

**TO:** All Town Councillors  
**FROM:** M.E.Thomas, Clerk

**SUBJECT:** Precept 2018-19  
**DATE:** 11 January 2018

## **REPORT ON THE BUDGET PROPOSALS OF LAMPETER TOWN COUNCIL FOR THE FINANCIAL YEAR COMMENCING 1<sup>ST</sup> APRIL 2018 AND ENDING 31<sup>ST</sup> MARCH 2019**

### **1. TERMS OF REFERENCE**

In order to plan ahead effectively for the forthcoming financial year, the Clerk, as financial Officer, was asked, 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 collected, by means of **The Precept**. The report is to be submitted by the 11th January, to the Council, for consideration.

#### **INTRODUCTION- BACKGROUND INFORMATION**

##### ***What is the "Precept"?***

The Precept forms a part of the **Council Tax**.

Council Tax is a form of local taxation, based on occupation and or ownership of domestic property, levied by local councils.

It is calculated by adding together amounts needed by the County of Ceredigion, the Dyfed Powys Police Authority and Town and Community Councils (the Precept). The money collected, from more than 30,000 households, together with Government grants, is used to provide a wide range of services. The County Council set its budget for 2017-2018 as £135.2m which resulted in its Council Tax increase of 4.0%. The Revenue Support Grant and National Non Domestic Rates payable to the County Council increased by 0.9% compared with 2016-2017 after allowing for grant transfers into the settlement. Council Tax collected for the Dyfed-Powys Police showed a 6.9% increase in 2017-18 and a 1.04% increase (average) for Town and Community Councils. Overall, the Council Tax bill for band D properties increased by 4.36% in 2017-18. The Welsh Government sets a Standard Spending Assessment for Councils each year. This is the figure, which the Government assesses as the amount required to provide a standard level of service in that area. Ceredigion County Council's 2017-2018 Standard Spending Assessment was £134.2m. A programme of capital investment totalling £14m was planned for 2017-2018.

Ceredigion County Council provides many services including education, social services, libraries, highway maintenance, street lighting, building control, planning and economic development, park & ride, concessionary travel, passenger transport, cemeteries, trading standards, waste management, council housing, homelessness assistance, leisure centres, parks, playgrounds, car parks, markets, housing benefit, health and safety, food hygiene, information centres, pest control and other related services. The Council Tax, which is 50% property based and 50% personal based, is imposed on all homes and flats within the authority's boundaries, and is based on the assumption that 2 adults occupy each property. However, if only one adult occupies the property, a 25% discount may be available. While Council Tax can also be payable in respect of unoccupied properties, certain exemptions may apply.

The Town Council's Precept represents a small proportion of the total Council Tax collected by Ceredigion County Council. For example, for the year 2017-18, the total Band D (average) charge of £1,425.90 for a Lampeter Council-Tax payer is broken down as:-

	£	%	per week (approx.)
Ceredigion County Council	1,168.81	81.97	£22.48
Dyfed Powys Police	213.63	14.98	£ 4.11

**Lampeter Town Council**  
Total

**43.46**  
£1,425.90

**3.05**

**£ 0.84**

The amount each household pays is based on the Council Tax Band in which its property falls, details of which are listed below. At the lower end this equated to in 2017-18 in Lampeter, to a weekly amount of £0.56 and the upper end was charged £1.94 a week.

<b>BAND - PER YEAR 2017-18-VALUE OF THE PRECEPT</b>								
A	B	C	D	E	F	G	H	I
£28.93	£33.76	£38.53	<b>£43.46</b>	£53.03	£62.14	£72.30	£86.80	£101.12

## **WHAT ARE THE TOWN COUNCIL'S FIXED ASSETS?**

**Appendix 3 lists the fixed assets of the Town Council.**

### **The Police's Precept**

**In November 2017** Dafydd Llywelyn, Police and Crime Commissioner for Dyfed-Powys, launched a public consultation on police funding for 2018/19. Local policing is funded from a Home Office grant, as well as contributions from the public via the Council Tax, known as the Police Precept. In launching the consultation for the 2018/19 police precept, Dafydd Llywelyn said: "As set out in my Police and Crime Plan, the Precept level for 2017/18 was increased by 6.9%. This equated to a Band D property paying £213.87 per annum, which is the cheapest out of the four Welsh force areas.

"In my plan I also assumed a rise of 5% per annum in subsequent years. This would equate to a Band D property paying £224.56 in 2018/19, an increase of £10.69 for the year or 21p per week.

Decisions made in recent years have resulted in less money being available to deliver vital services for our communities, and with the continued threats of cuts from central government I firmly believe that the public should have a strong voice in the decision to make changes to the public's contribution through the Council Tax and that once agreed, the impact is clearly explained."

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.

## **2. PROCEDURE**

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

- 2.1** The current year's Precept (1 April 2017 - 31 March 2018) was reviewed.
- 2.2** The savings associated with past payments CCTV Cameras were considered.
- 2.3** The income and expenditure of the present year (1 April 2017– 31 March 2018) were calculated and compared with the previous year. Predictions were made.
- 2.4** The budget of the Maesyderi Field Project was examined.
- 2.5** The projected amount of reserves in the Bank Accounts at the end of the present financial year i.e.31 March 2018, were calculated.
- 2.6** Donations to charities were appraised in light of the formula compiled in February 2015.
- 2.7** The ongoing costs/future costs were noted.
- 2.8** Conclusions were drawn and options regarding the amount levied by means of the Precept (2018-19) were proposed.
- 2.9** Recommendations were made.

### 3. FINDINGS

#### 3.1 REVIEW OF THE CURRENT YEAR'S PRECEPT (1 APRIL 2017 – 31 MARCH 2018)

The total Precept in respect of this financial year (fiscal year ending 31 March 2018), was £41,000, the same as the previous 5 years. This represented a reduction of £2,220, when compared to the 2012-13 year. Members had felt, during the January 2013 Budget Meeting that a reduction could be made, to reflect the adjustment in the annual CCTV Payment at that time, (from £12,000 to £7,500=£1,250 per camera for 6 cameras in total). The constant "Precept" figure during the prior 8 years had been £43,220; this had meant a reduction in real terms, due to inflation.

#### 3.2 THE CCTV SYSTEM

The Lampeter CCTV system became operational in April 2002 and the yearly contribution made by the Town Council up until the 8<sup>th</sup> January 2008 had been £19,600 (exc. VAT), paid to MLL Telecom LTD. The £19,600 formed a significant portion of the Precept and as a result, the Town Council's Precept was one of the highest in the county. From the 9<sup>th</sup> January 2008, the yearly fee was reduced to £12,000, as the CCTV System was upgraded. The decrease in the CCTV cost was not reflected in a reduction in the Town Council's Precept.

The 6 CCTV Cameras at Lampeter were discontinued by Ceredigion County Council on the 1 April 2014 due to budgetary constraints. As a result, the £7,500, ear marked for this facility, by the Town Council for the 2014-15 financial year had not been used to meet this expected cost. No reduction was made to the 2015-16 Precept of £41,000 despite the demise of CCTV Cameras.

These savings have enabled the TC to meet its normal annual running costs, without imposing an increase to the rate-payer for many years.

A review into the use of publicly-funded CCTV across half of Wales has been the subject of high-level discussions. CCTV Monitoring could be brought back across the Dyfed-Powys Police Area. The Police and Crime Commissioner, Dafydd Llywelyn has pledged the investment of CCTV and is committed to its roll out, to help, "keep our communities safe". An average Band D household would have to pay an extra 27pence per week, under new plans but a Consultation at the end of 2016 confirmed that communities were prepared to pay more for policing.

Analysis of demand emerging from data relating to crime and anti-social behaviour will dictate where CCTV will be implemented. The position will not be reinstatement of cameras but rather an approach that ensures adequate monitoring and support, therefore enabling the CCTV to be installed meaningfully. The team responsible for considering the areas where CCTV should be implemented are bound by the Surveillance Commissioner's instruction to ensure there is a "pressing need".

Presently, there are no plans to reinstate CCTV cameras in Lampeter. Local Officers in Lampeter have advised that the night time economy is quiet in and around the town and as such, it would be difficult to meet the requirements of a "pressing need". Members of the Town Council had previously stated that night -time crime was often not reported in Lampeter.

#### 3.3 THE INCOME AND EXPENDITURE OF THE PRESENT YEAR (1 APRIL 2017 – 31 MARCH 2018)

##### 3.3.1 CALCULATION OF EXPENDITURE FOR THE 12 MONTHS OF THE 2017-18 FINANCIAL YEAR BASED ON ACTUAL EXPENDITURE DURING THE FIRST 9 MONTHS OF THE YEAR

<b>ACTUAL EXPENDITURE FROM 1 APRIL TO 31 DEC 2017</b>	£47,183.79 (please refer to
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<b>(from cash-book) (inc vat)</b>	<b>(Appendix 1 + Appendix 2)</b>
Subtract COST OF MAYOR'S DINNER (double entry)	£1,254.75+10.12
Subtract Watering Costs for Summer 2016	£4,200.00
<b>EXPENDITURE FOR FIRST 9 MONTHS: (INC VAT)</b>	<b>£41,718.92</b>
Subtract vat	<b>(£3398.42)</b>
Actual expenditure 1.04.17-13.04.17	<b>£38,320.50</b>
PROJECTED EXPENDITURE FOR THE NEXT 3 MONTHS ex vat	12,773.50
<b>TOTAL PROJECTED EXPENDITURE FOR THE =YEAR ex vat</b>	<b><u>£51,094.00</u></b>
<i>Projected VAT for the next 3 months</i>	<i>3398.42 /3= £1,133</i>

During the previous year (2016-17) the actual expenditure had been £47,628.03 (exc. VAT )(LESS £1,266.40 MAYOR'S DINNER DOUBLE ENTRY) =**£46,361.63**

Safe Routes in the Community Grant of £8,000 had been included in the above calculation ( for 2016-17) and £5,928 for Festive Lighting. The £4,200 Watering Costs for 2016 were paid in the 2017-2018; should this expenditure be included in arrears for the 2016-17 financial year, the actual expenditure would be increased to £50,561.63. "Exceptional" payments increase the expenditure of the Town Council significantly.

### 3.3.2 INCOME FOR THE FINANCIAL YEAR (COMMENCING 1 APRIL 2017 AND ENDING 31 MARCH 2018)

The Precept for the year 2017-18	£41,000.00
VAT Refund	£2,425.45
Interest – Lloyds Bank Bond	£702.00
Mayor's Dinner (double-entry)	£1,254.75+10.12=£1,264.87
Key Parc-yr-Orsedd	£5.00
<b>TOTAL</b>	<b>£45,397.32</b>
<b>(less £1,264.17 Mayor's dinner)</b>	
<b>£44,133.15 (income).</b>	
<b>TOTAL INCOME LESS TOTAL EXPENDITURE (inc Projected)</b>	
<b>£44,133.15 - £51,094 (ex Vat)= £6.960 shortfall, to be met from reserves.</b>	

### 3.4 MAESYDERI FIELD PROJECT (Ex VAT)

EXPENDITURE 2009-10 (year in which the field was first leased from Ceredigion CC)	£6,536
EXPENDITURE 2010-11	£11,357
EXPENDITURE 2011-12	£1,694
EXPENDITURE 2012-13	£1,715
EXPENDITURE 2013-14	£102
EXPENDITURE 2014-15	£407
EXPENDITURE 2015-16	£470
Grass Cutting £400	
ROSPA Park Inspection £65	
Item for the Fence £4.54	
EXPENDITURE 2016-17	£366.50

Grass Cutting £300 ROSPA Park Inspection £66.50	
EXPENDITURE 2017-18 Grass cutting £300 ROSPA Park Inspection £66.50	£366.50

£23,014.50 has been spent to date on this project, to maintain the field as an amenity for the people of Lampeter supplemented by a Police Grant of £15,000. It had been hoped to construct a Bike Track on the field. £910.60 had been raised for this project. This £910.60 had been transferred to a separate account. £301 had been transferred to the Town Council's Lloyds Bank Current Account in 2014 with the view to donating the money to the Bro-Pedr School to assist with the construction of a Bike Track. This did not materialize and the £301 has now been returned to Mr Damian Conti (the person who had the £301 in his safekeeping, to assist in the construction of a project for Young People). Plans have been made to use the £601 to install goal posts on the field. £601 has been transferred to the Lloyds Bank Current A/c of the Town Council.

A Budget of £1,500 per annum had been allocated to the Field during the Budget Meeting of January 2010.

RAY Ceredigion no longer meets on the field on the third Sunday of each month. It has now relocated to Parc-yr-Orsedd.

The Maesyderi Field Management Committee convenes once every 2/3 months to discuss matters appertaining to the Field.

The field remains the property of Ceredigion County Council. Enquiries have been made in the past for the Town Council to purchase the field but all efforts, as yet have been unsuccessful.

The fence £9,018 inc Vat purchased in 2010 by the Town Council is now owned by Ceredigion CC and is not included within the Town Council's Fixed Assets Register.

### 3.5 **THE PROJECTED AMOUNT OF RESERVES IN THE BANK ACCOUNTS AT THE END OF THE FINANCIAL YEAR (COMMENCING 1 APRIL 2017 AND ENDING 31 MARCH 2018) - the present financial year**

If spending will continue at the same rate during the next 3 months the balance of the Lloyds Bank Current Account will decrease from £51,226.82 (less £12,773.50 less £1,133 (vat) = **£37,320.32**

Other Accounts held by the Town Council

Lloyds Bank Bond £78,000

Projected Interest Lloyds Bank Bond 23.01.2018 £702

Lloyds Bank Business account £833

**TOTAL: £116,855.32 c/f 1.04.2018 to include £601, money collected for Maesyderi Field.**

VAT paid during 2017-18 £4,531.42 will be reclaimed.

#### **COMPARISON WITH PREVIOUS YEAR**

c/f 1.04.2017 £132,443, which means a reduction of £15,587 in the amount carried forward at the beginning of the financial year.

**This could be attributed in the main to the Watering costs £4,200 in 2016 and the total cost of the Floral Displays in 2017 (approx. £10,000)**

### 3.6 **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 the maximum

expenditure that can be incurred for the financial year 2018-19 is £7.86. As there are 2,293 people on the electoral list of Lampeter (@ 1/03/2012 figure derived from figures quoted by Ceredigion County Council), then £18,022.98 can be given to charity by the Town Council.

Generous donations have been awarded during recent years viz £15,000 in aid of the Lampeter Swimming Pool, £20,000 to the Victoria Hall Project, £5,000 in aid of the Lampeter Family Centre; £8,000 + £6,200 = Safe Routes in the Community Project CCC; £6,000 Festive Lighting 2016. This expenditure had often been met from the reserves. Other sections of the Local Government Act 1972 have permitted the Town Council to award these grants in addition to the S137 Allowance. Please refer to **Appendix 2 Sheet 1** for a breakdown in the donations made by the TC, as yet in 2017-18. A formula has been adopted by Lampeter Town Council.

### 3.7 ONGOING COSTS/FUTURE COSTS

- 3.7.1 FOOTPATHS:** No grant has been received from Ceredigion County Council for a number of years, for the maintenance of the footpaths. (£1,330 was spent 2017-18). Lampeter Town Council is involved with the Walkers are Welcome Project; additional costs could arise.
- 3.7.2 PARC YR ORSEDD:** A new fence had been put in place £5,343 (ex VAT) in July 2014. Cllr Chris Thomas had reported in the previous meeting that a new fence and associated work at the park could cost £5,500. A Park Inspection undertaken by RoSPA for a fee of £66.50 (ex VAT) made certain recommendations, which are receiving attention. The cost of the grass-cutter who cut the grass from April to September inclusive, checked for vandalism and collected litter on a regular basis had been £1,150. The present grass-cutter will also collect litter during the months of October to March (inc) twice weekly for a fee of £46.66/month (bin liners paid by the Town Council) . Lampeter Tree Services have cut certain trees within the park for a fee of £240. Castle removed for a fee of £1,100. There will be further costs associated with the park when additional play apparatus will be acquired and other improvements introduced.
- 3.7.3 VENUE OF MEETINGS:** the Town Council has met at St Peter's Church Hall (£9.50 per hour), since its relocation from the Town Hall, 9 years ago. Meetings are currently held at the Shiloh Chapel Vestry (£8.50 per hour). Other venues could be considered in the future.
- 3.7.4 TRAINING FOR CLERKS AND COUNCILLORS:** the Welsh Government actively supports training and a Training Budget could be incorporated within the next year's Precept. Certain members have attended One Voice Wales Training Courses and the Clerk is currently undertaking the ECDL ICT on-line course.
- 3.7.5 TRAVELLING COSTS/ expenses** (travelling costs currently set at 45pence per mile for Cllrs only). All photocopying/printing by Cllrs could be reimbursed. Donations made by members to certain events have been discussed. Town Councillors could qualify for to an allowance in the future.
- 3.7.6 BILINGUALISM;** additional costs would arise, should the Town Council wish to increase its provision of the Welsh Language. The Clerk is awarded 12 hours per month to implement the Town Council's Welsh Language Policy, since its inception in 2007. A Simultaneous Translator was introduced at Town Council Monthly Meetings in June 2015 @ £35.00 per hour, which has not been reviewed since that time. A simultaneous translator has featured at the Mayor's Installation Service. The Town Council supported the *Shwmae Shwmae* initiative and Ras yr Iaith and is now working in partnership with Cered and Ysgol Bro Pedr to organize a St David's March and Gig.

**3.7.7 MAESYDERI FIELD:** the £1,500 present annual budget could be reviewed.  
**3.7.8 STREET LIGHTING:** many street lights are extinguished from 12midnight to 5am. The Town Council meets the electricity costs associated with the Christmas Lights and the War Memorial. Other providers could be sourced.

**3.7.9 MAYOR'S ALLOWANCE**

Resolved to be increased by 1.5% annually during the January Budget Meeting of 2010. (£3,049.50 – 2017-18)

**3.7.10 RUNNING OFFICE COSTS**

- **Careful purchase of copy paper, ink and envelopes** has reduced costs. Letters, which can be hand delivered, are usually not posted. Emails are sent to those who possess electronic communication thus avoiding the cost of printing and delivering documents. (but additional cost to the recipient should he/she choose to print the document). Hard copies are delivered to some members and to the Library.
- **Broadband/Phone** is usually approx. £138 per quarter.
- **Computer System:** a new desktop and printer (black ink only, not coloured) were purchased in March 2016 - £784 (inc VAT).

**3.7.11 CLERK'S SALARY:** It had been resolved in the Budget Meeting of January 2010 that the Clerk would receive an annual increment in May of each year. The current salary is (12hours per week + 12 per month to implement the Welsh Language Policy) which equates to, during 2016-2017, to £9,099.36 (net) £1,101.62 (Tax & NI Emp<sup>ee</sup> & Emp<sup>er</sup> per annum), which is paid to HMRC in Real Time).

**Pensions Regulator:** no contributions made as yet by the Employer and Employee but it could be necessary to do so in the 2018-19 Financial year.

**3.7.12 Town Council's Notice Board:** was repaired, during the 2013-14 Financial year at a cost of £578 (ex VAT) and repairs undertaken recently for £148.00.

**3.7.13 The Mayor's Chain:** this is in need of repair. Civic regalia to include the 2 Chinese Gold Medals will be revalued shortly and a safe purchased for their storage.

**3.7.14 Town Council's Website & Social Media:** A grant of £500 was sourced during the 2013-14. Financial Year to improve the Town Council's website. The importance of keeping the information on the website, up to date, has been highlighted. The annual hosting cost & HCI-Data Renew lampeter-tc.gov.uk & acquiring individual email for Cllrs have amounted to £765 (ex VAT) for the present financial year, as yet. Facebook and Twitter Accounts have recently been introduced.

**3.7.15 TOURISM:** The Town Council has had a presence at the Lampeter Food Festival, during the past six years.

**3.7.16 TOWN COUNCIL'S INSURANCE (Zurich Municipal):** The annual premium is approx. £1,500 and covers the Christmas Decorations, Computer, Civic Regalia, Civic Cloaks, 4 Planters and the Forklift Cages. Public Liability: £10,000,000. Fidelity Guarantee £250,000. There could be extra costs, should additional insurance cover be necessary during the year.

**3.7.17 BUS SHELTERS:** The 4 bus-shelters are cleaned every 2 months at a cost of £10 per bus-shelter. It was suggested in the previous Budget Meeting that the Town Council could possibly purchase a new bus shelter adjacent to the Nat West Bank.

**3.7.18 TOWN COUNCIL'S AUDIT:** 2016-17: External Audit £231 (VAT £0) – Grant Thornton Wales Audit Office. Internal Audit: Mr D Marshall £150.

**3.8 NEW PROJECTS/ costs**

**Additional costs could arise during the next year.**

**3.8.1 The Town Council could** adopt the Lampeter War Memorial Garden. Present ongoing annual costs concerning maintenance and supply of plants

(Ceredigion CC) are in the region of £4,800. (could overlap with the costs associated with the Floral Displays). There could be additional costs to commemorate the centenary of the end of WWI during 2018.

- 3.8.2 Floral Displays over the summer months:** the Town Council took responsibility for organising Floral Displays within the town during the summer of 2017. Watering costs were paid by the Town Council in 2016 (£4,200 ex VAT). The Town Council has already paid the watering costs £4,200 & £3,400 for the plants for the summer of 2017; the labour charge of £2,917.35 is awaited. 3 planters on the Town Entrances are included but not the planter based at Parc-yr-Orsedd.
- 3.8.3 Maesyfelin Play Area:** Lampeter Town Council could take responsibility for the Play-Area in the future. Solicitors' fees are in the region of £800.
- 3.8.4 Christmas Lights' Display within the Town: repairs undertaken in August 2017 £1,044.** *Nadolig Llawn* Signs could be purchased in the future.
- 3.8.5 The Fountain, Harford Square:** the Town Council is in discussion with Ceredigion CC concerning the possibility of transferring the Fountain to the Town Council.
- 3.8.6 Parc yr Orsedd:** arrangements are in hand to introduce new play-apparatus within the Park.
- 3.8.7 It was resolved in the October's meeting of the Town Council** to support the Transition Llambod Development Trust's Grant Application (£160,000 of which 20%, will have to be raised by the organization) .
- 3.8.8 Renovation Work re Lampeter Rugby Club Lower Entrance £1,210.**

#### 4.0 CONCLUSION

##### THE AMOUNT LEVIED BY MEANS OF THE PRECEPT (2018-19)

There are a number of options regarding gauging the level of the precept for the next financial year. All calculations are exclusive of VAT - 20% as from January 2011.

**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. The Bank now expects inflation to hit 3% next year.

The options include:

##### OPTION 1

**No change in the level of the Precept i.e. it remains at £41,000**

running costs (ex VAT) based on 2017-18 expenditure £51,094

Allowance for inflation @ 3%                      £ 1,533

**TOTAL                      £52,627**

Additional costs (£11,627) could be met from the reserves of £116,855.32

Cost of floral displays approx. £10,000 per annum + certain grants eg Safe Routes in the Community often mean that the Town Council has to draw from its reserves.

Should the precept remain the same and spending continue at the above rate then all reserves will have been used up during the next decade.

##### OPTION 2

**The precept is reduced in the next financial year to**, for example £39,000.

Additional costs could be met from reserves.

##### OPTION 3

**The Precept is increased** to meet part or all of the running costs.

#### 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 £41,000 and will remain the same.** A stand-still budget would be welcome

by rate-payers. The county council is considering an increase to its portion of the council tax and the police could also impose a rise. A large portion of the running costs can be met within this budget. Other expenses can be drawn from the reserves.

- 5.2 Consideration should be assigned to Option 2. A reduction in the level of the precept** would be gladly accepted, by many ratepayers. A reduction of £1,000 would mean an annual saving of approximately £1 for the Band D Council-tax payer.
- 5.3 Option 3 and an increase in the precept, should be examined.** A reduction of approximately £2,000 was made during the last 5 financial years as compared to the previous 8 years when the sum of £43,220 had remained frozen.
- 5.4 The reserve of nearly £116,855,** should be considered. The external auditor Grant Thornton has questioned why the reserves are high in comparison to the Precept. The Town Council's Fixed Assets are comprised of items, which require significant regular maintenance and/or replacement. The Internal Auditor has suggested setting a Sinking Fund in place to meet these costs.
- 5.5 Local Government** is facing significant spending reductions. There will be deep cuts in capital investment for years to come. Transferring responsibility for certain projects from Ceredigion CC to the Town Council, for example, War Memorial Gardens, the Fountain, Harford Square will mean additional costs for the Town Council. Acquiring new play apparatus at Parc-yr-Orsedd and taking responsibility for the Maesfelin Park will also involve considerable outlay.
- 5.6 The money held in reserve** should continue to be invested in accounts, which offer the best rate of interest. This has required careful planning in the past few years as the Bank Of England's Base-Rate has decreased dramatically. Some problems have been encountered when instant access has been required and funds have been locked away in various bonds, for a certain length of time. The Precept is presently deposited in the Lloyds current a/c (0.01% annual interest) for instant access. Town Council Barclays Bank, Santander and Swansea B/S Accounts have been closed.
- 5.7 The amount of money** donated to local charities should be regularly reviewed.
- 5.8 The Financial Officer's preferred option is Option 1** i.e. no change in the level of the precept for the 2018-19 Financial year, due to:
- The current economic climate and uncertainties concerning Brexit;
  - The generosity of past Precepts, due to changes in the cost of CCTV payments &
  - The level of reserves held by the Town Council.