

To	Valley Community Council Members
Date	08.12.19
Author	Gwenda Owen, Clerk
Title	Budget and Precept Setting 2020/21
Purpose	To seek the approval of Valley Community Council Members to set the budget and precept level for 2020/21
Recommendations	<p>R1: That the Community Council set the precept for 2020/21 at £33941.00 i.e. an increase of £1616 on the 2019/20 precept. This will ensure that we can meet an estimated increase of 3% inflation on existing commitments and cover the proposed additional works required during 2021/22. This represents a precept of £35.31 per year based on a Band D property. This equates to an increase of £1.67 per year per property (3.2p per week).</p> <p>R2: That the Community Council approves the planned expenditure for 2020/21 and obtains detailed quotations before proceeding.</p> <p>R3: That the community Council approves the transfer of funding from Ynys Wen to cover the cost of running the cemetery in 2019/20.</p> <p>R4: That the Ynys Wen Cemetery Account be ring-fenced for costs associated with the maintenance and upkeep of the cemetery but that funds may be accessed as a short term measure,(e.g. large VAT payments until this has been claimed back) subject to the agreement of the full council.</p> <p>R5 That should the Council decide to replace the bus shelter in Llanynghenedl during the year, a transfer may be made from the earmarked reserves fund.</p>

1. Introduction

- 1.1 The precept for 2019/20 was set at £32324.87, which based on a band D equivalent represented a charge of £33.64 per property per annum, a decrease of £0.51 per year per property on the previous year. .
- 1.2 It is anticipated that by the end of March, 2020, the Council will have met all its objectives for the year and through prudent use of funds, undertaken some additional works during the year.
- 1.3 The costs associated with Ynys Wen during 18/19 were transferred to the Community Account.
- 1.4 A sum of £4,500 was transferred to the Money Manager Account towards the cost of replacing the bus shelter in Llanyngghenedl.
- 1.5 The Finance Committee have held quarterly and sometimes additional meetings in order to manage the budget. The Parks Committee, set up in May 2020, are to be commended for their management of the annual budget and for preparing a 2020/21 budget plan and a more long-term spending plan for the parks. This includes setting aside funds in the budget annually towards replacing the play area equipment in the play area by the school and the future management of the platforms in Parc Mwd.

2. Financial Position.

2.1 Expenditure over the last five years (2018/9 Predicted spend)

In the past, budget headings were limited with a great deal of expenditure being placed under miscellaneous expenses. In order to improve reporting and to establish key areas of expenditure the budget headings for 2019/20 have been increased making it difficult to provide an year on year comparison. However, as a guideline, miscellaneous expenditure is now kept to a minimum with expenditure noted under more specific budget headings. The new budget headings coloured in blue. From 2020/21 onwards, the plan is to report on expenditure from 19/20 onwards.

Budget Heading	15/16	16/17	17/18	18/19	19/20
Translation	483	617	770	1132	671
Clerk	4004	4737	7475	7023	5805
Members allowance					1750
HMRC					1472
Parc Mwd	8664	24290	6882	41427	12908
Misc Exp	6203	7240	8363	12052	1761
Play Area	867	687	4080	2143	3335

Parc Branwen					120
Clock	584	84	96	120	135
Footpaths	300	360	435	355	370
Bus Shelters					1000
Insurance					1845
Office expenditure					580
Training					280
Car park					1980
Ynys Wen	1926	1969	3227	2161	1939
VAT Paid	1837	4771	2329	8396	1441
Donations inc chairman	300	350	350	200	500
Trans to YW and MM		4000	2400	6590	4500
Total	25168	48745	36407	85149	42395

Recovery of certain elements of expenditure.

Ynys Wen costs will be recovered by transferring money from the Ynys Wen Account. VAT will be re-claimed as will the cost of maintaining the public footpaths.

3. The community Council's performance in 2019/20

3.1 Allowances were made for the following planned work during 2019/20

Repairs to existing bus shelters	£1,000
Play area inspection and repairs	£2,500
Members allowances	£2,300
Contingencies	£3000
Parc Mwd PWLB One instalment	£1273
Parc Mwd additional works (Kitchen and gully)	£4000

Progress was made as follows:-

Replacement/ Repairs to existing bus shelters – A sum of £4500 was transferred as agreed to Earmarked Reserves towards replacement bus shelter in Llanynghenedl. The Sum of £1000 was set aside for repairs during the year to bus shelters. As at date of report only £20 had been spent.

Recommendation for 20/21: that the sum of £500 be transferred annually to earmarked reserves towards replacement bus shelters as these will no longer be funded by the local authority.

Play area inspection and repairs – The cost is in the region of £2,500 and this has been spent this year.

Recommendation for 20/21: that a sum of £500 be set aside annually towards the future replacement of play area equipment.

Members Allowance – The sum of £3,000 had been set aside for members allowances. Projected expenditure for the year now is £1750 as some members have elected not to claim their allowances.

Recommendation for 20/21 – that a sum of £3000 be set aside again to ensure that there is no risk to the general budget should figures exceed the budget set aside to cover allowances.

Contingencies – Parc Mwd PWLB Loan – this has been paid and the two annual payments will in future become a part of the regular annual expenditure of the Community Council.

Parc Mwd Additional Works – this has been used as follows:-

Replacement Kitchen	£2725.00
Drainage Works	£1580.00
Additional gully work	£ 950.00
Repairs to fence	£1449.00
Total	£6704

The additional funding was approved during the year from general contingency funding balance and underspent budgets. This work shall be completed before the year end.

Replacement benches – These were in fact purchased at the end of 18/19 and therefore no cost was incurred.

Recommendation for 20/21 – That a sum of £1300 be put in the budget to replace two benches as part of a rolling programme. The benches to be from recycled plastic in line with the Environmental Policy.

4. Predicted Spend 2020/21

4.1 One off expenditure during 2019/20 to be removed from 2020/21 draft budget

Replacement to existing bus shelters	£ 1,000
Play area repairs	£ 2,400
Members allowances	£ 1,750
Parc Mwd Drainage	£ 1,896
Parc Mwd Kitchen	£ 2,725
Parc Mwd Gully installation	£ 1140
Parc Mwd Fence	£ 1,738
Transfer Earmarked Reserves (bus shelter Llanyghenedl)	£ 4,500
Balance of contingencies	£ 1,000
Printer replacement	£ 215
Total	£18,364

4.2 Anticipated income excluding carry forward and precept for the year 2020/21-

Lease Valley Senior and Junior Football £ 500

Reimbursement Ynys Wen (anticipated)	£1,939
VAT refund claim Apr 19 to Mar 20	£1,441
Reimbursement footpath maintenance	£ 370
Total	£3,750

4.2 Planned additional expenditure for 2020/21

Repairs to existing bus shelters	£1,000
Play area inspection and repairs & bin	£2,650
Play area transfer to earmarked reserves	£ 500
Parc Mwd transfer to earmarked reserves	
For platforms long term plan	£ 500
Parc Mwd resolve flooding of pitches	£1,700
Programmed replacement of benches (2)	£1,300
Parc Mwd additional maintenance costs	
Contingency	£2,000
General contingency	£3,000
Clock (inspection and repairs)	£ 500
Members allowances	£3,000
Total	£14,155

To note:

- Parc Mwd additional maintenance allows for unexpected costs. Any underspend at year end could be transferred as an earmarked reserve towards the long term plan for platforms.
- The contingency figure for 2020/21 has been left at £3000.
- Members allowances allows for all allowances to be paid.

Appendix 1 provides the following information.

1. Predicted out-turn (i.e. total expenditure) for 2019/2020
2. Deduction of one-off expenditures which have or are likely to occur before the end of March 2020. These items are noted in 4.1 above
3. 3% inflation on all remaining costs which are viewed as routine expenditure.
4. Planned additional expenditure for 2020/21 These are items which have already been agreed and are noted in 4.3 above.
5. A list of anticipated income to be received during 2020/21
6. Budget proposals indicating anticipated expenditure, income, projected carry forward at the end of 29/20 to 20/21 budget and projected carry forward at the end of the next financial year for 21/22.
7. A figure for the precept required for 2020/21, a comparison of the precept with the previous year and a breakdown of the cost per household.

4.3 Projected Financial Position

Predicted Carry Over 2019/20 for 20/21 budget	£3392.14
Predicted Income 20/21	
Lease football clubs 20/21	£500.00
Ynys Wen Refund (Spend 19/20)	£1939.18
Footpaths refund for maintenance (Spend 19/20)	£370.00
VAT refund 19/20	£1441.02
Total predicted income	£4250.20
Total anticipated income including carry over	£8182.34
Projected Expenditure 20/21 (See appendix 1)	£39123.34
Plus Carry forward projection for 20/21 for 21/22 budget	£3,000.00
Total anticipated budget required	£42123.34
Less anticipated income	£4250.20
Less anticipated carry forward 19/20 for 20/21	£3932.14
Precept 2020/21(inc 3 % uplift on last year)	£33,941.00

5.0 Comparison of bank balances over the past three years at the end of October year on year.

Bank Balances	26.11.17	26.10.18	26.10.19
Treasurer (11049321)	£6977.40	£17877.58	£8499.55
Money Manager (41188453)	£8247.72	£10652.81	£15174.83
Ynys Wen (61209205)	£14440.32	£13,447.05	£15387.25
Money Manager (51216996)	£2,067.64	£2,072.77	£2076
Total	£31,736.84	£44050.21	£41138.53

6.0 The clerk's salary should be reviewed in January and any increase in line with NJC Salary scales is proposed. This should be more than adequately covered in the 2% inflationary uplift allowed.

7.0 Risks

7.1 The budget forecast has been made based on the projected expenditure at the end of 2019/20 plus 3% inflation and removing the one-off items purchased already during the year or scheduled to be purchased before the end of March, 2020.

7.2 The Council is now setting some funds aside annually for a long term plan with the viewing platforms and towards ultimate replacement of the play area equipment.

7.3 Consideration should also be given to a long term plan for the clock. At the very least, a health and safety inspection should be commissioned to ensure that it is safe. A sum of £500 has therefore been set aside in the budget to cover the cost of the inspection. The long term plan for the clock to be considered once inspection report has been received.

8.0 Earmarked Reserves

Long term planning requires funds to be set aside to meet future costs. The earmarked reserves are currently as follows. Please note these do not include the Ynys Wen fund as these have, historically been ring fenced, to enable the purchase of land in the future and to ensure that the cemetery is maintained.

Financial year	Bus Shelter Replacement	Parc Mwd Platform Fund	Play Area replacement equipment fund
19/20	£4500		
20/21 provisional	Any year end balance	£500	£500

4.0 Conclusions

It is appropriate to increase the precept as the projected budget ensures that current services can continue to be provided. The majority of the increase covers inflation, whilst the balance ensures that the long term planning objectives of the Council are funded.

During 2019/2020 the Council will have delivered against all its financial objectives during the year as noted previously in this report. It will also, through careful budgeting, have delivered additional items/works within the year. Some contingency funding e.g. for the repairs of bus shelters has not yet been used. Should this not be required before the year end, the carry forward figure will increase. A decision can be made as to whether to place this additional funding in earmarked reserves.

The Finance Committee are working towards continued long term financial planning with a view to maintaining existing services and to enable new services to be introduced as the need arises. The Place Shaping work is continuing and this should feed into the Finance Plan of the Council. The coming year focuses on long term financial planning rather than embarking on new projects. The Community Council must be cautious in its approach to expenditure during 2020/21 and ensure that it does not spend any funding that has not been accounted for in the budget, without consultation with the Finance Committee and agreement of the full Council.