

LAMPETER TOWN COUNCIL.

BUDGET PROPOSALS YEAR 2001/2002.

BACKGROUND.

The running costs of the Council are obtained by means of a Precept which is added to and collected by means of the Ceredigion County Council rate demands. For the past two financial periods the Council has been run on a deficit budget with the costs being made up by interest payments on its reserves and part of those reserves, which have been reduced considerably. The accepted minimum reserves are at least the same amount as the Precept levied every year but ideally at least one and a half times that amount. With the new yearly costs being increased by the CCTV costs, we will now be on the minimum. With regard to interest payments, they of course vary with the National Interest rates and all the indications currently are that they have peaked and will decrease in the early part of 2001. This will mean a reduction and hence contribute less to our running costs.

CCTV.

The new CCTV system will become operational in October, 2001 and the yearly contribution to be made by the Council will be £20,000 per annum. THIS AMOUNT WAS MADE KNOWN TO COUNCILLORS AT THE MEETING WHEN THEY AGREED TO SUPPORT THE SCHEME. However since the Scheme will not be implemented until October 2001, I suggest that we only levy 50% of the costs in this Financial Year, i.e. £10,000. I would also suggest that in the meantime we contact other bodies such as the local University for a contribution to running costs in respect of the following year, hence reducing the further increase required in the Year 2002/2003.

Whilst the total cost of running the system appears at first to be expensive, it has to be borne in mind that an average Band D dwelling within the area of Lampeter Town Council paid £28 per year as a rate contribution towards the running of the Council in this current Financial Year, The full increase due to the running costs of the CCTV system will amount to 54p per week in respect of this band. With the rebate in the first year, the increase will be 27p per week. A small price to pay for the increased security in the town centre and a possible reduction in insurance premiums in respect of businesses.

RUNNING COSTS.

Running costs have been kept to a minimum, but in order to be efficient certain office costs have to be incurred, such as postage, purchase of stationary/printer ink cassettes and telephone line. I am sure all members have seen an improvement in the delivery of documents by posting. The use of the computer to generate letter headings and to photocopy have in fact reduced costs. For example under the old system each photocopy

sheet costs 10p. With each copy of minutes now 6 pages on average and 21 copies, 1 original, 14 councillors, 3 press and police, one clerk and 12 spare, it would have cost £12 60p. The new system uses on average 3 ink cartridges a year at £26.99p total £80 70p, providing not only copies of minutes, but as much other copies of various documents. I would calculate a reduction from £400 to £100. (inc. printing paper and ink} There is also increased professionalism in documentation. I would add that due to the justified campaign to prevent the closure of the Magistrates Court, there has been a slight increase in expenses, with regard to increased postage, paper usage and printing ink.

Careful purchase of copy paper and envelopes has also reduced costs and I would suggest that the purchase of the computer has proved worthwhile. However there is a need to constantly appraise and update the equipment, bearing in mind that the write off of I.T. machinery is currently assessed by the Government as 100% per annum. However I suggest that the current machine still has more operational usage and will not need replacement for 2 years.

CLERKS SALARY.

The Clerks salary has not been reviewed in the Financial Year 2000/2001 as is suggested by N.A.L.C. Whilst this is acceptable for this year, I would suggest a review in April 2001 when the current rate will 2 years out of date.

EXPENDITURE.

1999/2000 Actual.	2000/2201 to 30.11.00.	2001/2002 projection.
£22,002 76p.	£17,845 14p.	£36,678 00p inc. cctv

NOTE.

All members were issued with a balance sheet for year 1999/2000. This contains a full breakdown of costs under the various headings.

The monthly running costs in respect of year 2000/2001 currently runs at £2230 64, which over a 12month period would amount to a total of £2677.71p. The projection figure for year 2001/2002 provides for nil growth in general running costs, the additional costs being in respect of CCTV payments.

INCOME.

Bank Reserve.

On the 30th November 2000, there was £51,967 98p in the reserve account. However by the 31st March 2001, if current spending per month is maintained, it will reduce to £43,045 98p, a reduction of £1500. However interest rate payments for that period I would estimate to be approx. £720, hence the reduction will be reduced to £780 therefore leaving the reserve at £43,825.98p. I again stress that the reduction in the reserve has been kept this low due to the high interest rates prevailing in the period April to November 2000. All the signs are that these high interest rates will not be repeated.

Precept.

The Precept for the Year 2000/2001 was set at £21,250 00p
VAT reclaim for this period was £742 96p.
Sale of Mugs. £115 00p
Interest £ 13355 26p.
Highway lighting £113 76p.

RECOMMENDATIONS/CONCLUSIONS.

I recommend the following Precept for the Financial Year 2001/2202.

Normal running costs.	£26,678 00p
CCTV running costs.	£26,000 00p
Total.	£46,678 00p.

Reduced by,

Interest on Reserves.	£2,000 00p.
Rebate on CCCTV costs.	£10,000 00p.
Reduction in Reserves.	£3,428 00p
Total to be raised by Precept.	£31,250 00p.

These proposals are based on the following conclusions.

1. That it would be wise not to raise the normal running costs Precept from £21,250 00p in the Financial Years 2001/2002 and possibly 2002/2003 bearing in mind the increased money to be raised in respect of the CCTV running costs
2. Whilst the Reserves will fall below the suggested minimum of being at least equal to that raised by Precept, i.e. £46,678 00p, I feel that we cannot justify any further increase at this time. **HOWEVER I AM NOT PREPARED TO RECOMMEND THAT THESE RESERVES FALL ANY FURTHER THAN I HAVE SUGGESTED AND RECOMMEND THAT IN THE FINANCIAL YEAR 2003/2004 WE RAISE**

THEM UP TO THE FIGURE SUGGESTED. I.E. THE AMOUNT OF PRECEPT LEVIED.

3. That this Council does not take on any major projects in the next two Financial Years, which will further add to the rates burden.
4. That the Council approach other bodies in the Financial Year 2002/2003 with a view to obtaining a contribution towards the running costs of the CCTV, which will have the effect of reducing the further costs to the ratepayer in that year. These costs are on going and not a one off.

PUBLICITY/PRESS.

There is a need to highlight the fact that as far as ordinary running the costs, this will be the third year that this Council has run a deficit budget and that the increased costs are the result of the implementation of the CCTV, which will bring increased security. The increase costs reflect 27p per week this year.

That the installation of the system of CCTV at this time, costing £220,000, is being paid for by the Home Office and we are only paying the running costs. Had the Scheme not been accepted at this time by the Home Office, it may well be that the Council would have had to pay for full installation in future years as part of Government policy.

CONCLUSIONS.

I recommend that the Council consider the proposals which I feel as the designated Financial Officer is the most prudent. Councillors need to be aware that they have already held public meetings where the running costs of the CCTV system was discussed and generally approved by members of the public present. Therefore this rise is expected. However the blow has been softened by the fact that the system will not be fully operational until October 2001 and therefore the increase can be phased in over two Financial Years.

D.I.Williams Town Clerk.

