LISVANE COMMUNITY COUNCIL: PRECEPT FOR 2021-22

Precept Estimates for 2021-22

Please find attached a draft budget proposal for 2021-22 based on information to hand.

The table shows expenditure by quarter in 2020-21, together with estimated out-turn at the end of the financial year and, where there is a difference of more than 10% (min £100) between estimated out-turn and the budget, how the difference arose. There will be an estimated £25,000 remaining in Reserves at the end of the financial year. A Council should typically hold between 3 and 12 months expenditure as a General Reserve.

As suggested by the Internal Auditor, it is proposed that some of the smaller budget items should be amalgamated.

The Community Council is committed to the early redevelopment of Lisvane Old School Community Centre. PWLB borrowing of £300k is due to be drawn down in 2021Q1 and at its meeting of 13 July 2020 the Council agreed in principle to progress a further £100k of PWLB funding in 2021-22 to be used as a contingency (Min. No. 128/20 refers). Members will need to ensure that the 2021-22 Precept is sufficient to cover repayments to the additional borrowing with a sufficient margin to satisfy affordability.

It is also proposed that £20,000 is allocated to the redevelopment from 2020-21 Reserve funds (subject to final approval in April 2021).

The Budget does identify a need to increase the Precept partly due to inflationary pressures but also as a result of the Council's commitment to achieving an early redevelopment of Lisvane Old School.

It should be noted that there has been a small increase in the number of "Band D equivalent dwellings" in Lisvane (2,513 for 2021-22 which is up from 2,499 for 2020-21). This means that households would pay a smaller contribution if the Precept remained the same.

In the circumstances it is proposed that the Precept should be increased from its current level of £45,000 to £51,000. For a typical band G house in Lisvane this would mean an increase of £3.81 in the annual community charge contribution.

The final column shows the proposed budget for 2021-22. Explanations for the individual budget lines are as follows:

Audit

A fee of £160 has been agreed with the Internal Auditor.

In the past, BDO Accountants undertook the external audit but in future this will be the responsibility of the Wales Audit Office who will conduct a limited audit annually but with a more comprehensive transaction audit every 3 years. Their fee scales indicate a cost of £150 for a limited audit and £260 for a transaction audit for Councils with an annual Precept of £25k to £50k (rising to £230 and £400 respectively for Councils with an annual Precept of £50k to £100k). Additional costs could be incurred where the Auditor requests further information.

A transaction audit for LCC is due for 2022-23

Insurance

A three year contract was agreed in 2020 with Zurich Insurance. The Budget reflects the existing annual cost of the main Council Policy together with a 3% inflationary increase.

One Voice Wales

Budget reflects estimated expenditure together with an inflationary increase. It is proposed to amalgamate this budget with that of “subscriptions”.

Councillors’ Expenses

Provision remains the same (KIV that the Independent Remuneration Panel for Wales requires Community Councils to make available an annual payment of £150 for each Member towards costs and expenses). It is proposed to amalgamate this budget with that of “election and training”.

Election and Training

There is provision of £5,000 for unforeseen expenditure in Reserves that could cover election expenses in the unlikely event of there being a by-election. This line therefore covers purely training and the Provision remains the same. It is proposed to amalgamate this budget with that of “Councillors’ expenses”.

Clerk’s Salary

Provision is increased to cover annual inflation and incremental increase.

HMRC

Provision is increased to cover annual inflation.

Phone/Post/Travel

Provision has been increased slightly to reflect increased stamp costs

Photocopying/Stationery

Remains at £250. It is proposed to amalgamate this budget with that of “equipment”.

Equipment

Remains at £50 as no major purchase envisaged. It is proposed to amalgamate this budget with that of “photocopying/stationery”.

Web Site

Reflects agreed support cost of £100 for Eyelid and £50 for hosting by Cloudnext

Subscriptions

Provision is increased to cover annual inflation. The budget covers annual payments to the SLCC and the Information Commission. It is proposed to amalgamate this budget with that of “One Voice Wales”.

Remembrance Sunday

This budget covers just the purchase of wreaths, as maintenance of the War Memorial site is included under "Village Plan"

Football Pavilion

This provision remains at zero but the line has maintained as a contingency. It is proposed that the line is removed given that the pavilion is due to be demolished.

Footpaths

This allocation supported the publication of the footpaths booklet in 2013-14. Proposed provision is zero but the line is retained in case the Council wishes to support a project at some stage in the future.

Grants

a) **General –** there have been no general grants in 2020-21. Suggested provision remains at zero.

b) Big Picnic – Provision has been maintained at the same level as the 2020-21 original budget

c) Library and telephone – For the period of the building work the Library telephone line contract has been cancelled which means that this budget applies solely to the Library grant. It is proposed that the grant is increased (a) because annexe heating costs are higher than the cabin (b) in anticipation of a larger increase that will be needed when the Library moves to the main hall and (c) to comply with the Charity Commission regulations which require Charities to "get the best deal for your charity" in respect of rental arrangements

d) Friends of Cefn Onn – On the assumption that a return to normal meetings will be possible later in 2021 a budget of £180 is appropriate (based on 2 hour bookings at Lisvane Memorial Hall Committee room x 9 meetings)

e) Friends of Coed y Felin – On the assumption that a return to normal meetings will be possible later in 2021 a budget of £180 is appropriate (based on 2 hour bookings at Lisvane Memorial Hall Committee room x 9 meetings)

f) Lisvane 50+ Club – On the assumption that a return to normal meetings will be possible later in 2021 a budget of £208 is appropriate (based on 2 hour bookings at Lisvane Memorial Hall small hall x 8 meetings)

g) Youth Club – Provision is zero now that the Club is of an overtly religious nature. It is proposed that this line is removed.

Community Projects

a) General

This budget has been set at zero in the light of no expenditure this financial year.

b) Planning (LDP)

Not currently required as LDP has been adopted.

c) Old School

This budget is intended to cover PWLB servicing costs. To a large extent, affordability has been demonstrated by the way in which LCC has been able to make annual contributions of £15k to LOSCC. Recent increases in the annual Precept has provided improved serviceability.

Arrangements are in hand for £300k of fixed interest rate debt to be drawn in 2021Q1 and there is also an agreement in principle to progress an additional £100k contingency loan in 2021-22. The rate of interest will be fixed for the duration of the loan (ie 25 years) but is only fixed at the time of drawdown which means that rates are subject to change prior to drawdown. The table below shows the movement in rates for a typical 20 year loan:

December 2018	2.39%
December 2019	2.80%
December 2020	1.28%

It is proposed that the existing budget of £19,700 should be increased to £25,000. This will adequately service the agreed £300k of PWLB debt together with the new £100k contingency loan (subject to WG approval) but the budget also provides a prudent 30% margin to allow for any adverse movements in rates between now and the time of drawdowns.

d) Village Plan

The provision of £1,500 reflects the usual budget and will allow for the team to work with the new housing developments and also consider new or previous ideas such as:

Enhance the Alexander Garden and monitor bin emptying

Although it might be complex because the Garden is public open space, the Community Council could apply to have the Garden transferred to it as a community asset transfer and take responsibility for maintaining it to the standards it chose.

Improve War Memorial Site

The major work has been done. Maintenance currently costs £120 pa.

Rent

On the assumption that a return to normal meetings will be possible later in 2021 a budget of £180 is appropriate (based on 2 hour bookings at Lisvane Memorial Hall Committee room x 9 meetings)

Confidential Waste

No Provision is anticipated

Maintenance

A Provision is considered appropriate to cover the capital cost of annexe maintenance

Allocation of Reserves

A suggested allocation of Reserves is attached, based on the current estimate of end-year expenditure, to give context. A formal allocation, based on actual out-turn, will be presented for approval in April.

Haydn Davies
Clerk/RFO
January 2021