern other than the costs associated with salaries for staff. Items which were felt to assist Members when preparing the 2024/25 budget and precept were as shown below:-
 - Lease of Vehicles
 - Masonry Works to the external wall of the Carnegie Parish Hall
 - Roof of the Carnegie Parish Hall needs to have a professional survey undertaken to ascertain whether a new roof is required or repairs undertaken.
 - Inventory of Street Lights.
 - Increase the budget for Tree Works.
- 1.3 The monthly reports provided at meetings show the income and expenditure in relation to the budget for the year. The spending to date has been extrapolated to estimate the end of year spend to enable the budgeting procedure
- 1.4 For each budget heading, Members need to consider where the Community Council's objectives are for the new financial year and ensure the budget allows the Council to meet these.

2. EXPENDITURE

2.1 Administration

- 2.1.1 The budget heading for Public Relations combines the website (updating in line with Accessibility Regulations, 2018), advertising and promotion. As agreed by Council at its meeting held on the 28th November, 2022 a new website has now been completed and annual hosting fees will be incurred as from the new financial year 2024/25 at approximately £340, this has been factored into the budget setting process.
- 2.1.3 The budget heading for Office Equipment applies to desks, chairs, printers etc., and Members will recall that at the Council Meeting held on the 19th December, 2022 some of the earmarked reserves (EMR) for Office Equipment was used for the new website as there was not enough money left within that cost centre.
- 2.1.4 Over recent years Members have agreed to the purchase/lease of a new printer. However, a new printer has not been sourced as, whilst the current printer is timeworn, it continued to serve its purpose. Nevertheless, during the next financial year a new printer will need to be purchased/leased and provision has been made for this within the cost code heading `Office Equipment`.

Administration	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Public Relations	£760	£1,500	£480	£1,500
Office Equipment	£1,960	£3,000	£631	£5,000
Phone & Computer Costs	£4,502	£4,000	£4,000	£4,000
Contingency Fund	£5,000(vired for salaries)	£5,000	£5,000	£5,000
Copier/Printing	£983	£2,000	£1,000	£4,000
Stationery	£811	£1,300	£1,000	£1,300
Postage	£164	£250	£200	£250
Subscriptions & Membership	£316	£1,200	£1,000	£1,000
Audit & Professional Charges	£845	£1,300	£1,300	£1,300
Insurance	£5,078	£5,250	£5,232	£5,500
Bank Charges	£327	£320	£320	£320
Total	£20,746	£25,120	£20,163	£29,170
Proposed Budget for Administration				£29,170

2.2 **Staffing**

- 2.2.1 Salary/Pension payments are outsourced to RCTCBC and as well as paying salaries, the Unitary Authority also ensure that all returns/payments are made to HMRC.
- 2.2.2 The Staffing Structure has had many changes since the elections in May, 2017 but the calendar years of 2022 and 2023 saw significant changes where, for example, the Assistant Clerk was appointed as Administrative Assistant where her hours and salary reduced; the Responsible Finance Officer took on the additional role of Deputy Clerk. The Administrative Officer then terminated her employment with this Council and the then Clerk resigned her position from the Council with effect from the 31st December, 2023.
- 2.2.3 Following the resignation of the former Clerk the post was awarded to the Responsible Finance Officer who, as from the 1st January, 2024 took on the dual role of Clerk/Responsible Finance Officer.
- 2.2.4 The Manual Operative (Supervisor) was promoted to the newly created post of General Services Manager in October, 2023 and a new incumbent took on the role as Manual Operative. Therefore the current structure is as follows:-
- Clerk/Responsible Officer x28 hours per week (pro rata)
 - General Services Manager (full time)
 - Lead Manual Operative (full time)
 - Manual Operative (full time)
 - Caretaker/Cleaner x26 hours per week (pro rata)
- 2.2.5 Although the staffing costs are higher than anticipated and monies will need to be vired as it is estimated that the spend at the end of the year will be £196,000 compared to a budget of £182,000.
- 2.2.6 As Members will see from the table below that a budget of £175,000 has been allocated for Salaries, Pensions and HMRC this is less than what was allocated last year and significantly less than the actual cost. The Clerk/Responsible Finance Officer is confident that with the new reduced structure that this figure will remain in budget, unless there are further changes to the structure.

Staffing	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Salaries, Pension & HMRC	£188,174	£182,000	£196,000	£175,000
Training	£470	£1,750	£1,090	£1,750
Uniform	£166	£500	£300	£500
Occupational Health	£0	£500	£300	£500
Subscriptions & Memberships	£236	£750	£500	£750
Total	£189,046	£185,500	£198,190	£178,500

Proposed Budget for Staffing	£178,500
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2.3 **Councillors**

- 2.3.1 The ear marked reserves to cover elections will need to continue to be built upon.
- 2.3.2 To accord with the Local Government and Elections (Wales) Act, 2021 a five year budget plan continues to be included for both Members and Staff.
- 2.3.3 Earlier on, in the meeting at Agenda Item 4(b), Members gave consideration to the determinations of the Independent Remuneration Panel for Wales for 2024/25 where it will be noted that £2,028 had been allocated within the budget for the basic payment to be made to Members, which is mandatory (£156 x13), £676 had been allocated for the cost of consumables for each Member (£52 x13) and £2,500 had been allocated for Senior Role payments, albeit it is mandatory to award one Senior Role and the discretion of the Council to award up to five Senior Roles.
- 2.3.4 Members will recall that during consideration of the 2023/24 budget setting process, it was decided not to continue membership with One Voice Wales. However, for the purpose of this budget report, it is proposed that membership be taken up with One Voice Wales as the newly appointed Clerk will require the support of this organisation in her new role; and therefore £2,800 has been allocated.

Councillors	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Subscriptions & Memberships	£2,509	£0	£0	£2,800
Chair's Allowance	£895	£1,000	£46	£1,000
Elections	£8,741	£3,000	£4,600	£6,000
Councillors Renumeration	£1,250	£2,528	£2,216	£4,528
Training	£514	£1,000	£0	£1,000
Consumables	£0	£676	£572	£676
Total	£13,909	£8,204	£7,434	£16,004
Proposed Budget for Councillors				£16,004

2.4 Grants

- 2.4.1 At the Extraordinary Meeting of the Council held on the 11th December, 2023, Members will give consideration to the applications that had been submitted for Community Grants and the amount awarded will be verbally reported at this meeting. It is therefore assumed that the amount awarded will be £6,000.

Grants	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Grants	£5,162	£6,000	£6,000	£6,000
Proposed Budget for Grants				£6,000

2.5 Events

- 2.5.1 It is pleasing to note that the Council held a number of successful events – Remembrance Sunday, Christmas Fete and the Senior Citizens’ Dinner which was held over two evening.
- 2.5.2 It is proposed to repeat these events in the calendar for the next financial year together with the festival to commemorate the Council’s 50th year; the budget has been set accordingly.

Events	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Community Events	£8,858	£14,000	£12,230	£20,000
Proposed Budget for Events				£20,000

2.6 Main Building

- 2.6.1 For accounting purposes the “Main Building” is the Office, Council Chamber, Works Garage and Store. Previously there was little discrimination between buildings. The benefit of splitting the buildings is that a more accurate picture of income and expenditure can be achieved.
- 2.6.2 However, as from the 2nd January, 2024, the staff relocated to Ty Iltud and the former office at the rear of Carnegie Parish Hall has been let to a Charitable Organisation where an income will be achieved and which will be included in the new budget.
- 2.6.3 As from the 6th April, 2024 new Workplace Recycling Regulations will be implemented as imposed by Welsh Government where businesses, charities and public sector organisations will start to separate their waste for recycling. This could result in an additional bin(s) having to be used, resulting in an increase in charges. To date, Biffa has not given an estimate of the increased charges.
- 2.6.4 Provision has also been made for each building for the increase in fuel costs (gas and electricity).

2.6.5 Maintenance costs have been included in the budget for the fire alarm systems that were installed in the Council's premises in 2022.

Main Building	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Refuse Collection	£4,072	£5,500	£5,500	£6,000
Repairs & Maintenance	£2,852	£1,500	£1,500	£1,500
Electricity	£1,569	£4,000	£4,000	£4,000
Fire Equipment	£395	£1,000	£800	£1,000
PAT Testing	£103	£200	£135	£200
Total	£8,991	£12,200	£11,935	£12,500
Proposed Budget for Main Building				£12,500

2.7 Ty Illtud

2.7.1 Again, electricity and gas will need to be monitored due to the rate of inflation and there could be a further increase in such charges due to the relocation of the staff to this building. The budget has been increased accordingly.

2.7.2 Rates for both car park and the building may also need to be increased.

Ty Illtud	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Phone & Internet Costs	£397	£300	£250	£300
Repairs & Maintenance	£3,173	£2,000	£5,600	£4,000
Electricity	£386	£800	£1,000	£1,500
Fire Equipment	£357	£800	£500	£500
Maintenance Contracts	£521	£700	£600	£700
Rates	£3,849	£4,000	£3,772	£4,000
Gas	£865	£2,500	£2,500	£2,700
Water	£190	£350	£250	£350
Total	£9,738	£11,450	£14,472	£14,050
Proposed Budget for Ty Illtud				£14,050

2.8 Carnegie Parish Hall

- 2.8.1 The comments as mentioned in previous years are to be reiterated in that at some point the roof is to either be repaired or replaced and therefore monies have been set aside in the ear marked reserves and need to be built upon.
- 2.8.2 Masonry works are also required to the external walls and a survey has been undertaken at a cost of £370 by an external Contractor, the findings of which will be reported to the Council meeting scheduled to take place on the 29th January, 2024.

Carnegie Parish Hall	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Repairs & Maintenance	£4,313	£5,000	£5,000	£10,000
Electricity	£1,025	£2,400	£2,600	£2,600
Maintenance Contracts	£542	£600	£550	£600
Rates	£6,557	£7,000	£6,020	£7,000
Gas	£3,028	£5,500	£5,400	£5,500
Water	£408	£600	£450	£600
Fire Equipment	£0	£1,000	£400	£500
Total	£15,873	£22,100	£20,420	£26,800
Proposed Budget for Carnegie Parish Hall				£26,800

2.9 Allotments

- 2.9.1 A minimum budget is retained for any administrative responsibilities that may occur with the Council's allotments.

Allotments	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Allotments	£0	£300	£75	£300
Proposed Budget for Allotments				£300

2.10 Transport

2.10.1 There are no current plans to replace either of the Council's vehicles, however, research will need to be undertaken for future climate changes, i.e. electric vehicles. Therefore, funds will need to continue to be added to the ear marked reserves in 2024/25.

2.10.2 Fuel expenditure has started to increase albeit at a slow pace and this has been provided for.

Transport	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Vehicle Insurance	£1,080	£1,200	£1,309	£1,500
Road Tax	£580	£600	£600	£650
Repairs & MOT	£304	£2,500	£900	£3,500
Fuel	£1,625	£2,200	£2,200	£2,200
Total	£3,589	£6,500	£5,009	£7,850
Proposed Budget for Transport				£7,850

2.11 Street Lighting

2.11.1 The installation of LED bulbs is now reflected in the financial figures and proposed budget.

2.11.2 There is quite an increase allocated for Electricity and this is due to the fact that it is procured by the Unitary Authority with no consultation with the Clerk. Discussions will continue with the Officer concerned in order that the Clerk can give her views during the next tendering process.

Street Lighting	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Repairs & Maintenance	£299	£1,000	£0	£500
Electricity	£2,096	£1,500	£4,800	£5,000
Improvements	£0	£500	£0	£250
Total	£2,395	£3,000	£4,800	£5,750
Proposed Budget for Street Lighting				£5,750

2.12 Parks and Outside Work

2.12.1 As agreed at last year's budget setting process, the grass cutting contract is now carried out in-house and a 'one-off' payment of approximately £10,500 was made for the purchase of the necessary equipment (lawn mower). This proved to be the cheaper option than putting the contract out to tender and the Council will reap the benefits of this 'one-off' payment for at least the next five years.

2.12.2 Ear marked reserves (EMRs) were used in 2023/24 for the purchase and installation of new play equipment for both Maesybryn and Ty Draw play areas in the sum of £55,233 leaving a balance for play park equipment of £42,627 (£20,000 budget allocation + £22,627 left in EMRs). Further purchases were made for the play areas, totalling £4,852 during this financial year. Therefore, £20,000 has been allocated again for the new financial year to coincide with Work Programme of the Leisure and Amenities Committee.

2.12.3 There are 16 planters situated throughout the four Wards and following a condition report carried out on each one, new ones need to be replaced at Station Road, Church Village and outside the Neuadd Dowlais Community Centre, Llantwit Fardre. Two new replacements have been allocated within the budget heading `Street Furniture` and this allocation together with inflation needs to be included in future budgets.

Parks & Outside Work	Actual Spend 2022/23	Budget 2023/24	Estimated End of 2023/24	Proposed Budget 2024/25
Grass Cutting	£3,067	£13,000	£10,867	£3,000
Parks Inspection	£670	£700	£595	£700
Tree Works	£5,917	£2,000	£2,000	£3,000
Planters	£226	£500	£0	£500
Repairs & Maintenance	£4,155	£5,000	£3,500	£5,000
Tools & Equipment	£753	£1,000	£450	£1,000
Street Furniture	£487	£500	£0	£1,200
Memorial Clock	£340	£350	£340	£350
Play Park Equipment	£1,690	£20,000	£4,852	£40,000
Defibrillators	£0	£500	£0	£500
Total	£17,305	£40,367	£22,604	£55,250
Proposed Budget for Parks and Outside Works				£55,250

3.12.4 **PROPOSED BUDGET EXPENDITURE**

Below is the table showing the proposed total budget expenditure for all cost centres:-

Administration	£29,170
Staffing	£178,500
Councillors	£16,004
Grants	£6,000
Events	£20,000
Main Building	£12,700
Ty Illtud	£14,050
Carnegie Parish Hall	£26,800
Allotments	£300
Transport	£7,850
Street Lighting	£5,750
Parks & Outside Works	£55,250
PROPOSED BUDGET EXPENDITURE TOTAL	£372,374

4. **INCOME**

- 4.1 Earlier on in the meeting Council would have reviewed the allotment and hall hire charges, where a recommendation was made not to increase the hall hire or allotment charges, but to introduce a cancellation fee for hall hire.
- 4.2 Additional income is to be received as from the end of January, 2024 from the Charitable Organisation that is occupying the former Community Council Office at the rear of Carnegie Parish Hall. This additional income together with the income received from other sources is substantially more than anticipated and this will have a positive effect when calculating the precept later on.

INCOME	2022/23	Estimated End of 2023/24	Proposed Budget Income 2024/25
Hire of Main Hall - Carnegie Parish	£4,329	£4,800	£4,800
Hire of Room – Carnegie Parish Hall	£129	£500	£500
Hire of Ty Illtud	£2,254	£2,300	£2,000
Precept	£304,795	£327,579	£327,579
Light Source	£3,145	£2,500	£2,500
Way Leaves	£483	£480	£500
Land Lease	£275	£275	£0
Allotment Rent	£570	£570	£570
Event Income	£1,850	£0	£0
Charitable Organisation	0	2,400	£9,600
Total	£317,579	£316,630	£348,049

- 4.2 As indicated in previous years, you cannot budget how much CIL income you receive as it is dependent on new planning in the area.
- 4.3 It is estimated that the following will/has been taken from CIL receipts during the 2023/24 financial year:-

Waiting Restrictions	£6,495.49
CCTV at Cae Fardre	£8,000.00
Purchase of 2 Defibrillators	£1,137.00
Signage	£3,200.00
Purchase of Defibrillator following a donation received from The Bush Inn, Llantwit Fardre	£903.00
Notice Boards	£3,742.82
Cabinet for Defibrillator to be installed at Llantwit Fardre Sports and Community Club	£350.00
Total	£23,828.31

- 4.4 I would inform Members that a further £30,769.72 was received in November, 2023.

CIL	2022/23	Estimated Spend End of 2023/24	Receipts 2023/24	Balance End of 2023/24
	£60,173.26 (this includes receipts from previous years)	£23,828.31	£30,769.72	£67,114.67

5. RESERVES

- 5.1 Councils have no legal powers to hold revenue reserves other than those for reasonable working capital needs or for specifically earmarked purposes and for savings for future projects, which should be realistic and approved by Council.
- 4.2 It is generally accepted that general (un-earmarked) revenue reserves usually lie within a range of three to twelve months of gross expenditure. However, the amount of general reserve should be risk assessed and approved by Council.
- 4.3 Last year, Members set up several ear marked reserves, this is funds set aside for a specific purpose. A summary of those reserves is listed below. It is a significant part of the Council's funds.
- 4.4 As can be seen from the last column in the table below, the funds available for 2024/25 includes the budget proposals for each of the specific cost centres and

are not the total EMRs that will be transferred. The net transfers will be as shown in the column titled `Estimated Balance 2023/24`.

EARMARKED RESERVES	Balance on 31/03/23	Estimated Spend 23/24	Plus Budget 23/24	Estimated Balance 23/24	Proposed Budget 24/25	Funds Available 2024/25
Office Equipment	£2,399	£631	£3,000	£4,768	£5,000	£9,768
Elections	£8,554	£4,600	£3,000	£6,954	£6,000	£12,954
Main Building	£1,273	£11,935	£12,200	£1,538	£12,500	£14,038
Ty Illtud	£2,827	£14,472	£11,450	£-195	£14,050	£13,855
Carnegie Parish Hall	£52,865	£20,420	£22,100	£54,545	£26,800	£81,345
Vehicles	£4,100	£5,009	£6,500	£5,591	£7,850	£13,441
Tree Works	£27,168	£2,000	£2,000	£27,168	£3,000	£30,168
Tools & Equipment	£360	£450	£1,000	£910	£1,000	£1,910
Play Park Equipment	£22,627	£4,852	£20,000	£37,775	£40,000	£77,775
TOTAL EARMARKED	£122,173	£64,369	£81,250	£139,249	£116,200	£255,254

6. **CONCLUSION**

- 6.1 Members attention is drawn to the fact that RCT have confirmed that the Council Tax Base for 2024/25 will be **£6,629.18** (compared to £6,566.78 this year) and should there be 0% increase and the expenditure and income figures remaining the same as for the current financial year would generate a change to the Band D charge of £49.41 resulting in a 47p decrease. This is as a result of an increase in properties in the area.
- 6.2 Members need to consider carefully if they have made any changes to the proposed budget earlier in the meeting which will affect the funds required.
- 6.3 Following agreement of the budget proposals, in the Council meeting to be held in March, 2024 during consideration of the End of Year (Tidy-Up) Members will need to give careful consideration to the virements/EMRs that will need to be used to achieve a balanced budget for the current financial year 2023/24. As indicated in earlier paragraphs overspends have been realised in the approximate sum of £21,000 for Salaries, Ty Illtud, Carnegie Parish Hall and Street Lighting

7. **TO APPROVE THE BUDGET AND SET THE PRECEPT FOR RECOMMENDATIONS TO FULL COUNCIL**

7.1 The estimated spend for the end of the 2023/24 financial year along with new spending plans and earmarked reserves have been used to complete the proposed budget.

7.2 **Currently** - Council Tax Base multiplied by the Band D property amount equals total precept received. So currently £6,629.18 x £49.41 will generate a precept of £327,547 compared to what is currently received - £327,579.

(a) The actual precept needed = budgeted expenditure – budgeted other income

$$£372,374 \text{ (expenditure)} - £20,470 \text{ (income)} = £351,904$$

Precept needed divided by Council Tax Base = Band D Charge

£351,904 divided by £6,629.18 equals a Band D Charge of **£53.08**

(b) However, Members earlier on in the meeting considered the determinations of the IRPW (Agenda Item 4(b)) and if Members agreed to only one Senior Role then there would be a decrease of £2,000.

This would give a precept of:-

$$£370,374 \text{ (expenditure)} - £20,470 \text{ (income)} = £349,904$$

Precept needed divided by Council Tax Base = Band D Charge

£349,904 divided by £6,629.18 equals a Band D Charge of **£52.78**

7.3 I would remind Members that this Council generated a precept of £327,579 for 2023/24 resulting in an increase for a Council D tax band per household at £49.88.

7.4 Therefore, Members are requested to agree either:-

(a) £53.08 (Council Tax Band D) to generate a precept of £351,904; or

(b) £52.78 (Council Tax Band D) to generate a precept of £349,904