

## **LAMPETER TOWN COUNCIL.**

### **BUDGET PROPOSALS YEAR 2003-2004**

#### **BACKGROUND.**

The running costs of the Council are obtained by means of a Precept, which is collected by means of the Ceredigion County Council rate demands, and the total precept in respect of Financial Year 2002/2003, was £39,850. In effect this was an increase of £8,600.00p on the previous year, but the addition was a sum of £18,600.00p allocated for the running costs of the new CCTV system. Apart from the new CCTC costs, the Council budget for the Financial Year 2002/2003 was a standstill one. A grant of £1000 was received from the UCW at Lampeter towards the CCTV system payments.

#### **CCTV.**

The new CCTV system became operational in April 2002 and the yearly contribution to be made by the Council will be £19,600 per annum, paid to MLL Telecom Limited. Following consultation with the Company, it was agreed that quarterly payments would be made. It therefore follows that £10,000 budgeted for the previous year was a surplus. This allocation was switched to the replacement work at Park, yr Orsedd, the construction of railings at Harford Square, the replacement of decorative lighting at Teifi Bridge and the renewal of a gate at the boundary of the Churchyard and Maesyderi Estate. A payment of £2650.02 was initially levied and paid in respect of the CCTV for the months of Feb/Mar. 2002 but was later reimbursed in July, 2002. Some of these projects are ongoing and will have to be paid for out of this year's remaining resources.

#### **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. Some extra costs have been incurred by the printing of the new Standing Orders draft and Ceredigion Unitary Plan documents.

Careful purchase of copy paper and envelopes has also reduced costs. However the purchase of a new laser printer and photocopier has enhanced the service provided to members.

The rebuild of the Pare Yr Orsedd Playground is now almost complete with only some minor safety work to be carried out. However the exact costings cannot yet be ascertained due to the fact that there are still some outstanding

bills to be received and paid. However bearing in mind the grant received, the final cost from Council reserves will be reduced. Overall, including the grant money, the project appears to be near the original estimates.

It also has to be borne in mind that the new Accounting procedures set up by the Audit Commission insist on the appointment of an independent internal assessor and various quotes in the region of £200 to £250 are currently being received. These charges are in addition to those charged by the external accountants for review, again a fee in the region of £250.

#### CLERKS SALARY.

The Clerks salary has been reviewed in the Financial Year 2001/2002. However it will need to be reviewed in the financial year 2003/2004. The increased workload is also a consideration that will need to be taken into consideration. The current rates for Clerks salary have not yet been reviewed.

#### CONCERNS.

In view of the current stringent rules re financial matters, I am concerned with regard to the way in which this authority has funded certain other bodies, such as for example the Town Twinning Committee and British Legion Remembrance Day. There is a need to show that the Council, whilst supportive of the organisation, is not part of it. Therefore in future, I would suggest that the Town Council regards the Town Twinning Committee as another organisation and as such will make a donation, if requested towards its projects. In the present climate of accountability, there has to be a clear gap between the organisations. The same kind of system could be adopted in respect of the British Legion, if they could be persuaded to carry out the arrangements for the Remembrance Day, which is currently partly done by the council through the Town Clerk. I would certain, therefore ask members to bear this fact in mind and that any approach from the Town Twinning in future be treated in the normal Section 137 procedure.

#### EXPENDITURE.

2001/2002 Actual	2002/2003 to 30.11.02	Projected costs 2002/2003.
£21,862 27p.	£25,620 46p.	£39,850 00p inc. cctv

NOTE.

All members were issued with a balance sheet for year 2001/2002 This contains a full breakdown of costs under the various headings.

The monthly running costs in respect of year 2002/2003 currently runs at £3202 55p which over a 12month period would amount to a total of £38,430 46p. The projection figure for year 2002/2003 provided for nil growth and did include the £1000 anticipated from the UCW re CCTV payments. If the estimated spending for the remaining 4 months are confirmed, then the projected costs will be almost 1 00% accurate.

Bank Reserve.

On the 30<sup>th</sup> November 2002, there was £76,362.72 in the reserve account. If current spending per month is maintained, it will reduce to £63,552 49p, a reduction of £12,810 23p. However there will be some interest rate payments for that period I would estimate to be approx. £500, therefore leaving the reserve at £64,052 49p. I would however stress that as it is predicted that interest rates may decline in January 2003. I would also point out that 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. Last quarter payment for CCTV and other end of year matters. Therefore I would anticipate a slight reduction in the reserve figure quoted.

It should also be noted that the costs of the lights on Teifi Bridge and the Church Gate at Maesyderi have not been completed and there the money for them downloaded. This factor will further reduce the reserves by some £2000.

Precept.

The Precept for the Year 2002/2003 was set at £39,850 00p (£18,600 for CCTV)

VAT re claim for this period was £762 74p.

Christmas Lights reclaim £216 88p - transferred to Chamber of Trade on receipt.

Interest to 30.9.02. £945 65p.

Highway lighting £106 05p.

RECOMMENDATIONS/CONCLUSIONS.

I recommend the following Precept for the Financial Year 2003/2004.

Normal running costs. £23 250 00p

CCTV running costs. £1 9600 00p

Total. £42850 00p.

Reduced by,

Interest on Reserves. £1 500 00p.

Rebate on CCCTV costs. £1000 00p. Rebate from University.

Reduction in Reserves. £500 00p

Total to be raised by Precept. £39,850 00p.

These proposals are based on the following conclusions.

1. That it would be wise not to raise the normal running costs Precept from £38,850 00p in the Financial Years 2003/2004 bearing in mind the increased money that was raised in the last two years raised in respect of the CCTV running costs. Therefore this is a standstill budget proposal and means that there must be prudent use of financial resources

2. In the last budget for this current Year, I suggested that the Reserves had slightly been raised. Due to the increased continued good housekeeping, 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. The Parc yr Orsedd Project is now nearing completion and a £2000 grant was obtained in respect of the work carried out and there are no other major projects to be entered into by the Council in this period under review.

4. The £2000 grant for Parc yr Orsedd does not distort the budget figures, due to the fact CCTV repayment rebate in July, reduced actual costs in this year, but this was a one off and cancelled the effect of the grant.

#### PUBLICITY/PRESS.

There is a need to highlight the fact that as far as ordinary running costs, this will be the fifth year that this Council has suggested a deficit budget as. The extra cost in respect of CCTV have however increased the rate in the past two years, but a nil rise is now recommended.

#### 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. However we need to continue to look for costs savings. It is also prudent to look at some of the traditional

areas where the Council has made Sec 137 grants in the past and examine in detail whether they comply with the ruling that they are in the interest of a majority of ratepayers in the area. We have already commenced the process in the current financial year and we need to continue to carry out the process.

D.I. Williams    Town Clerk.