

Agenda Item 4(b)

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



FINANCE AND POLICY COMMITTEE

6TH JANUARY, 2026

REPORT OF THE CLERK

**PROPOSED BUDGET FOR THE 2026/27 FINANCIAL YEAR FOR
RECOMMENDATIONS TO FULL COUNCIL**

- 1.1 The purpose of this report is to assist Members of the Finance and Policy Committee to establish and recommend a Budget for 2026/27 to full Council and also recommend the Precept to be levied by the Community Council for 2026/27.
- 1.2 The Clerk / Responsible Finance Officer has worked with the General Service Manager and has met with the Chair of the Council along Chair and Vice Chair of Finance and Policy Committee during the preparation of the Budget, taking into consideration the estimated year end spends along with future goals of the Council.
- 1.3 At the meeting of this Committee held on the 11th November 2025, Members reviewed the accounts for the first six months of the 2025/26 financial year which were detailed for each cost centre comparing expenditure for the six-month period for the previous financial year (2025/26).
- 1.4 There were no significant areas of concern, except that the electrical costs for streetlighting from April to September had not been included, as the transfer of responsibility for the streetlights to the unitary authority had not yet been

completed. There was also a slight overspend at Ty Illtyd due to unforeseen roof repairs.

1.5 Items which were felt to assist Members when preparing the 2026/27 budget and precept were as shown below:-

- Building funds for a new Vehicle
- 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.
- Parish Hall front toilets need to be considered as there is a great amount of damp and tiles are coming away from the wall.
- Consider wet pour safety surface in the play areas that presently have bark as a safety surface.
- Monitor the five-year play area plan which includes developing Woodlands Lower Play area and the perimeter fencing around Tonteg play area
- Final 6 Planters for replacement.
- Develop bigger and better events throughout the year.
- Develop the front garden of the parish hall including a Memorial Bench and Fallen Soldier silhouette.
- Windows need replacing on Ty Illtyd in the near future
- Following requests from residents to consider the installation of Christmas lights throughout the area, Members may wish to approve the purchase of initial lighting, with a view to developing and expanding this provision in future years. Any associated costs will need to be factored into the budget-setting process.

1.6 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

1.7 For each budget heading, Members need to consider where the Community Council's objectives are for the new fiscal year and ensure the budget allows the Council to meet these.

2. EXPENDITURE

2.1 Administration Budget Report

2.1.1 This budget heading covers items relating to the Council's day-to-day office operations. It includes insurance, professional fees, and other associated costs necessary to ensure effective governance and compliance with required procedures.

2.1.2 The budget allocation for Audit and Professional Fees increased significantly during the 2024/25 financial year. The Council is now up to date with its fee

schedule; however, at the end of the current financial year, Audit Wales will undertake a full audit of accounts as part of the three-year audit cycle. This may lead to increased costs for the service. These potential additional costs should be considered when planning the 2026/27 budget.

2.1.4. The budget for Office Equipment will remain unchanged for the forthcoming year. This heading covers the cost of new office furniture as well as any necessary upgrades to the Council's computer systems.

Administration	Actual Spend 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Public Relations	£1,033	£1,500	£500	£1,500
Office Equipment	£163.00	£2,000	£400	£2,000
Phone & Computer Costs	£3,756	£4,000	£3,000	£3,500
Contingency Fund	0 however Money was (vired at end of year)	£5,000	0(virement may be used to other cost headings)	£5,000
Copier/Printing	£1,275	£2,000	£1,500	£2,000
Stationery	£609.00	£1,000	£800	£1,000
Postage	£13.00	£200	£90.00	£200
Subscriptions & Membership	£1,266	£1,500	£1,205	£1,700
Audit & Professional Charges	£3,583	£2,000	£1,300	£2,000
Insurance	£5,365	£5,600	£5,495	£5,850
Bank Charges	£227	£320	£250	£320
Total	£17,289	£25,120	£13,540	£25,070
26/27Proposed Budget for Administration				£25,070

2.2 Staffing

2.2.1 Salary and pension payments are outsourced to RCTCBC. In addition to processing salaries, the Unitary Authority ensures that all statutory returns and payments are submitted to HMRC. The annual fee for this service in 2025/26 is £2,431, which will need to be incorporated into the budget and increased annually in line with inflation.

2.2.2 As agreed in the 2024/25 contracts, the General Service Manager will receive an increment of one salary scale for 2025/26.

2.2.3 Members are reminded that National Insurance contribution rates have increased following recent government implementation.

2.2.4 There are five permanent members of staff, all enrolled in the pension scheme. Employer pension contributions are currently set at 17.8%. This year marks the three-year changed and 2026/27 is set at 17.1%.

2.2.5 As Members will note from the table below, a budget of £205,000 was allocated for salaries, pensions, and HMRC liabilities for the 2026/27 financial year.

Staffing	Actual Spend 2024/25	Budget 2025/26	Estimated Spend End of 2025/26	Proposed Budget 2026/27
Salaries, Pension & HMRC	£174.734	£200,000	£190,000	£205,000
Training	£405	£3,000	£1,000	£2,000
Uniform	£306	£1,000	£805.00	£600.00
Occupational Health	0	£1,000	0	£1,000
Subscriptions & Memberships	0	£750	315	£750
Payroll Services	2,315	2500	2,431	£2,600
Total	£177,760	£208,250	£194,551	£211,950
Proposed Budget for Staffing				£211,950

2.3 Councillors

2.3.1 The Earmarked reserves to cover elections will need to continue to be built upon. Should there be a by-election for any reason it would cost around £3,000 to £4,000. Funds also need to be accumulated ready for the main elections 2027

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 Members are reminded that currently Members allowances which is mandatory (£156 x13), £676 had been allocated for the cost of consumables for each Member (£52 x13) and either **£4000** or **£2,000** would be 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. The Boundary Commission Renumeration Panel have not yet proposed any increased for the new financial year. However, allowances need to be made for members to claim other allowances.

2.3.4 Members will recall that One Voice Wales is an invaluable tool for Members and Staff, and it is recommended that we continue with their services.

Councillors	Actual Spend 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Subscriptions & Memberships	£2,858	£3,000	£3,012	£3,200
Chair's Allowance	£581	£1,000	£700	£1,000
Elections	£0	£4,000	£3,000	£6,000
Councillors Renumeration	£2,266	£4,528	£2,788	£4,528/2,528
Training	£40.00	£1,000	£120.00	£1,000
Consumables/Stationery	£572	£676	£572	£676
Total	£5,745	£14,204	£7,434	£16,404
Proposed Budget for Councillors				£16,404

2.4 Grants

2.4.1 At the Council Meeting held in November 2025, Members agreed community grant payments totalling **£5,978** for the **2025/26 Municipal Year**. It was encouraging to see new community groups emerging across all four wards.

2.4.2 To support this ongoing development and to further strengthen community cohesion, it is proposed by the Chair and Vice Chair of Finance that the **grants budget be increased to £8,500**.

Grants	Actual Spend 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Grants	£4,596	£6,000	£5,978	£8,500
Proposed Budget for Grants				£8,500

2.5 Events

2.5.1 It is pleasing to note that the Council held several successful events including two new competition the Allotment Competition and the Gardening competition along with – Remembrance Sunday, the Senior Citizens' Dinner which was held over two evenings and the Halloween Pant and the fantastic Christmas Funday. Also planned is a St David's Day Event and an Easter funday.

2.5.2 To support the continuation of this development and to further enhance community cohesion, it is proposed that the **Events budget be increased by £6,000** to facilitate and encourage participation from all four wards in community-building events.

2.5.2 It is proposed to repeat these events in the calendar for the next financial year together the introduction of some added items for 2026/27.

Events	Actual Spend 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Community Events	£18,451	£24,000	£24,000	£30,000

Proposed Budget for Events	£30,000
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2.6 Main Building

2.6.1 For accounting purposes, the “Main Building” comprises the Office, Council Chamber, Works Garage and Store. Previously, there was little distinction made between buildings. The benefit of separating the buildings is that a more accurate picture of income and expenditure can now be achieved.

2.6.2 Refuse Collection costs have decreased due to the Council entering a new contract, which has reduced waste-related bills by a considerable amount.

2.6.3 Electricity costs have also reduced following the Council’s move to a SMART meter system. Bills will continue to be monitored throughout the remainder of the year, and Members will be updated at the proper time.

2.6.4 PAT Testing costs have increased as the original contractor retired, requiring officers to source a new provider.

Main Building and Office	Actual Spend 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Refuse Collection	£5,176	£6,000	£2,231	£3,000
Repairs & Maintenance	£142.00	£1,500	£150.00	£1,500
Electricity	£2,084	£3,700	£1,500	£2,500
Fire Equipment	£293.00	£1,000	£357	£500
PAT Testing	£0	£200	£222	£400
Total	£7696	£12,400	£4,460	£7,900
Proposed Budget for Main Building				£7,900

2.7 Ty Iltud

2.7.1 In 2025/ 26 the repairs and maintenance budget for the building was increased to £10,000 to enable work to be conducted to allow public access to Community Council Office whilst the hall is being used by paying customers, if Members agree. The cost of the improvements came to £5,000 which was agreed by Council.

2.7.2. Further roof repairs were brought to Members' attention at a cost of £4,848, which had not been budgeted for. This has resulted in a slight overspend within the relevant budget heading. Members may wish to consider using funds from the EMR at year end to offset the shortfall.

Ty Iltud	Actual Spend 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Phone & Internet Cost	243			
Repairs & Maintenance	£1,883	£10,000	11,000	5,000
Electricity	£1,260	£1,800	1,260	1,800
Fire Equipment	£500	£500	357.00	500.00
Maintenance Contracts	£600	£700	500.00	600.00
Rates	£3,962	£4,200	4,004.40	4,200
Gas	£1,737	£2,980	2,000	2,500
Water	£244	£350	250	350
Total	£11,412	£20,530	19,371.40	14,950

2.8 Carnegie Parish Hall

2.8.1 The comments noted in previous years are reiterated, in that the roof will, in due course, require either repair or full replacement. Consequently, funds have been allocated within the Earmarked Reserves for this purpose, and it is acknowledged that these reserves will need to be further strengthened over time.

2.8.2 Masonry works to the external walls remain outstanding, together with urgent remedial works required to the front toilets at the Parish Hall. To date, officers have been unable to secure a contractor willing to provide a quotation and commit to the completion of the works. The estimated end cost has been set at £8,000 to accommodate these works; however, should delays continue, it is recommended that Members consider allocating additional funds to the Parish Hall Earmarked Reserves in the next financial year.

Carnegie Parish Hall	Actual 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Repairs & Maintenance	2,012	£10,000	8,000	10,000
Electricity	£2,170	£2,700	1,600	£2,300
Maintenance Contracts	0	£600	600	600
Rates	£6,323	£7,000	6390	7,000
Gas	4,651	£7,000	4,696	5,500
Water	£542	£600	600	700
Fire Equipment	£293	£500	357	500
Total	£15,991	£28,400	22,243	26,600

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 2024/24-5	Budget 2025/26	Estimated End of 2024/25	Proposed Budget 2025/26
Allotments	£0	£300	£0	£300
Proposed Budget for Allotments				£300

2.10 Transport

2.10.1. Although there are currently no plans to replace either of the Council's vehicles, it is worth noting that both are now over 10 years old. As Members will see from the table below, a new budget code has been added in anticipation of a future vehicle purchase, due to increased repair and maintenance costs this year. A budget of £3,000 has been allocated for forward planning.

2.10.2 Fuel expenditure still needs to be considered in this up and down financial climate.

Transport	Actual Spend 2024/25	Budget 2025/26	Estimated End of 2025/26	Proposed Budget 2026/27
Vehicle Insurance	£1,374	£1,500	£1,442	£1,600
Road Tax	£670	£750	£690	£750
Repairs & MOT	£1,186	£3,500	£2,000	£3,500
Fuel	£1,608	£2,000	£1,800	£2,000
New Van Fund	0	0	0	3,000
Total	£4,838	£7,750	£5,932	£10,850
Proposed Budget for Transport				£10,850

2.11 Street Lighting

In September 2025, Rhondda Cynon Taf County Borough Council formally took ownership of the streetlighting located at all Community Council sites. The transfer was confirmed through a signed agreement finalised in July 2025.

Between April 2025 and July 2025, the Community Council continued to pay the electricity costs for these streetlighting units. These payments were not included in the budget prepared at the end of 2024, resulting in unplanned expenditure for the current financial year.

A total of **£586** relating to streetlighting electricity supply will therefore need to be vired at year-end from another cost centre. It is recommended that this amount be transferred from the **Contingency Fund**, as sufficient funds are available within that budget heading.

2.12 Parks and Outside Work

2.12.1 As agreed, a £3,000 budget has been set for grass cutting, which will cover fuel and any machinery needed to carry out the task.

2.12.2 The Community Council has continued to improve our play areas, to date £8,500 has been spent from the Play Equipment Budget heading, including the purchase of a spring toy for Tonteg Play Area and footpath renewal outside Ysgol Ty Coch.

2.12.3 The railings surrounding Tonteg Play Area are in need of repair. The General Services Manager is currently obtaining quotes for the essential work required. Officers will update Members with final figures as soon as possible.

2.12.4 The Final six planters are scheduled for purchase in 2026/27. It is suggested that Members may wish to start the replacement of the wayside seating across the four wards over the next few years.

2.12. A **£20,000** uplift to the street furniture budget is proposed in response to residents' requests to enhance community visibility.

Parks & Outside Work	Actual Spend 2024/25	Budget 20225/26	Estimated End of 2025/26	Proposed Budget 2026/27
Grass Cutting	£1,218	£3,000	£2,000	£3,000
Parks Inspection	£475	£700	£475	£600
Tree Works	£6,769	£3,000	£5,000	£3,000
Planters	£326	£1,000	£236	£1,000
Repairs & Maintenance	£2,024	£5,000	£2,000	£5,000
Tools & Equipment	£747	£1,000	500	£1,000
Street Furniture	£1,506	£5,200	£3,295	£25,000
Memorial Clock	£360	£370	360	370
Play Park Equipment	£29,288	£40,000	8,500	30,000
Total	42,713	£59,270	22,366	68,970
Proposed Budget for Parks and Outside Works				68,970

2.12.5 Defibrillator

The is a budget set for the defibrillators which allow the purchasing of batteries and pads.

Defibrillator	Actual Spend 2023/24	Budget 2024/25	Estimated End of 2024/25	Proposed Budget 2025/26
Batteries/pads	£0	£500	£55.00	£1000
Total	£0	£500	£55.00	£1000
Proposed Budget for defib				£1000

3. PROPOSED BUDGET EXPENDITURE

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

Administration	£25,070
Staffing	£211.950
Councillors	£16,404
Grants	£8,500
Events	£30,000
Main Building	£7,900
Ty Illtud	£14,950
Carnegie Parish Hall	£26,600
Allotments	£300
Transport	£10,850
Parks & Outside Works	£68,970
Defibrillators	£1,000
PROPOSED BUDGET EXPENDITURE TOTAL	£422,494

4. INCOME

4.1 Earlier on in the meeting Council would have reviewed the allotment and hall hire charges, where a recommendation has been made not to increase the hall hire or allotment charges, but to introduce new fee for weekend hall hire.

INCOME	2024/25	Estimated End of 2025/26	Proposed Budget Income 2026/27
Hire of Main Hall -Carnegie Parish	£7,380	£6,500	£6,500
Hire of Room – Carnegie Parish Hall	£1,127	£750	£750
Hire of Ty Iltud	£4,227	£5,500	£5,500
Precept	£349.904	£383,734	£383,734
Light Source	£3,431	£3,000	£3,000
Way Leaves	£578	£500	£500
Allotment Rent	£475	£570	£570
Event Income	£2,027	0	£0
Charitable Organisation	8,000	9,600	£9,600
Total	£377,149	£410,154	£410.154

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 2025/26 financial year: -

Streetlighting this was allocated in 24/25 however taken in 2025/26	£11,500
Bus Shelters, Parish Hall, Garth Olwg, Brown Trout	£8,000
Waiting restriction in Llantwit Fardre	£6,000
Total	£25.500

4.4 I would inform Members that a further £30,769.72 was received in November 2025.

CIL	2024/25	Estimated Spend End of 2025/26	Receipts 2024/25	Balance End of 2025/26
	£66,230.66 (this includes receipts from previous years)	£25,500	£30,769.72	72,000.38

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.

5.2 It is 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.

5.3 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.

5.4 As can be seen from the last column in the table below, the funds available for 2026/27 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 2024/25'.

5.5 Members will need to be aware that some of the Earmarked Reserves will be used during this financial year for Tree works, Streetlighting as agreed by Members at its Council meeting held on 21st November 2024. This will be shown at the end of the year reporting.

5.6 There will be a sum of £6,200 to be taken from Tree works EMR as agreed at the Council meeting held on the 25th November 2024

EARMA RK RESERV ES	A EMR Balance at 31/03/25	B Current EMR Balance	C Estimated Budget Spend 25/26	D Budget 25/26	E EMR + Estimate Remaining Budget 25/26	F Proposed Budget 26/27	G Potential Funds Available 2026/27
Office Equipment	£2,899	£2,899	£400	£2,000	4,499	£2,000	£6,499
Elections	£12,953.54	£12,953.34	£3,000	£4,000	£13,953.54	£6,000	£19,954
Main Building	£1,273.83	£773.83	£4,460	£12,400	£8,713.83	£7,900	£16,613.83
Ty Illtud	£2,827.62	£1,827.62	£19,371.40	£20,530	£2,986.22	£14,950	£17,936.22
Carnegie Parish Hall	£57,865.08	£47,865.08	£22,243	£28,400	£4,022.08	£26,600	£80,622.08
Vehicles	£5,100	£5.100	£5,932	£7,750	£6,918	£10,850	£17,768
Tree Works	£18,018	£18,018	£5,000	£3,000	£16,018	£3,000	£19,018
Tools & Equipment	£1,860	£1,860	£500	£1,000	£2,360	£1,000	£3,360
Play Park Equipment	£42,627.35	£42,627.35	£8,500	£40,000	£74,127.35	£30,000	£104,127.35
TOTAL	145,424.42		£69,406.40	£119,08	£183,597.73	£102,300	£285,898.02

5.7 Members will be reminded that the following will be taken from this year's EMR for the repairs to streetlighting as agreed at the meeting of the Council held on 21st November 2024 however was not taken until September 2025.

- 1) £500 to be taken from Main Building EMR and transferred to street lighting
- 2) £10,000 from Parish Hall EMR and transferred to street lighting
- 3) £1,000 from Ty Illtud EMR and transferred to street lighting
- 4) £ 11,500 from CIL Receipts

This will be shown at the end of year reporting therefore when considering the above table Members are requested to note the information.

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

7.1 The estimated spend for the end of the 2024/25 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.

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

$$\text{£422,494(expenditure)} - \text{£26,420 (income)} = \text{£396,074}$$

Precept needed divided by Council Tax Base = Band D Charge

£396,074 divided by £6904.78 equals a Band D Charge of **£57.30**

(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:-

$$\text{£420,494(expenditure)} - \text{£26,420 (income)} = \text{£394.074}$$

Precept needed divided by Council Tax Base = Band D Charge

£394,074 divided by £6904.78 equals a Band D Charge of **£57.07**

7.3 I would remind Members that this Council generated a precept of **£383,734** for **20245/26** resulting in an increase for a Council D tax band per household at **£57.36**

7.4 Therefore Members are requested to agree either: -

(a) **£57.30 (Council Tax Band D) to generate a precept of £396.074; or**
(b) **£57.06 (Council Tax Band) to generate a precept of £394.074.**