

LAMPETER TOWN COUNCIL.

BUDGET PROPOSALS YEAR 2002/2003.

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, and the total precept in respect of Financial Year was £31 250 00p. In effect this was an increase of £10,000 00p on the previous year, but the addition was a sum of £10, 000 00p allocated for the running costs of the new CCTV system. Apart from the new CCTC costs, the Council budget for the Financial Year 2001/2002 was a standstill one.

CCTV.

The new CCTV system will become operational in JANUARY 2002 and the yearly contribution to be made by the Council will be £19,600 per annum, paid to MLL Telecom Limited. Whilst no formal details have been negotiated as yet, I have had some preliminary discussion with the MLL Telecom Limited Sales Manager for Wales and I understand that payments could be structured on a quarterly payment method. The total estimated costs were made known to members when they agreed to support the scheme. However since the Scheme will not be implemented until January 2002, I suspect that the payments set aside during this Financial year will be reduced slightly and I would suggest that this money be used for the replacement costs of the play area at Parc Yr Orsedd.. The local University had indicated that they are prepared to pay £1000 00p towards the running costs and I will be in contact with them to confirm this fact, now that the date of the implementation of the system is known. I have also written to the local banks, larger stores and Lampeter Chamber of Trade again, requesting consideration of a contribution towards the running costs of the system. I await replies.

It therefore follows that in addition to the £10,000 00p levied during the current Financial Year, another £9,600 00p has to be raised. On the assumption that the University will contribute £1,000 00p, the total extra precept to be raised is £8,600 00p.

The benefits of the CCTV system have been well documented and the indications are that ratepayers accepted the increased cost during the current year with good grace as they saw the benefits. However, the fact that the business rate element does not make any contribution to the costs is seen as business premises not fair, but it has to be borne in mind that traders do pay high business rates and it is not of their making that the way the rates are structured.

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 in 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, 13 councillors, 3 press and police, one clerk and 3 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. Some extra costs have been incurred by the new members Standards Procedure.

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 has more operational usage and will not need replacement for 1 year at least.

CLERKS SALARY.

The Clerks salary has been reviewed in the Financial Year 2001/2002 as is currently on the grade suggested by N.A.L.C.

EXPENDITURE.

2000/2001 Actual.	2001/2202 to 30.1101.	Projected costs 2002/2003.
£17875 43p.	£12790 08p.	£39,850 00p inc. cctv

NOTE.

All members were issued with a balance sheet for year 2000/2001. This contains a full breakdown of costs under the various headings.

The monthly running costs in respect of year 2001/2002 currently runs at £1598.75, which over a 12month period would amount to a total of £19185 12p. The projection figure for year 2002/2003 provides for nil growth in general running costs, the additional costs being in respect of CCTV payments. However, as with the Parc yr Orsedd rebuild this current year, unexpected costs can be incurred.

However, there is to be substantial costs in the replacement of the Parc yr Orsedd play area. Whilst it is intended currently to apply for a grant aid from the Awards for Wales Project, any grant aid cannot be guaranteed. I therefore propose that any savings from the

monies set aside for the transmission costs associated with the CCTV system should be used towards this project and that any extra money above that be used from the reserves.

Another feature of the Financial Year 2002/2003 will be the Queens Jubilee in June and I anticipate that there will be some funding required in connection with that. However, members should be careful if items such as mugs are distributed, that they only issue the items to residents of the Council area only. Thus complying with District Auditor Guidelines. In the past for example, schoolchildren from all the attendant communities have been issued with mugs, thus contravening the rules.

INCOME.

Bank Reserve.

On the 30th November 2001, there was £72,472 64p in the reserve account. However £10,000 of this figure was for payment of the CCTV, thus the actual Reserve stood at £62,472.64 and by the 31st March 2002, if current spending per month is maintained, it will reduce to £56,077 60p, a reduction of £6,395 04p. However there will be some interest rate payments for that period I would estimate to be approx. £450, therefore leaving the reserve at £56,527 60p. I would however stress that as predicted the interest rates declined in this Financial Year, but the inclusion of the money set aside for CCTV payments have distorted the amount of interest received upwards. This factor will not feature in the next Financial Year. The monthly payments in the last 4 months are usually higher, with the payments of insurance for both the Council and Young at Heart Club. Therefore I would anticipate a slight reduction in the reserve figure quoted.

Precept.

The Precept for the Year 2001/2002 was set at £31,250 00p (£10,000 for CCTV)
VAT reclaim for this period was £325 25p.
Christmas Lights reclaim £357 11p – transferred to Chamber of Trade on receipt.
Interest to 30.9.01. £1269 20p
Highway lighting £112 74p.

RECOMMENDATIONS/CONCLUSIONS.

I recommend the following Precept for the Financial Year 2002/2203.

Normal running costs.	£23 250 00p
CCTV running costs.	£19600 00p
Total.	£42850 00p.

Reduced by,

Interest on Reserves.	£1500 00p.
Rebate on CCCTV costs.	£1000 00p. Rebate from University.
Reduction in Reserves.	£500 00p
Total to be raised by Precept.	£40850 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 2002/2003 and possibly 2003/2004 bearing in mind the increased money to be raised in respect of the CCTV running costs. Therefore the increase is in respect of CCTV only.
2. In the last budget for this current Year, I suggested that the Reserves should be raised. Due to the increased good housekeeping of the Council, there will be a slight increase in the coming Financial year without any increase in the ordinary running costs element of the Precept to be levied. This element will remain again at £21 250 00p.
3. That apart from the Parc Uyr Orsedd Project, which is underway, no other major projects be entered into by the Council in this period under review.
4. Should the Chamber of Trade Banks and major stores offer a contribution towards the costs of the CCTV, then the Precept can be reduced accordingly. Equally if the University does not continue to offer funding, it will have to be raised by that £1000 00p.

PUBLICITY/PRESS.

There is a need to highlight the fact that as far as ordinary running the costs, this will be the fourth year that this Council has suggested a deficit budget and that the increased costs are the result of the implementation of the CCTV, which will bring increased security.

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. These budget proposals will provide the ratepayers

with an efficient service, whilst the same time having the increase security of the CCTV system.

D.I.Williams Town Clerk.