

TO: All Town Councillors

SUBJECT: Precept 2010-11

FROM: M.E.Thomas, Clerk

DATE: 5 January 2009

REPORT ON THE BUDGET PROPOSALS OF LAMPETER TOWN COUNCIL FOR THE FINANCIAL YEAR COMMENCING 1ST APRIL 2010 AND ENDING 31ST MARCH 2011

1.0 TERMS OF REFERENCE

In order to plan ahead effectively for the forthcoming financial year, the clerk, as designated Financial Officer, was asked by members of the Town Council to estimate next year's expenditure and to make appropriate recommendations. This will enable councillors to decide on the amount of money, which will be needed to be raised, by means of the precept. The report was to be submitted by the 14th January to the Council for consideration.

2.0 INTRODUCTION

2.1 THE COUNCIL TAX AND THE PRECEPT (2009-10)

2.1.1 Council Tax is based on the amount, which a dwelling might reasonably have been expected to realise, if it had been sold with vacant possession in the open market by a willing seller on 1 April 1991, upon eight assumptions, of which the most important are that the interest sold was a freehold, or in the case of a flat, a 99 year lease at a nominal rent; that it was in a reasonable state of repair and that the purchaser would have to contribute to the upkeep of common parts. A revaluation took place in Wales in 2003, which led to a revision of the valuation bands, Band A, being the lowest to I, the highest, upon which, the tax must be levied in steadily increasing proportions, as shown by the figures in parentheses in the table below:

BAND	WALES
A	UP TO £44,000
B	£44,001- £65,000
C	£65,001 - £91,000
D	£91,001 - £123,000
E	£123,001 - £ 162,000
F	£162,001 - £223,000
G	£223,001 - £324,000
H	£ 324,001 - £424,000
I	OVER £424,000

The amount payable for dwellings in a given band is the same throughout the band.

2.1.2 The Precept: The amount each household pays is based on the Council Tax Band in which their property falls, details of which are listed below. At the lower end this equated in 2009-10 in Lampeter, to a weekly amount of just £0.62 and the upper end was charged no more than £2.18 a week.

BAND - PER YEAR 2009-10-VALUE OF THE PRECEPT								
A	B	C	D	E	F	G	H	I
£32.32	£37.71	£43.09	£48.48	£59.25	£70.03	£80.80	£96.96	£113.12

The Town Council's Precept represents a small proportion of the total Council Tax collected by Ceredigion County Council. For example, for the year 2009-10, the total Band D (average) charge of £1,088.82 for a Lampeter Council-Tax payer is broken down as:-

	£	%	per week
Ceredigion County Council	866.64	79.62	£16.67
Dyfed Powys Police	173.70	15.95	£ 3.34
Lampeter Town Council	48.48	4.45	£ 0.93
Total	£1,088.82		

2.2 THE TOWN COUNCIL'S FIXED AND CURRENT ASSETS

On the 1st January 2009 the Town Council held 3 accounts,

1. The Current A/c Lloyds TSB – the balance is usually a £100
2. The Deposit A/c Lloyds TSB – balance @31/12/2008 -£68,000 (interest rates reduced to 0.1% at the beginning of 2009)
3. The Alliance & Leicester A/c – balance @ 31/12/2008 - £90,100 (interest rates were reduced to 0.1% at the beginning of 2009)

Due to recent global and local turbulent financial times, it was resolved in the monthly meeting of November 2008, to spread money over many accounts. £40,000 was deposited in the Swansea B/s in March 2009 (interest rate 1.75% variable). £60,000 has been deposited in two Barclays' bank accounts (2% and 1.2%) during the past year. Members felt that the risk of financial loss would be reduced if the reserves were spread over more than 2 banks. Interest rates have fallen dramatically in the past year, as the base rate has fallen. Every effort has been made to invest the town council's reserves in accounts, which yield the highest rates of interest, which is approximately 2% per annum. For this reason, money was transferred from the Alliance & Leicester and the Lloyds TSB during the course of the year, into other accounts which offered a more attractive rate of interest.

The Town Council's fixed assets include the "Parc-yr-Orsedd" Play area and its contents, Play Equipment, 14 Civic Cloaks, Civic Regalia, Christmas Decorations, 6 Lifetrail Stations, 2 Rock Blocks, Notice Board, Christmas decorations, 4 Planters, Role of Honour Board and a large panel, 2 Eisteddfod Chairs, 3 Judges' Chairs, 12 leather chairs, a clock, Patagonia Plaque, Ceredigion Plate, 2 Chinese Gold Medals and Computer equipment. The total value last August, including insurance valuations, is approximately £114,000.

The Town Council has made arrangements for 4 new town entrance signs to be installed, and hopefully all 4 signs will be in place, before the end of the present financial year. These will cost in the region of £4,000 (ex VAT). The Notice Board has been vandalised and arrangements are in hand for its repair, which will cost in the region of a £500 (ex VAT). Also, negotiations are ongoing for the purchase of a bin to collect recycle. This will cost approximately £400. Another "recycling" bin will be funded via the Ceredigion County Council's Tidy Towns' Scheme.

During the past year the town council has acquired 5 new benches for the Parc-yr-Orsedd under the auspices of the Tidy Towns' Scheme and has positioned a new fence at this park.

This report will endeavour to calculate the money required by the Town Council to meet its running costs for the coming financial year and will also attempt to provide value for money, for the Lampeter Council-Tax payer, bearing in mind that the economy has faltered during the last two years and the country remains in recession.

3.0 PROCEDURE

In order to obtain relevant information and opinion, the following procedures were adopted to acquire the information in the report:

- 3.1** The current year's precept (1 April 2009 - 31 March 2010) was reviewed.
- 3.2** The impact of the provision of CCTV cameras was assessed.
- 3.3** The income and expenditure of the previous year (1 April 2008 – 31 March 2009) were considered.
- 3.4** The income and expenditure of the present year (1 April 2009 – 31 March 2010) were compared to the previous year and predictions made.
- 3.5** The projected amount of reserves in the Bank Accounts at the end of the present financial year i.e. 31 March 2010, were calculated. Interest rates were included.
- 3.6** Donations to charities were appraised.
- 3.7** Future concerns/projects were examined.
- 3.8** Conclusions were drawn and options regarding the amount levied by means of the precept (2010-11) were proposed.
- 3.9** Recommendations were made.

4.0 FINDINGS

4.1 REVIEW OF THE CURRENT YEAR'S PRECEPT (1 APRIL 2009 - 31 MARCH 2010)

The total precept in respect of this financial year (fiscal year ending 31 March 2010), was £43,220. This amount has been constant for the last five years – no increase in the precept of £43,220. The annual precept payment for the Band D Council Payer has remained constant at £48.48, for the past five years and allowing for inflation, this has represented a reduction in payment.

4.2 THE CCTV SYSTEM

Crime-prevention is a priority for the TC and members have strived for the installation of an efficient CCTV system, which could improve the quality of life of the people of Lampeter, by reducing crime and the fear of crime.

The Lampeter CCTV system became operational in April 2002 and the yearly contribution made by the Town Council up until the 8th January 2008 had been £19,600 (exc. VAT), paid to MLL Telecom LTD. The £19,600 formed a significant portion of the precept. From the 9th January 2008, the yearly fee was reduced to £12,000, as the CCTV System was upgraded to enable the CCTV images from Lampeter to be carried on the Ceredigion County Council's telecommunications network as opposed to the MLL Telecom's network. This reduction has affected the precept in recent years, which has not been increased due to the saving of £7,600 during each of the last two

years, £2,264 the previous year and a refund of £11,433 in April 2006, due to the under-performance of the cameras. These savings have enabled the TC to meet its normal annual running costs without imposing an increase on the rate-payer and also to a growth in its reserves.

Members visited the CCTV cameras' control room in Aberystwyth in October 2008 and all 6 cameras were fully functional at that time. A CCTV Forum comprising the Police and Elected Members was set up in October 2008. The cost of £12,000 per annum could be increased in the future and could be further increased should additional cameras be acquired. Transmission for a maximum of 8 cameras is allowed by Ceredigion CC, at £2,000/annum per camera.

4.3 THE INCOME AND EXPENDITURE OF THE PREVIOUS YEAR (1 APRIL 2008 – 31MARCH 2009) WERE CONSIDERED (LAST FINANCIAL YEAR)

Appendix 1 provides a breakdown of the income and expenditure for the financial year ending 31st March 2009.

EXPENDITURE

The actual expenditure for this year was = **£38,362**
 £78,720.97-£40,000 (invested in Swansea B/S) less double entries of £324+
 £35 (Sundries and paid personally by members of the town council)

(VAT will be recovered, thus reducing the expenditure to £38,362-
 £2,594.42=£35,767.55)

INCOME

The total income was £98,392: £43,220 (precept); £7,750 (VAT reclaim: Fit Trail Equipment & CCTV cameras constituted a large proportion of this refund); footpath grant £750; Tax Refund £150; Interest received £4,118; Calor Village of the year grant £1,500; Christmas Lighting grant £545 (less double entry £40,000 Swansea B/S and the sundries referred to previously) = **£58,033** thus allowing an additional £19,671 to be carried forward to the next financial year.

It had been hoped that the 4 new town entrance signs and the new notice-board would be in place during this year under review. This would have meant that an additional £4,500 would have been spent.

4.4 THE INCOME AND EXPENDITURE OF THE PRESENT YEAR (1 APRIL 2009 – 31MARCH 2010) WERE COMPARED TO THE PREVIOUS YEAR AND PREDICTIONS MADE.

4.4.1 Actual expenditure for the first 9 months of the financial year and projected expenditure for the next 3 months

DETAILS	£-first 9 months April to Dec 2009 Inc.	INCLUDES £	NEXT 3 MONTHS Jan to March 2010 inc £	TOTAL FOR YEAR 2009-10
ADMINISTRATION				
Salary	£5,636	Clerk's Salary@ 12 hrs/week Translating 10hrs/month /NI/PAYE	£1,878	£7,515

Office Admin	£3,341	Audit Fees £410 Hire of Halls: Victoria-Young at Heart Teas & Church Hall £450 BT Broadband £300 Office Expenses: Stationery- ink-photocopier/computer/ envelopes/ stamps/folders etc £190.00 Storage/heat/light £180 Insurance £1,500 Admin Book £60 Licence for Recycling Bin £215 Leaflets Maesyderi Field £36	£1,114	£4,455
Training & Allowance	£120.00	Councillor Training & Optional Allowances e.g. OVW Conference £120	£40.00	£160.00
Website	£488.00	New Website £388 , Hosting £100	£388	£876.00
Election Costs	£130.00	deducted from the 2009/10 precept		£130.00
TOTAL	£9,715		£3,420	£13,135
CIVIC				
	£2,665	Mayoral Allowance	0	£2,665
DONATIONS TO CHARITIES				
Charitable Donations	£3,501	Refer to Appendix 2 Christmas Lighting Grant received from Ceredigion CC to cover this cost in the past but has ceased.	£1,167 + £1,000 Christmas Lighting (could be increased due to the CAB donation)	£5,668
MAINTENANCE				
Town Maint.	£886	Maintenance of Existing & Improvements e.g. footpaths £650 (reimbursed 75% by CCC); 2 Park Signs £236	£3,947 Town signs. £500 Notice-board	£5,333
Parc-yr-Orsedd	£9,585	Grass-cutting £550.00 New fence £8,535 Park Inspection £53 Painting gate: £285 Teifi Forge: Bolts: £20 Sign: £92 Hedge Cutting £50	Repairs to Parc-yr-Orsedd £300	£9,885
Street Lighting	0	Costs could be incurred in the future		0
CCTV	£12,000	Ongoing maintenance of Town CCTV System	0	£12,000
Maesyderi Field	£1,265	Grass Cutting £800 Gate £365 Sign £100	£422	£1,686

TOTAL MAINTENANCE £23,736 (1ST 0.75 OF YEAR)		£5,169	£28,905
VAT CONTRIBUTIONS			
VAT	£2,795 (15%)	£1,087 (17.5%)	£3,882
TOTAL EXPENDITURE (1ST 9 months £42,412) (next 3 months proj. £11,843)			TOTAL
£54,255			

The £54,255 represents an overspend of **£11,035** to the precept of £43,220.

However, capital expenditure has included the fence at Parc-yr-orsedd of £8,535 (£4,635 in excess of the estimate of £3,900); 4 new town entrance signs of £3,950 and a new website of £870 (including hosting) = £13,355. Also, money has been spent on the Maesyderi Field of £1,686 (by year-end) and a new notice-board £500 = £15,541. Should these capital items of expenditure be deducted, then the total expenditure for this financial year would be reduced to £38,714, which is within the budget and similar to the previous year.

It could be surmised that had the original estimate of £3,900 for the new fence been implemented, in addition to the £1,950 grant funding from the Tidy Towns' Scheme for the fence, and that £500 had been used from last year's budget for the repair of the notice-board + £3,950 from last year's budget for the signs (pre-payments), the expenditure would be £43,220.

It is worth noting that the town council will have to meet the cost of the Christmas lights during this financial year i.e. no grant from the county council.

4.4.2 INCOME FOR THE FINANCIAL YEAR (COMMENCING 1 APRIL 2009 AND ENDING 31 MARCH 2010) - the present financial year

(includes projected income for the next 3 months)

The precept for the year 2008-09	£ 43,220
VAT reclaim for this period	£ 2,594
Interest Received: (previous year £4,000)	£ 2,230
Grant (Community Paths Scheme)	£ 488
Tax refund (online submission of PAYE)	£ 175
Playworld Sytems Fit trail Launch	£ 50
Tidy Towns' Scheme Grant CCC	£ 1,950
TOTAL	£ 50,707

Between £3,000 and £4,000 will have to be met from the reserves to meet the deficit.

4.5 THE PROJECTED AMOUNT OF RESERVES IN THE BANK ACCOUNTS AT THE END OF THE FINANCIAL YEAR (COMMENCING 1 APRIL 2009 AND ENDING 31 MARCH 2010) - the present financial year

- Lloyds 90 day A/c £2,134 @ 31.10.2009 (0.05% interest)
- Lloyds Current £100 (no interest)
- Lloyds Bank 12 months' a/c £60,000
- Interest at year end **£1,200**
- Barclays 2% 9 months' a/c (commenced Oct 2009) £20,000
- Interest at 31.03.2010 **£200**
- Barclays 1.2% a/c (matured 18th Dec 2009) £40,000

- Interest received **£240**
- Swansea B/s (commenced March 2009) £40,000
- Interest variable (1.25-1.75%) Swansea B/s at 31.03.2009 approx. **£560**
- Alliance & Leicester £800
- Interest A & L 0.1% **£30**

TOTAL £165,264 (less £1,000 unrepresented cheque to the Lampeter Football/Rugby Clubs); **TOTAL = £164,264**

If spending will continue at the same pace for the next 3 months, the reserves will be reduced to £164,264-£11,843 = **£152,421**, which is a reduction of approximately £4,000 (£156,167-£152,421=£3,746) to the previous year. £11,500 of the £152,421 represents the money held in the Bequest Account. **TOTAL is therefore approximately £141,000.**

4.6 CHARITIES: APPROPRIATE SUM UNDER SECTION 137(3) OF THE LOCAL GOVERNMENT ACT 1972

S137 of the Local Government Act 1972, permits a town or community council to spend on activities for which it has no other specific powers, if the council considers the expenditure is in the interests of, and will bring benefit to, their area or any part of it, or all or some of inhabitants, providing the benefit is commensurate with the expenditure. Town and Community Councils are also permitted under S137 to incur expenditure for certain charitable purposes, and in both instances there is a spending limit attached to this power. For the financial year 2009-10 the discretionary limit for the purposes of section 137 (4) is £6.15 per elector. As there are 1,600 people on the electoral list of Lampeter, then about £9,840 can be given to charity by the Town Council. To date, to the 31st December 2009, £3,501 has been donated.

A grant of £1,500 was donated to the Citizen's Advice Bureau (CAB) in the years 2004-05 and 2005-06. No donation was given in 2006-07 and £300 in 2007-08. A financial request has been received in December 2009. Appendix 2 provides a breakdown of the donations made to charities.

4.7 FUTURE CONCERNS ARISING FROM THE RUNNING COSTS

4.7.1 FOOTPATHS

A 75% (£475) grant funding has been received in the past year for work on footpaths in the area. £650 had been the total sum. It is hoped that the TC will be able to take advantage of grant funding during the forthcoming year, but this cannot be assumed. In addition the town council awarded a grant of £350 to the Lampeter Ramblers during the course of the year.

4.7.2 PARC YR ORSEDD

- A new fence has been installed during the past year, which was almost twice the original estimate. Lessons can be learned, and in future an alteration to the original quote/estimate should be discussed by the full council, in light of the huge outlay, which had not been accommodated within the budget.

- Two park inspections were undertaken by Digley Associates and Cllr Chris Thomas respectively. Remedial action as a result of these inspections could involve an expense of a few hundred pounds.
- Members have explored the possibility of installing a reactor light in the park.
- Mr Eirwyn Williams cut the grass on a monthly basis from April to September inclusive. Some councillors are of the opinion, that it would be worthwhile to enlist the services of a caretaker for the park, throughout the year, to undertake maintenance tasks. Additional outlay would be involved.
- A request has been received for an increase in play-equipment at the park, for young children. This could be considered in the future. Extra costs would be incurred.

4.7.3 VENUE OF MEETINGS

The Town Council severed its connection with the Town Hall in January 2009, when the hall was taken over by the Jen Jones Quilts' Centre. It could be possible for the town council to meet again in the town hall in accordance with the conditions of the lease. Monthly meetings of the town council are presently held at the St Peter's Church Hall at a fee of £7.50 per hour. The Maesyderi Field Management Committee meet at the Menter Llambod Office, free of charge. A meeting has also been held at the Shiloh Chapel Vestry, during the course of the year. Members have discussed the possibility of meeting at different venues, which, if implemented, could mean additional costs. Meetings of the town council are open to the public and the venue should be adequate for this purpose.

4.7.4 TRAINING FOR CLERKS AND COUNCILLORS

In order to keep abreast with new developments, it would be good practice for Councillors and the Clerk to attend courses and training sessions, which would be mutually beneficial. This has not been undertaken on a large scale in the past and would involve additional expenditure.

4.7.5 TRAVELLING/ACCOMMODATION COSTS

This was introduced in October 2008 for Councillors and should be included in the future budget. Present travelling costs are 40pence/mile. This could be reviewed.

4.7.6 BILINGUALISM

Since the introduction of the TC's Welsh Language Scheme in August 2007 the Town Council has paid an average of £1,000 per year for translating facilities. This could be more expensive, should the TC wish to increase the provision of the Welsh Language at meetings, as recommended by the Welsh Language Board. Eg Public meetings as arranged by the town council should provide simultaneous translating facilities, which were not included in the Maesyderi Field Public Meeting of March 2009.

4.7.7 MAESYDERI FIELD

The town council has acquired a three year lease on the Maesyderi Field starting on the 13th April 2009 from Ceredigion CC, to be developed as an amenity for the people of Lampeter. To date £1,300 (ex VAT) has been spent, ad-hoc, on the field. Some councillors have expressed the opinion that the dependence on volunteers to undertake tasks, hinders progress. A budget could be ear-marked for the field for services rendered.

4.7.8 STREET LIGHTING

The TC has opted not to keep certain street lights alight between midnight and 5am, as offered by the county council, during the past year. However, the situation is being monitored by members of the town council in collaboration with the police and funding could be necessary in the future, to alter this arrangement.

4.7.9 ALCOHOL EXCLUSION ZONE FOR LAMPETER

The Town Council has offered to pay half of the costs involved to bring the zone to fruition, up to a maximum of £2,500. This could be required in the future.

4.7.10 PICTON LANE

The Town Council is prepared to pay approximately £1,000 to undertake a traffic experiment, in partnership with Ceredigion CC, which could result in the introduction of road-safety measures at Picton Lane.

4.7.11 MAYOR'S ALLOWANCE

The residing Mayor has received an inflation rate increase on his/her allowance over the past four years. It was resolved in the May 2009 meeting of the town council to review this arrangement in the January Budget meeting. A 1.5% inflation increase equates to £40.00 per annum.

4.7.12 CLERK'S SALARY

The Clerk normally receives an increment on the anniversary of her employment, as recommended by the NALC (approx £150 per annum). This takes place during the month of May.

4.7.13 MONEY HELD IN THE BEQUEST ACCOUNT

The value of the bequest is now £11,500. £10,000 was received in April 2005, Ideas are being sought for utilizing this money eg for an increase in youth provision.

4.7.14 GRAFFITI ON THE RAILWAY BRIDGE

Members had considered removing the graffiti from the railway bridge. This could involve considerable expenditure.

4.7.15 NEW WEBSITE FOR THE TOWN COUNCIL

A new updated web-site is presently being designed by the Town Council. This should improve communication between members of the public and the town council.

4.7.16 ACCOUNTING PROCEDURES

The External Auditors for Lampeter Town Council, BDO Stoy Hayward charged a fee of £310 (exVAT) for the present financial year. An internal auditor, who checks the clerk's work, can charge in the region of £200, although in the past two years, this has been undertaken for £100, by Mr Dave Smith.

4.7.17 OFFICE COSTS

These have been dealt with prudently e.g. stationery /postage/ 'phone/ computer.

4.8 CONCLUSION

THE AMOUNT LEVIED BY MEANS OF THE PRECEPT (2010-11)

There are a number of options regarding gauging the level of the precept for the next financial year. All calculations are inclusive of VAT, as money is required to meet the VAT element, which is reclaimed during the following financial year. VAT from the 1st December 2008 has been reduced from 17.5% to 15%, but will revert to 17.5% in January 2010.

INFLATION: The inflation rate is an important economic indicator and is the rate at which prices are rising. Inflation is an increase in the prices for goods and services. UK consumer price inflation showed a "surprise" rise from 1.1% in September 2009 to 1.5% in October 2009. Meanwhile, core inflation which excludes food and energy and is supposed to be a better measure of underlying inflation pressures, in the economy, hit 1.8% in October 2009, not far below the Bank of England's target. It is likely to rise in the future, thus dispelling deflation fears. The Town Council has assumed a 1.5% inflation allowance on all its calculations for next year's budget. The county council has incorporated a 0.5% inflation rate.

The options include:

4.8.1 OPTION 1

No change in the level of the precept i.e. it remains at £43,220

Normal running costs (based on this year's expenditure)	£54,255
Less Capital expenditure	(£15,541)
	£38,714
Allowance for inflation @ 1.5% %	£ 581
TOTAL	£ 39,295

The £43,220-£39,295 = £3,925 and the VAT reclaim of £3,900, totals approximately £8,000 in addition to possible grant funding for footpaths (a few hundred pounds) and interest from savings (estimate £2,000). This will provide a leeway of £10,000 (approx) for the town council, which can be used in conjunction with a part of the reserves of £152,500 to meet the necessary expenditure.

4.8.2 OPTION 2

The precept is reduced in the next financial year to e.g. to £41,000. Additional costs could be met from reserves. A VAT refund of

approximately £3,900 is also awaited and grant-funding could be received for some projects.

4.8.3 OPTION 3

The precept is increased by a marginal amount to keep in line with inflation i.e a 1.5% increase

£43,220 + £648 = £43,868. Less money would then have to be drawn from reserves if necessary.

Normal running costs (based on this year's expenditure)	£54,255
Less Capital expenditure	(£15,541)
	£38,714
Allowance for inflation @ 1.5% %	£ 577
TOTAL	£ 39,291

The £43,868-£39,295 = £4,573 and the VAT reclaim of approximately £3,900, which totals approximately £8,500, in addition to possible grant funding for footpaths and interest from savings. This will provide some leeway for the town council. Capital expenditure can be met from the £152,500 reserves.

4.8.4 OPTION 4

It could be perceived that the running costs for this financial year had been

	£54,255
Income received	£50,707

Which represents a deficit of approx £3,548 and a need to draw from reserves. Should the town council not wish to draw from its reserves, then this deficit could be accommodated within the next year's budget i.e. £43,220 Precept

£ 3,548 Allowance for deficit

TOTAL £46,768 OR 8.2% increase or approximately £4.00 annual increase for the Band D Tax-Payer. The amount of reserves would be reinstated to the amount held, during the previous year.

4.8.5 OPTION 5

There are variations to Option 4. The Town Council could opt to meet a part of this year's deficit by part-funding from the reserves and part-funding, by an increase in next year's budget.

Value of Precept	Increase	Band D charge for Lampeter
£43,220 (present value)	0%	£48.96
£43,220 + £216	0.5%	£49.21
£43,220 + £432	1%	£49.45
£43,220 + £648	1.5%	£49.70
£43,220 + £864	2%	£49.94
£43,220 + £1,080	2.5%	£50.19
£43,220 + £1,296	3.0%	£50.43
£43,220 + £1,728	4.0%	£50.92
£43,220 + £2,160	5.0%	£51.41
£43,220 + £2,592	6.0%	£51.19
£43,220 + £3,024	7.0%	£52.39

£43,220 + £3,458	8.0%	£52.88
£43,220 + £3,548	8.2%	£52.93

5.0 RECOMMENDATIONS

As a result of the investigation, members of the Town Council are recommended to give active consideration to the following:

- 5.1 Option 1 could be adopted i.e. that the amount levied by means of the precept will be £43,220 and will remain the same.** A stand-still budget would be welcome by rate-payers in light of the recession. The county council is considering a 2.5% increase to its portion of the council tax and it is likely that the police will also impose a rise. Running costs of the town council and some additional costs can be met within this budget. Other expenses can be drawn from the reserve of £152,500.
- 5.2 Consideration should be assigned to Option 2. A reduction in the level of the precept** would be gladly accepted, by many ratepayers, in view of the present economic climate. A reduction of £1,000 would mean an annual saving of approximately £1 for the Band D Council-tax payer. In light of the deficit incurred by the town council during the present financial year, it would not be deemed prudent to reduce the value of the precept.
- 5.3 Option 3 and an increase in the precept, in line with inflation should be examined.** The sum of £43,220 has remained frozen during the last 5 years. Due to inflation, this has meant a decrease for the Lampeter rate-payer.
- 5.4 Option 4 could be considered i.e. a 8.2% increase to £46,768 to cover this year's deficit.** Alternatively, a higher than inflation rate increase could be implemented to part-cover this year's deficit as referred to, in Option 5.. Extra expenditures are envisaged for the next financial year e.g. for the likely introduction of the Alcohol Exclusion Zone; the Maesyderi Field, Picton Lane. This reinforces the suggestion for Option 4, that an 8.2% increase be levied.
- 5.5 The reserve of £152,500 should be considered.** The BDO Stoy Hayward, External Auditors have recommended, "The council should continue to reduce its level of reserves to a more appropriate level. The generally accepted level of reserves is usually no more than the level of the precept or one year's expenditure, (say £50,000). The council has no power to hold excessive reserves unless they are saving for something in particular". Nevertheless, statute or regulations do not dictate that a local council should maintain reserves of any particular size or indeed that they should maintain any at all. It is widely accepted that a case for a statutory minimum level of reserves, even in exceptional circumstances, has not been made. However, due prudence does require that reserves are built up, and maintained.
- 5.6 Mr Alistar Darling is lining up local government** for significant spending reductions from 2011 onwards. December 2009's Pre-Budget Report is the start of a long process where overall public spending will, at best, be held flat in real terms, while the NHS, schools and the police will receive relative protection. Given the scale of health, education and policing within the total, any protection for them will mean deeper cuts elsewhere. Local government is no one's favourite child. Councillors are seen by central government as useful people to take the rap for deep spending reductions.

Councils now face a massive squeeze. The government will be demanding cuts in future spending that are disproportionately aimed at local government. There will be deep cuts in capital investment for years to come. Real reductions of 10-15% over three years from 2011-12 to 2013-14 are unavoidable. At the same time there will be demands for councils to lead the steady improvement of outcomes within their area. Some authorities have already started to think about the ways in which they might do things differently. The public will remain to expect the same services, but there will be less money to deliver these services. The money held in reserve by the town council could help in delivering some services to local people, which would otherwise not be possible.

- 5.7 The money held in reserve** should continue to be invested in accounts which offer the best rate of interest. In the past three years the interest received by the town council has diminished from £6,559 (2 years ago); to approximately £2,000 during the present financial year.
- 5.8 Uses for the £152,500 Reserve** should be identified and broken down to General Reserve and Ear-Marked Reserves eg £80,000 General Reserve; £11,500 Bequest; Maesyderi Field £x amount; Training £Y amount; Alcohol Exclusion Zone £2,500; Picton Lane £1,000; CCTV £Z amount etc. Should the town council be saving up for expected and significant future expenditure, it would be unwise to expect the tax-payer to fund a significant purchase in any one year. The funding for example of a new town hall should be “spread” over many years so that the total financial burden does not fall to the tax-payer in one single precept. Each year’s precept should include an instalment which can be transferred to the ear-marked reserve and used at the time the expenditure is needed. Ear-marked Reserves, not eventually spent on the purpose intended should not simply be transferred to the General Reserve but used to reduce the precept or for other capital expenditure in the current or next financial year. A contingency fund should form a part of the reserves to cushion the impact of unexpected events or emergencies.
- 5.9 Every effort should be made to spend the money donated in the will** of a deceased Lampeter resident on a worthwhile project/s, “to be used for the benefit of the people of Lampeter”. The money was received in April 2005 and the present balance is approximately **£11,500**.
- 5.10 An increase** could be made in the amount of money donated to local charities.
- 5.11 An increase could be** made every year to the Mayor’s Allowance
- 5.12 Where large sums of money are involved (excess of £1,000)**, when tenders are requested, no change should be allowed to the original quote, without the consent of the full committee, or at least a sub-committee.
- 5.13 That crime-prevention remains a priority**, with the maintenance of an efficient CCTV System