COWBRIDGE (ANCIENT BOROUGH) with LLANBLETHIAN TOWN COUNCIL

BUDGET REPORT & PRECEPT RECOMMENDATIONS 2024/25

TO:	Members of Cowbridge with Llanblethian Town Council
PRESENTED:	At an Extraordinary Meeting of the Full Council, 16 January 2024
FROM:	Cathy Kennedy, Responsible Financial/Proper Officer/Town Clerk

1) PURPOSE OF THE REPORT

This report is presented for Members' review of the recommended 2024/25 Annual Budget (appendix one) and the proposed Precept for the financial year 2024/25. Please take note of the anticipated changes in the Council Balances and Reserves.

It is important to note that keeping the Precept down should not be a priority over action that benefits the community.

There are nine recommendations in this report which all need to be approved by members'.

2) BACKGROUND

Town and Community Councils do not receive any grant from either the Welsh Government or the Local Authority, they rely solely on the Local Precept and Income from Charges. Cowbridge with Llanblethian Town Council's Tax Base as confirmed by the Vale of Glamorgan Council for 2024/25 is £2,889. The Council Tax Base consists of the number of Band D equivalent dwellings in the area.

Exemptions and discounts are taken into account and the number of properties in each band is reduced to reflect these. The Council Tax Base is calculated by multiplying the reduced number of properties in each band by its ratio to band H and adding these products together to arrive at the total number of band D equivalents.

Subject to the councils' financial regulations, the attached budget gives the clerk and other officers' overall authority to make spending commitments in accordance with the plans approved by members.

3) BUDGET HEADS

Below is a summary of the budget heads. For more detailed information, please refer to the attached spreadsheet.

4) ADMINISTRATION

Salaries/PAYE/Pension
Temporary Staff
Marketing
Stationery
Postage
Photocopier
Subscriptions
Legal Fees
Elections
Training
Sundries
Audit
Telephones
Insurance
ICT new equipment
Software Costs
Mileage
Photographer/Videographer

By the end of the 2023/24 financial year, the Council is anticipated to incur £198,538 in administration costs, resulting in an overspend of £44,153.

The excess expenditure can be attributed to specific factors: £12,000 stemming from the necessity to hire temporary staff due to unprecedented long-term employee absences; £28,500 attributed to the recruitment of an additional full-time staff member, a position that was not initially budgeted for, to address the growing workload; £3000 attributed to the pending recruitment of a part-time Community Engagement Officer in January; £1000 on utilities.

This strategic appointment aims to address the escalating demands associated with the increase of demands on current staff with the addition of Christmas Events, May Day/Summer Events, and the requirement to actively engage with the community regarding Place Planning and related initiatives.

The anticipated staff costs for the 2024/25 period will be lower than initially projected due to the recent decision by the Staffing Committee to decrease officer staffing hours, from three full-time staff members to a composition of two full-time staff members and one part-time staff member.

RECOMMENDATION 1

To consider and approve the 2024/25 administration budget recommendation of **£219,620**

5) LEISURE & AMENITIES

Limes Shed (utilities)
Limes Cemetery
Holy Cross Church Yard
Southgate Park
Tree Maintenance
Grounds Maintenance
Sundries
Play Equipment
Play Equip Maintenance
Bench Maintenance
Bio-diversity
Grass Cutting
Playground Inspection
Bin Collection
War Memorial Maintenance
Van Lease
Van Fuel

By the close of the financial year 2023/24, the Council is anticipated to incur expenditures totaling £35,697 in the category of Leisure & Amenities, surpassing the allocated budget by £3,700. The breakdown of this overspending is as follows: £4,500 arises from the transfer of van lease and fuel costs from the administrative budget, and £1,000 for standing order electricity costs related to the Limes Shed. The shed, once requiring electricity for the council's rental occupancy, is presently repurposed as a storage facility and workshop for the maintenance team, rendering the electricity supply unnecessary. Therefore, measures are in place to remove the meter and close the account.

Additionally, £1,400 overspend is attributed to exceeding the budget designated for the repair and maintenance of memorial stones at the Holy Cross Churchyard. There is also an overspend on play equipment maintenance, primarily due to the ageing Twt Park equipment. It is recommended that the Twt Park budget is increased annually to be able to fund/match fund new play equipment and that grants are sought for this purpose.
A portion of this overspend is offset by an underspend in tree maintenance. The tree budget has undergone a reassessment, resulting in a reduced allocation moving forward. This adjustment follows the committee's approval to engage a tree surgeon to carry out a mini annual tree survey and necessary proactive measures, ultimately contributing to a more economical use of funds.

It is crucial to emphasise the intention of officers to seek grants to supplement the replacement of play equipment in Twt Park. This decision is founded on the recommendations of the park inspector, who recommends the replacement of outdated equipment in light of safety concerns and wear.

RECOMMENDATION 2

To consider and approve the 2024/25 leisure & amenities budget recommendation of: **£82,020**

6) TOWN HALL

Main Hall
Lesser Hall
Council Chamber
Robing Room
Big Screen
Marketing
Business Rates
Maintenance & Repairs
Maintenance Equipment
Urgent Repair Works
Frontage Project
Office Equipment
Utilities
Clock Maintenance/Service/Repair
Temporary Staff
Window Cleaning
Lift Maintenance/Service/Repair
Roof Maintenance/Repairs
Hygiene & Cleaning
Boiler Replacement/Maintenance/Service
Marriage Licence
Locks
Projector

It is projected that the Council will spend £34,700 of the Town Hall budget by the end of the financial year 2023/24, representing an overspend of £65. Notable reductions have been implemented in budget allocations for items such as boilers and clocks, as following extensive projects undertaken in 2023/24, it is expected that only essential services will be needed in the next 12 months. Nevertheless, an upward adjustment has been made to the budget for roof works, considering the remedial repairs requested by CADW. Additionally, allowances for inflation have been factored into the budgets for utilities and business rates.

The following is recommended for 2024/25 which is on target with the 2023/24 budget:

RECOMMENDATION 3

To consider and approve the 2024/25 town hall budget recommendation of: **£119,150**

7) HEALTH & SAFETY
It is projected that the Council will spend £500 by the end of the current financial year. The following is recommended for 2024/25.

RECOMMENDATION 4
To consider and approve the 2024/25 health & safety recommendation of: **£2,000**

8) CIVIC
It is projected that the Council will spend £12,661 by the end of the current financial year. The following is recommended for 2024/25.

RECOMMENDATION 5
To consider and approve the 2024/25 Civic budget recommendation of**: £16,850**

9) GRANTS
It is projected that the Council will spend £5,000 by the end of the current financial year. The following is recommended for 2024/25.

RECOMMENDATION 6
To consider and approve the 2024/25 Grants budget recommendation of**: £5,000**

10) COMMUNITY PLAN
It is projected that the Council will spend £0 by the end of the current financial year. The following is recommended for 2024/25.

RECOMMENDATION 7
To consider and approve the 2024/25 Community Plan budget recommendation of**: £5,000**

11) CHRISTMAS
It is projected that the Council will spend £23,390 by the end of the current financial year. The following is recommended for 2024/25.

RECOMMENDATION 8
To consider and approve the 2024/25 Christmas budget recommendation of**: £24,500**

12) INCOME
It is projected that total income for the financial year 2024/25 will be £138,645.00

13) THE BUDGET

Bank Balance 1 April 2023	£132,388
Bank Balance 31 Dec 2023	£168,555
Funds available Jan 2024 to March 2024	£168,555 (A)
Projected remaining expenditure from 1 January 2024 to 31 March 2024	£78,191(B)
Projected total expenditure to 31st March 2024	£335,495
Estimated Balance in bank 31st March 2024	£90,364 (A - B)

14) PRECEPT REQUEST

	Option A	Option B (minus £4,200 Hiraeth Consultancy)	Option C (minus £20,000 play equipment)	Option D (minus £4,200 Consultancy & £20,000 play equipment)
Proposed total expenditure 2024/25	**£474,140(A)**	**£469,940(A)**	**£454,140 (A)**	**£449,940 (A)**
Estimated total income 2024/25	**£138,645 (B)**	**£138,645 (B)**	**£138,645 (B)**	**£138,645 (B)**
Precept required	£335,495**(A-B)** £335,495 **(C)**	£331,295 **(A-B)** £331,295 (C)	£315,495 **(A-B)** £315,495 **(C)**	£311.295 **(A-B)** £311.295 **(C)**
Council tax base rate	£2,998 **(D)**	£2,998 **(D)**	£2,998 **(D)**	£2,998 **(D)**
Current 2023 24 Band D Precept	£87.97	£87.97	£87.97	£87.97
Proposed 2024 25 Band D Precept (per annum)	£111.90 **(C / D)**	£110.50 **(C / D)**	£105.23 **(C/D)**	£103.83 **(C/D)**
£ increase in precept per annum	£23.93	£22.53	£17.26	£15.86
£ increase in precept per month	£2.39	£2.25	£1.72	£1.58
Precept generated	**£335,495**	**£331.295**	**£315,495**	**£311,295**

NOTE: The above figures are based upon projected income and expenditure. Any decrease in income and/or increase in expenditure will affect any future deficit/surplus.

It is worth noting that the town council abstained from increasing its precept for several years. This decision resulted in a decline relative to inflation, rendering the council unable to finance the necessary repairs and maintenance for a deteriorating Grade 2 listed building requiring extensive restoration.

Furthermore, as a result of growing responsibilities and initiatives, for example, taking control of Summer Baskets from Cowbridge in Bloom. Taking responsibility for Christmas Lights and the Christmas Parade from the Chamber of Trade. The aforementioned activities then leading to an increase of staffing roles/hours, plus Community Engagement and Place Planning. This expansion involved hiring three full-time and two part-time members, leading to an increased salary expenditure.

RECOMMENDATION 9

Approve Item 10, Option A of this report involving an annual precept increase of £23.93 based on Band D properties. This translates to a monthly increase of £2.39 per Band D property.

15) FINANCIAL IMPLICATIONS

OPTION A

If the council approve Option A, it would result in a balanced budget with no deficit or surplus.

OPTION B

If the council approve Option B, this will mean the £4,200 Hiraeth Architectural consultancy fee for the Town Hall will not be budgeted for and grants would be required. This would involve an annual precept increase of £22.53 based on Band D properties. This translates to a monthly increase of £2.25 per Band D property.

OPTION C

If the council approve Option C, this will mean the £20,000 for new play park equipment in Twt Park will not be budgeted for and grants would be required. This would involve an annual precept increase of £17.26 based on Band D properties. This translates to a monthly increase of £1.72 per Band D property.

OPTION D

If the council approves Option D, this will mean the £20,000 for new play park equipment in Twt Park and the consultancy fee for the Town Hall will not be budgeted for and grants would be required for both projects. This would involve an annual precept increase of £15.86 based on Band D properties. This translates to a monthly increase of £1.58 per Band D property.

16) RESERVES

Estimated Balance in the bank 31/03/24	£90,364
RECOMMENDED GENERAL/CONTINGENCY RESERVES	
Contingency/Reserve Balance	£90,364

Contingency/Reserve Balance

It is recommended that community/town councils maintain general/contingency reserves ranging from a minimum of 3 up to a maximum of 12 months' worth of monthly expenditure. Given that this town council typically incurs an average monthly expenditure of £25,000, the suggested reserve balance of £90,364 represents a contingency fund equivalent to 3.6 months.

RECOMMENDATION 10

To approve £90,364 general/contingency reserve fund for unprecedented emergency spend.

RECOMMENDATION 11

Following successful approval of the Precept Request by Members', the Town Clerk to inform the Vale of Glamorgan Council of the 2024/25 Precept requirement by the 31st January 2024.