

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

**SUBJECT:** Precept 2013-14  
**DATE:** 8 January 2013

**REPORT ON THE BUDGET PROPOSALS OF LAMPETER TOWN  
COUNCIL FOR THE FINANCIAL YEAR COMMENCING 1<sup>ST</sup> APRIL 2013  
AND ENDING 31<sup>ST</sup> MARCH 2014**

**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 collected, by means of the Precept. It will also attempt to provide value for money, for the Lampeter Council-Tax payer, bearing in mind that the country remains in recession. The report is to be submitted by the 23<sup>rd</sup> January, to the Council for consideration. The County Council wishes to be informed of the amount requested, by means of the Precept by the 25<sup>th</sup> January 2013.

**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 2012 - 31 March 2013) was reviewed.
- 2.2 The impact of the provision of CCTV cameras was assessed.
- 2.3 The income and expenditure of the present year (1 April 2012 – 31 March 2013) were considered and compared with the previous year. Predictions were made.
- 2.4 The budget for 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 2013, were calculated.
- 2.6 Donations to charities were appraised.
- 2.7 The ongoing costs/future costs were considered.
- 2.8 Conclusions were drawn and options regarding the amount levied by means of the precept (2013-14) were proposed.

2.9 Recommendations were made.

### 3. FINDINGS

#### 3.1 REVIEW OF THE CURRENT YEAR'S PRECEPT (1 APRIL 2012 - 31 MARCH 2013)

The total precept in respect of this financial year (fiscal year ending 31 March 2013), was £43,220. This amount has been constant for the last eight years; there has been no increase in the precept of £43,220. The annual precept payment for the Band D Council-Tax Payer has remained unchanged at £47.89, for the past eight years and, allowing for inflation, this has represented a reduction in payment.

The Precept is collected on behalf of the Town Council by Ceredigion County Council and represents approximately 5% of the Council Tax.

#### 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 remains 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 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. The decrease in the CCTV cost was not reflected in a reduction in the Town Council's precept.

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. (present cost). The Town Council is presently questioning the need to pay £2,000 per annum per camera.

**3.3 THE INCOME AND EXPENDITURE OF THE PRESENT YEAR  
(1 APRIL 2012 – 31 MARCH 2013)**

**3.3.1 CALCULATION OF EXPENDITURE FOR THESE 12 MONTHS BASED ON ACTUAL EXPENDITURE DURING THE FIRST 9 MONTHS OF THE YEAR (2012-13)**

<b>ACTUAL RUNNING COSTS FROM 1 APRIL TO 31 DEC 2012 (inc vat) Less £15,000, donated to Transition Llambod from the reserves</b>	£53,061 <b>£38,061</b>
Subtract VAT, which will be recoverable	£ 3,470
Subtract annual CCTV payment	£12,000
Subtract annual Mayor's Allowance	£2,820
Normal running costs (9 months) excluding VAT, CCTV + M. Allow- as paid annually	£19,771
Therefore running costs for next 3 months (less MA less CCTV less VAT and not allowing for the £15,000 Transition Llambod donation)	<b>(£6,590 for 3 months)</b>
Add back on CCTV payment	£12,000
Add back on Mayor's Allowance	£2,787
<b>TOTAL EXPENDITURE EX VAT</b>	<b>£41,148</b>
<b>TOTAL EXPENDITURE INC VAT</b>	<b>£44,618</b>
<b>(LESS £266.50 PAYMENT FOR MUGS) + including VAT</b>	<b><u>£44,351.50</u></b>
<b>(LESS £266.50 PAYMENT FOR 41 MUGS) excluding VAT</b>	<b><u>£40,881.50</u></b>

**3.3.2 INCOME FOR THE FINANCIAL YEAR (COMMENCING 1 APRIL 2011 AND ENDING 31 MARCH 2012) - the present financial year**

(includes projected income for the next 3 months inclusive of VAT)

The Precept for the year 2012-13	£ 43,220
Interest Received: Lloyds TSB Bond	£ 1,417
Barclays bond: Interest received	£ 270
Grant (Community Paths Scheme)	£ 565
VAT Refund	£ 3,446
Jubilee Mugs (sale)	£ 266.50
Grant: Tai Cantref Balchder Pentrefi Project	£1,000

	<b>TOTAL</b>	<b><u>£50,184.50</u></b>
LESS sale of Jubilee mugs		<b>£49,918.00</b>
Income (£49,918) less Expenditure (£44,351.50) =		
<b>£5,566.50 (inc VAT)</b>		
Income (£46,472) less Expenditure (£40,881.50)=		
<b>£5,590.50 (exc VAT)</b>		

### 3.4 MAESYDERI FIELD PROJECT (Ex VAT)

EXPENDITURE 2009-10	£6,536
EXPENDITURE 2010-11	£11,357
EXPENDITURE 2011-12	£1,694
EXPENDITURE 2012-13 (To date)	£1,685

£21,272 has been spent to date on this project, to maintain the field as an amenity for the people of Lampeter. £15,000 had been received from a Police Grant.

It had been hoped to construct a Bike Track on the field. £910.60 had been raised for this project. This £910.60 has been transferred to a separate account. A few pence interest has accumulated during the course of the year. A Budget of £1,500 per annum had been allocated to the Field during the Budget Meeting of January 2010.

### 3.5 THE PROJECTED AMOUNT OF RESERVES IN THE BANK ACCOUNTS AT THE END OF THE FINANCIAL YEAR (COMMENCING 1 APRIL 2011 AND ENDING 31 MARCH 2012 ) - the present financial year

- Lloyds TSB approx.£18,000 @ 31.12.2012
- Lloyds Bank 18 months' a/c £90,000 (started 16.05.2012)
- Barclays Bonds, £15,270 start date 27.07.2012, maturity date 26.04.2013. Interest rate 1.7%; interest due on maturity £194.16
- Swansea B/s (commenced March 2009) £100
- Alliance & Leicester £28.00

**TOTAL Approx: £123,400 @ 31.12.2012**

**Field Account £911 @ 31.12.2012**

If spending will continue at the same rate for the next three months (£6,590); the balance will be reduced to £116,810. The Town Council is involved in a Balchder Pentref Project under the auspices of Ceredigion County Council and may have to contribute approximately £3,000 towards the project. The town council's year end balance will then be reduced to £113,810 and the £1,000 Tai Cantref Grant is also ear-marked for this project, bringing the reserves at the end of the 2012-13 fiscal yr to £112,810.(approx. £113,000)

The c/f figure at the beginning of the 2012-13 financial year was £127,935, which represents a decrease of £15,125 in the reserves at the end of the 2012-13 Financial Year, quoting the £112,810 figure. This is not due to additional expenditure when compared to the previous year, (Expenditure £45,000 in the 2011-12 Fiscal yr inc. VAT but ex. Donation of £15,000 to Lampeter Swimming Pool and £5,000 for the Victoria Hall project) but rather to the contribution of £15,000, which was made to the Victoria Hall Project during the course of the year.

**Appendix 1: Income and Expenditure for the previous Financial year 2011-12)**

**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 there is a spending limit attached to this power. For the financial year 2012-13 the discretionary limit for the purposes of section 137 (4) is £6.80 per elector. 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 £15,592.40 can be given to charity by the Town Council.

Generous donations have been awarded during the last two years viz £15,000 in aid of the Lampeter Swimming Pool and £20,000 to the Victoria Hall Project. This expenditure has 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 for a breakdown in the donations made by the TC. c/f 3128,845 less £910 (Bike Track)**

**3.7 ONGOING COSTS/FUTURE COSTS (Please refer to Appendix 3)**

There could be extra costs incurred next year, when undertaking work associated with the following projects. Costs may have to be met, in part, from reserves, if the TC chooses not to increase the precept of £43,220.

**3.7.1 FOOTPATHS: a grant of £650** was received during the year to assist in the maintenance of the footpaths. There could be additional costs if the Town Council wishes to carry out additional work during the forthcoming year and should there be a decrease in the level of grant-funding.

**3.7.2 PARC YR ORSEDD:** In need of a new fence and play-apparatus, which are additional costs to that which have

been incurred this year. It may be possible to source grant-funding. During the course of the year £1,086 has been spent in relation to grass-cutting from April to October and for the hire of a person to check for vandalism and to collect litter on a regular basis. Also costs have been incurred concerning the repair of the Fit-Trail Equipment, which has been the subject of vandalism, the removal of redundant wooden play-equipment and the trimming of the long hedge adjacent to Bryn Field. Re the annual play-ground inspection, the county council no longer offers this facility and the TC will have to make its own arrangements re the inspection. Cllr Chris Thomas has undertaken a Play Inspection Course in the past.

**3.7.3 VENUE OF MEETINGS:** the TC currently meets at St Peter's Church Hall (£8.50 per hour).

**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. No training has been received to date by Cllrs or the Clerk apart from a few County Council/ One Voice Wales courses in relation to matters appertaining to the *Code of Practice* and the *Declaration of Interest* at meetings.

**3.7.5 TRAVELLING COSTS** (currently set at 44pence per mile). All photocopying/printing by cllrs could be reimbursed.

**3.7.6 BILINGUALISM;** additional costs would feature, should the Town Council wish to increase its provision of the Welsh Language.

**3.7.7 MAESYDERI FIELD:** the £1,500 present budget could be reviewed.

**3.7.8 STREET LIGHTING:** many street lights are extinguished from 12midnight to 5am.

**3.7.9 PICTON LANE**

**3.7.10 MAYOR'S ALLOWANCE**

Resolved to be increased by 1.5% annually at the January Budget Meeting of 2010.

**3.7.11 RUNNING OFFICE COSTS**

- **Careful purchase of copy paper, files and envelopes** have reduced costs. Letters, which can be hand delivered, are usually not posted. Emails are sent to those who possess email facility thus avoiding the cost of printing and delivering documents. (but additional cost to the recipient should he/she choose to print the document)
- **Broadband/Phone** is usually approx. £100 per quarter.
- **New Computer System:** a laptop has been purchased in January 2012. This replaces the

desktop (which had been acquired 6 years ago) and is now the Town Council's primary computer. The laptop's keyboard can be somewhat confined and the screen very small, when looking at maps and diagrams in particular.

- **A new (black-ink only, non-wireless)** printer/photocopier was also purchased during the year. It is common practice to receive electronic copies of letters and these, very often have to be printed, incurring additional costs. Should colour copies be required, it will be necessary to visit commercial outlets within the town, who offer this facility. The present photocopier/printer is not designed to produce vast quantities of photocopies eg the 100 copies of the Mayor's Installation Programme. When requiring large quantities of photocopies, it will be necessary to do so in the town Eg Remembrance Day leaflets.
- **A non-encrypted back-up facility of £20** has been purchased recently to save data, in the interest of safety, as the laptop is a portable device and could be lost/stolen.
- **There could** be extra costs should the TC wish to purchase a dongle, which would have to be topped up on a regular basis, for broadband T-Mobile connection at the Church Hall.

**3.7.12 ELECTION COSTS 2012:** these were calculated as £153 and will be deducted from the precept before it will be received by the town council.

**3.7.13 OTHER POSSIBLE DELEGATED SERVICES FROM THE COUNTY COUNCIL EG PUBLIC CONVENIENCES; FLOWERS**

**3.7.14 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 for translating purposes) which equates to approximately £8,000 (gross) per annum.

**3.7.15 Town Council's Notice Board:** the town council is considering the possibility of replacing the existing notice board.

**3.7.16 The Mayor's Chain:** this is in need of repair.

#### **4.0 CONCLUSION**

**THE AMOUNT LEVIED BY MEANS OF THE PRECEPT (2013-14)**

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 Town Council has assumed a 2.7% inflation allowance on all its calculations for next year's budget.

The options include:

**OPTION 1**

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

Normal running costs (ex VAT)	£40,881.50
Allowance for inflation @ 2.7%	£ 1,103.80
<b>TOTAL</b>	<b>£41,985.30</b>

**OPTION 2**

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

**OPTION 3**

**The precept is increased** by a marginal amount to keep in line with inflation i.e. a 2.7% increase. £43,220 + £1,103.80= £44,323.80. Less money would then have to be drawn from reserves, if necessary.

**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 may be considering an increase to its portion of the council tax and the police could 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 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, in this time of austerity. 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, in line with inflation should be examined.** The sum of £43,220 has



remained frozen during the last 8 years. Due to inflation, this has meant a decrease for the Lampeter rate-payer.

- 5.4 The reserve of £113,000** should be considered. The recommended amount of reserves is no more than twice the precept ie  $£43,220 \times 2 = £86,440$ , allowing £26,500 to be used prudently on various projects, which would benefit the people of Lampeter.
- 5.5 Local Government** is facing significant spending reductions. Councils now face a massive squeeze. The government is demanding radical cuts in spending, which are aimed at local government. There will be deep cuts in capital investment for years to come. 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 County Council has mentioned that some non-statutory services e.g. public conveniences, provision of flowers for the town over the summer months, could be delegated to the Town Council. Should the TC wish to assume responsibility for these services, funding will be necessary (which could be met from the reserves, considering the present financial situation of the TC or the precept could be increased). It has been stated that money could become available to Town & Community Councils, directly, from the Welsh Government.
- 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. Should the Town Council require funds at short notice, more money should be deposited in the Lloyds TSB current a/c (0.01% interest)
- 5.7 The amount of money** donated to local charities should be regularly reviewed. Please refer to Appendix 2.
- 5.8 Crime-prevention should remain a priority**, with the maintenance of an efficient CCTV System.
- 5.10 The Financial Officer's preferred option is Option 1** i.e. no change in the level of the precept for the 2013-14 Financial year, due to:
- The current economic climate;
  - The generosity of past precepts, due to changes in the cost of CCTV payments &
  - The level of reserves held by the Town Council.

## • **APPENDIX 2**

### • **DONATIONS 1 APRIL 2012-31 DECEMBER 2012**

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- Lampeter Food Festival £500
- Eisteddfod Llanbedr PS £1,000
- Lampeter Carnival £500
- Lampeter Round Table £300
  - National Eisteddfod £100
  - Urdd Gobaith Cymru £50
- Poppy Wreath £20
  - Leaflets Rem. Sunday £11
  - Microphone Remembrance Sunday £60
  - Insurance of the Young at Heart £203
    - School Disco, Pop and Crisps £96
    - DJ Disco Ysgol Ffynnonbedr £100
    - Cangen yr Urdd Llambod £300
  - Lampeter World Sacred Music £500
    - Jubilee Mugs £2,708
    - NSPCC Childline £25
  - Marie Curie Cancer Care £50
    - Ray Ceredigion £100
    - Children in Need £25
  - Walkers are Welcome £50
  - Victoria Hall Project £15,000

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- **TOTAL £21,698**

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- Donations are expected to be made, amongst others, to the Citizens' Advice Bureau, Chamber of Trade Christmas Lights' Electricity Costs (£600), Lampeter Music Club, Lampeter Agricultural Show and a request has been received from the Lampeter Youth Theatre. Also donations to various other charities. The TC pays for the hire of the Victoria Hall to hold the Young at Heart's Teas.

## **DONATIONS 1 APRIL 2011-31 MARCH 2012**

- Eisteddfod Llanbedr PS £1,000
- Eryl Jones Insurance- Young at Heart £243
- Harold DJ School Disco £60
- Refreshments for Disco £90
- Help the Heroes £50
- Cangen yr Urdd Llambod £100
- T Llew Jones Fund £25
- Clonc: Papur Bro £100
- Leno Conti Shield: Inscription £20
- Carnival Committee £500
- Lampeter Food Festival £500
- Lampeter Swimming Pool £15,000
- Shelter Cymru £25
- Lampeter Round Table £300
- Victim Support £50
- Urdd Gobaith Cymru £50
- Third World Lunch £30
- Eisteddfod Genedlaethol £100
- Homestart Ceredigion £50
- Poppy Appeal £20
- Citizens Advice Bureau £500
- Lampeter Agricultural Show £100
- Lampeter Youth Theatre £50
- Macmillan Cancer Care £50
- British Heart Foundation £50
- Urdd (Pencarreg Pupil) £50
- Air Ambulance Wales £50
- Victoria Hall Transition Llambod £5,000
- Lampeter Music Club £100
- Bobby Van Scheme £50
- Young Farmers Ceredigion £50
- Ceredigion Age Concern £50
- Campaign for the Protection of Rural Wales £20
- Microphone Remembrance Sunday £60

**TOTAL: £24,493**

**APPENDIX 3 BUDGET REPORT LAMPETER TOWN COUNCIL 2013-14**  
**Basic breakdown of the Lampeter Town Council 2012-13 Budget and Precept**

Details	£	Includes
1. CCTV	£12,000	Ongoing Maintenance of Town CCTV System
2. Civic	£2,829 £152	Mayoral Allowance Cleaning of Civic Gowns
3. Hire of St Peter's Church Hall	£265	The Town Council's meeting place
4. Hire of Victoria Hall for the Young at Heart Teas	£350	Meet ever fortnight
5. Audit	£400 £150	External Audit Internal Audit
6. Implementing the Town Council's Welsh Language Scheme	£1,500  £119.85	Translation of all meetings from the English Language to the Welsh language. Translator in part at the Mayor's Installation Ceremony
7. Training	£60 £130	One Voice Wales Courses One Voice Wales Conference
8. Insurance	£2,000	Town Council & Volunteers; Christmas Lights
9. Salary (Clerk)	£6,800.00	12 hours per week
10. Footpaths	£1,130.00 (£650 Grant Funding received)	Maintenance of footpaths over the summer months
11. Parc-yr-Orsedd	£1,086  £80 £50 £55	Grass-cutting from April to Oct (inc) + inspection of park Removal of redundant items Cutting of hedge Park Inspection
12. Maesyderi Field	£1,585  £55	Grass cutting April to Oct (inc) Removal of mound of earth Levelling the trenches Field Inspection
13. Stationery	£450 £210 £118 £240 £50	BT Broadband and Phone Hosting Website Stamps Storage/Electricity Paper/Envelopes/Files
14. New Equipment	£152.85 £40  £20 £25	Printer/Photocopier/Ink Transfer of data from desktop to laptop Back-up facility T-Mobile Dongle
15. One Voice Wales membership	£300	General advice to Town Council
16. Election costs	£153	May 2012