

Council Budget, Precept and Council Tax 2021-22

Report of the Administration Working Group

Purpose of the Report

To provide the Council with the information necessary for its decisions on the Budget, Precept and Council Tax for 2021-22

Recommendation

The Council agrees the budget recommended by the Administration Working Group as set out in Column 5 of Appendix 1 and a consequential precept of £128455 which will lead to a Band D Council Tax of about £36.79 per property which is an increase of 5.2% on this year.

Background

Each year the Community Council must agree a **precept**, i.e. the amount that it requires RCT County Council to collect from the residents of Pontyclun in the council tax contribution to the Community Council's planned expenditure.

The Community Council is required to agree its precept alongside its agreement on budgeted expenditure and income for the coming year, taking account of whether its reserves are more or less than sufficient to meet their purposes.

Comparisons and Trends

Between 2012-13 and 2017-18 the Community Council maintained no growth in the precept of £110,000 through a series of cost savings which included:

- A reduction in the number of hours and the grade of the post of Clerk
- A reduction of 3 manual posts to 2
- The relocation of the public conveniences
- The reduction in the number of hanging baskets from 70 to 24
- The elimination of rental payments on the car park
- The withdrawal of shop front Christmas Trees

Since then the Council has agreed to increase its precept each year to reflect inflationary increases. Last year the precept was £122100 at £34.97 per band D. This compares with approx. £65 in Llanharan, £80 in Llanharry and £43 in Llantrisant.

The Context for 2021-22

Because of the effects of Covid there are a number of significant budget changes. Some are beneficial to our budget and others adverse.

Details on the significant changes are outlined below together with recommendations from the group.

The working group is making some recommendations regarding assumptions and our services. Without incorporating these and just implementing an inflationary cost increase our precept would need to increase by 12.66%

Income

The Officers have planned on the assumption that groups will start return from April and that lunches will also start to be served from then. If this assumption proves incorrect then the general reserve will be used to support our services

In past years the Community Shop has given us a grant of £2500 towards running Café 50. No grant was paid this year due to Covid.

Our Chair has spoken to them and whilst there are Covid issues the Community shop team feel confident that they should be able to resume a grant to us during our next financial year. The Admin group recommends that this is assumed in our figures.

Action – does the Council agree to include a potential Community Shop grant in our budget calculations?

Staffing Costs

The Council had agreed to implement an increased cleaning regime once Café 50 reopened. This would have been an additional 1 hour per day. At that time, it was not expected that a vaccine would be available and we did not have any usage data for the public toilets.

As we now expect that our Café 50 users are likely to be vaccinated before returning and we know that the usage of the public toilets is less than 30 people a day – and more typically 10-20, the Administration Working Group recommends that the additional cleaning regime is not implemented. For the initial reopening we grant funding to cover any additional cleaning costs for about 2 months and this should be enough.

Not implementing this additional cleaning will save £3200 in direct staffing costs about £350 in additional holiday cover required.

The staffing cost increases are therefore due to pay scale/rises only.

Action – do members agree with this recommendation regarding ongoing cleaning?

Car Park in Heol yr Orsaf

The Community Council has a lease on the car park in Heol yr Orsaf. Whilst there is no rent to pay this does make us liable for non-domestic rates on the car park and its maintenance.

The projected rates for 2021-22 at the car park are around £1700

The fence at the car park requires significant repair; the lines need repainting and the sink hole needs refilling. All these would require expenditure within the next year or two.

The current car park lease expires on 31st March 2021 and the Administration working group recommends that the Council does not renew the lease.

Handing back the car park would mean that RCT would implement its normal parking arrangements which in normal times should mean that free parking would continue but be restricted to 4 hours at a time.

With likely increased working from home in a post Covid world and the additional parking having been added by the Rugby Club, the group felt that this should not cause too much of an issue with users going forward.

Members should note that on surrender of the lease RCT could ask us to make the fence and line painting good so a one off cost might arise.

Action – do members agree with recommendation not to renew our lease on the car park? If so, do they wish us to continue to keep the area tidy as we do now?

General budget increases

Where actuals are known they are used in projections, otherwise we have assumed inflation at 2%, Staff pay rises based on the Chancellor's public spending announcements in the autumn statement and RCT related bills to rise at 4%

Café 50 Service charge

The Café 50 lease allows for a service charge. RCT have advised us that they will start charging next year but as yet have not provided any indications. The Clerk has included £1k in budget to support this expenditure

Utilities charge

Our utilities are billed to RCT who then periodically recharge to us. The last time they billed us it was for 2018 and our budgets for 2020 and now 2021 are based on this. RCT advise that they expect to bill us for 2019 and 2020 early in 2021 and this is included in this year's budget figures.

The Administration working group recommends that we plan for this on the assumption that we will only be open for 9 months of the year and reduce the projected spend to £3375

Training budget

Due to Covid issues it is unlikely that members or staff will be undertaking any face to face training in the next year so the group recommends reducing the combined training budget from £1k to £500

Maintenance and Minor Projects (excluding Trees)

This budget is for the maintenance & repair work which the Council undertakes. By its very nature this is volatile as will largely depend on wear and tear, weather and vandal damage.

The Working group recommends retaining this budget at same level as last year – this will be 4th year at same level

Tree costs

Last year the Council agreed to set a total annual budget of £3k per year (nominally split £1k budget and £2k to earmarked reserve). Any money not spent from this to be added to the earmarked reserve towards future years.

The group recommends continuing this policy

Website

The Administration Working Group recommends that this budget is reduced from £450 to £300. The Council's website was upgraded this year and the new hosting is cheaper for the supplier and subject to us paying annually upfront they have agreed this significant reduction

Software/ Hardware

The Administration Working Group recommends that this budget is increased by £100 to cover cost of bi-annual domain name for e-mails which is due in early 2022

Health & Safety/Cleaning costs

Budget proposed reflects increases in costs relating to additional Covid safety measures which are expected to remain in place (e.g. Hand sanitisers; wipes for groups etc.) and an increase in costs for holiday/sickness cover for cleaner.

Administration, Stationery etc.

It is recommended that this budget is reduced by 10% to reflect savings from reorganising processes.

Printing

Budget reduced here to reflect the expiry of our photocopier lease and that we will purchase the machine.

This was agreed by the Council in the autumn.

Licenses

The Council has an obligation to put in places licences for the playing of music and videos. The Council has an EMR which was used to fund this for 2 years and will cover this in part for 2021-22. A small budget of £200 will be required to balance the cost

Planting

The working group recommends retaining existing budget for a further 12m to reflect that the Council agreed earlier this year to continue existing planting regime.

Community Events

Whilst no events were held this year, we did reallocate our budget towards purchasing additional lights.

The Administration Working Group recommends that we plan to undertake a Picnic in the Park and Christmas festival in the next year to same specification as 2019-20.

As we have some additional lights the group recommends increasing this budget by £200 to cover any additional costs this might incur.

Café 50

The Administration Working Group considered the option of closing Café 50 which it was told would save up to £5000. It recommends that we continue to provide this valued facility.

Footpath maintenance

Members will recall that we have an agreement with RCT CBC that we look after our local footpaths with RCT only doing the larger tasks. They give us a grant of £480 a year towards this however we spend over £10k a year on maintenance.

One option would be to cancel this agreement and implement cost savings accordingly. The group noted that this would lead to a deterioration of the paths and do not recommend this.

The group recommends that our representatives at the RCT/Community Council's liaison group lobby for an increase in grant that is more reflective of the actual costs

Action – do members agree with this recommendation?

Council Office

The group noted that for most of 2020 the Office staff have worked from home and the Office has been closed to visitors.

As such we could review the need to have a physical office.

The group considered that permanently closing the Office would save about £1-1.5k per annum, however decided that having a physical presence was important to our residents and this should continue.

Ear Marked Reserves

1. The Clerk has advised that in order to meet its agreed targets for an ear marked reserve which can continuously replenish the Council's assets, then the revenue contribution to the ear marked reserve should be £12700 and the Working group recommends this transfer
2. The group noted that there is no reserve to replace the Christmas lights as and when they need replacing. So far as lights were new minor repairs have been funded within maintenance and Community events budgets and this will continue.

This year we have had to spend nearly £500 to replace damages and the group recommends creating an earmarked reserve specifically to fund replacement going forward. The fund should be allocated £500 a year until it reaches £5k giving us a fund which would enable to fund the replacement lights over time

3. The Administration working group also noted that the Council has agreed to replace the floral planters over the next 5 years. The cost of this will be up to £7k and the group recommends that this is transferred from General Reserve into an earmarked reserve so that ongoing budgeting is easier to administer.
4. As the Council agreed to change our lease on the Riverside walk to make us responsible for the large Tree work and to maintain the fencing the Group recommends that the Pontyclun Park Earmarked reserve is widened in scope so it also covers this area. No change required at this time to current policy of setting aside funds.

Action does the Council agree with these recommendations regarding earmarked reserves

General Reserve

The General Reserve is forecast to be around £35k after the creation of a "planters" reserve and above our policy range which is £25k-£50k. The Council has already agreed a number of capital projects which will be funded from the reserves including parking initiatives, new signs and benches which if fully implemented without grant funding, will reduce the reserve by £3-5k

The Council has previously recognised the risks of using the reserve for funding on-going revenue commitments and the Administration Working Group has not recommended such a course of action this year and is recommending that the precept fully cover the difference between Income and expenditure (including transfers to EMRs)

Requests by the public for action by the Council

The Officers have received one formal request from a resident of Brynsadler requesting that we consider some Christmas lighting/decorations there.

The Working group noted that the Council has for a number of years focussed its Christmas lighting in Pontyclun where they will act as an attraction for people to use our Community shops. The group recommends that this continues, however, where, similar to Groesfaen, a local community group is created to help improve the area we consider supporting that groups efforts if requested to do so.

Action – do members agree with this recommendation?