

REPORT TO: New Quay Town Council

DATE: 17 November 2020

LOCATION: Zoom

TITLE: Budget Proposals of New Quay Town Council for the financial year commencing 1st April 2021 and ending 31st March 2022

PURPOSE OF REPORT: To consider the budget in order to set the Precept for New Quay Town Council for 2021/21

1. Terms of Reference

In order to plan effectively for the forthcoming financial year, the Clerk, as financial Officer is requested to estimate next year's expenditure to ascertain appropriate recommendations. These recommendations will enable Members of the Town Council to determine the amount of money that is needed to be collected, by a means of the Precept.

2. Introduction

The Town Council's Precept represents a small portion of the total Council Tax collected by Ceredigion County Council. For example, for the year 2019-20, the total Band D (average), charge of £1,646.78 for New Quay Council Tax payer is broken down as follows:-

	£	per week (approx.)
Ceredigion County Council	1,364.82	£26.25
Dyfed Powys Police	260.56	£ 5.01
New Quay Town Council	21.40	£ 0.42
Total	£1,646.78	

3. Procedure

In order to obtain relevant information to consider the budget, the following procedure is considered:-

- (i) the current year's Precept is reviewed (1 April 2020 – 31 March 2021);
- (ii) the income and expenditure of the current year (1 April 2020- 31 March 2021) is calculated and compared with other previous years;
- (iii) the projected amount of reserves in the Bank Accounts at the end of the present financial year is calculated;
- (iv) the statutory costs that have to be met within the budget i.e. insurance, inspection cost;
- (v) to note that £399.06 is ring fenced for the defibrillator fund and £500 for the Dylan Thomas project within the reserves; and

(vi) following consideration of (i) to (v) an amount levied by the means of a Precept for the 2020/21 financial year the precept amount can be considered

4. Findings

Review of the Current Year's Precept (1 April 2020-31 March 2021)

The total Precept last years was £16,072.64 This remained the same as in the previous year.

5. The Income and Expenditure of the Present Year (1 April 2020 – 31 March 2021)

Calculation of expenditure for the 12 months of the 2020-2021 Financial Year based on actual expenditure during the first 8 months of the year

Actual Expenditure From 1 April to 31 November 2020	£8929.57
Projected Expenditure from 31 December to 30 March 2021	£2251.40
Total Projected Expenditure	£12,180.97

**Expected Expenditure for the next 3 months (Jan- March 2021) include Clerk salary, website, donations

6. Income for the Financial Year (commencing 1 April 2020 and Ending 31 March 2021)

Precept	£16,072.64
Interest	£6.96
Total	£16,079.60

Total Income Less Total Expenditure (Projected)
£16,079.60- £12,180.97= £3,898.63 added to reserves

7. Projected amount of Reserves in the Bank Accounts at the end of the Financial year (31 March 2021)

The Balance held in both accounts at the 1 April 2020 was £27,482.87 It is projected that the reserves in the bank account at the end of the financial year will be £31,381.50. However, it should be noted that £399.06 of these reserves is ring fenced for the defibrillator fund and £500 for the Dylan Thomas project. Therefore the Town Council own reserves are projected to be £30,482.44 at the end of the financial year (31 March 2021).

Reserves

For information it is generally accepted that the level of reserves is usually no more than the level of the precept or one year's expenditure". Further guidance on this matter can be obtained from: Governance and Accountability in Local Councils in Wales – A Practitioner's Guide.

8. Charities:- Appropriate the sum under Section 137 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 2020-21 is £8.32 (amount for 2021/22 not issued at time of writing report)As there are 791 people on the electoral list of New Quay@ 01/04/2015 figure derived from figures quoted by Ceredigion County Council), then £6,581.12 can be donated to charity by the Town Council. However, it is noted in recent years that the donations do not exceed £50.00.

Other sections of the Local Government Act 1972 have permitted the Town Council to award these grants in addition to the S137 Allowance.

9.Ongoing Costs/Future Costs

Due to the increasing demands on the precept of the Council again this financial year consideration should be given to these demands and if the Council will continue to fund services such as the hall, museum and library.

£1000.00 has also been agreed as an annual donation to the Memorial Hall since 2017/18 budget.

10. Draft budget for 2021/22

ITEM	COST
Clerk Salary & Expenses	£4,719.36 (to include HMRC payment)
Ink printer	£180.00
Mayrol expenses	£200.00
Hire of Hall	£165.00
One Voice Wales	£290.00
Translation	£500.00
Insurance	£1000.00
Internal & External auditors	£350.00
Annual Skateboard park inspection	£100.00
Footpath Trashing	£830.00
Erection of Christmas Lights & Christmas Tree	£250.00
Maesypwll Trashing	£500.00
Fund car park spaces	£250.00
Library (electricity)	£1500.00
Cutting grass library	£150.00
Museum rent	£900.00

Donations	£250.00
Domain Server charge website	£60.00
Skateboard park (allocated for unforeseen issues in last budget)	£700.00
Memorial Hall annual donation	£1000.00
Unforeseen issues/ purchase of benches	£2000.00
Total	£15,894.36

Donations to date - None – as Aberaeron swimming pool and Hall had been agreed in previous financial year

Issues need to be addressed in 2021/22 from Reserves or increased precept	
Painting of benches/bins/replacing	£2000 (need to discuss with CCC regarding part payment)
Signage projects	

11.RECOMMENDATIONS

Members of the Town Council are recommended to give consideration to the budget outlined above and the need to consider the following options-

- 1. Precept remains the same to maintain the services in the budget and that future projects costs are used from reserves- i.e. that the amount levied by means of the precept will be £16,072.64 and will remain the same. A stand-still budget would be welcome by rate-payers in light of the recession. 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**
- 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.**
- 3. Increase in the Precept due to the continued pressure to take on and maintain services.**

INCREASE	AMOUNT	PRECEPT
1%	160.73	£16,233.37
2%	321.46	£16,394.10
3%	482.18	£16,554.83
4%	642.91	£16,715.56
5%	803.63	£16,876.29

REASONS FOR RECOMMENDATION (S): In order to consider set the Precept within the budget

Contact Name: Mrs Dana Jones
Designation: New Quay Town Council Clerk
Date of Report: 16 November 2020