

**Cyngof Tref Y Trallwng**  
**Welshpool Town Council**  
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# BUDGET REPORT

## 2019 TO 2020

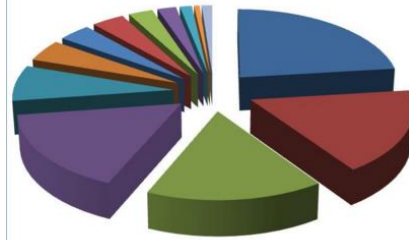
R A Robinson FRICS FILCM  
Town Clerk  
Welshpool Town Council



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## 1. Introduction

This report sets out the background, policy and assumptions adopted when preparing the budget for the year to 31<sup>st</sup> March 2020.

The budget covers the current service delivery, allows for various projects. The budget also takes into account the Sustainability Report approved by Council on 23<sup>rd</sup> August 2017.

The budget has been set on a conservative basis with regards to income and a realistic approach to expenditure. In this way a balanced budget can be set without setting impossible targets to be met which would in turn lead to an unsustainable target.

The budget has allowed for an overall 3% increase in employer contribution to staff pensions. The budget also takes into account the first stage of the a succession plan for the Town Clerk. This year the increased cost is £27,000 and next year it would be £19,000.

The budget takes into account any known changes in grant aid from Powys County Council and an allowance for inflation at 5% totalling £21,000.

The increase in income proposed (apart from secured grants and commercial income) has been achieved by an increase of 76p per week (££40pa per band D property) being added to Council Tax and a level grant from the Burgesses Land Trust Grant as per the Sustainability Plan which was approved by Full Council.

There are two options:

- a) **Red**  
Includes all the items posted on the budget report
- b) **Blue**  
Reduces expenditure on some items  
Delays some of the special projects to 2020-2021

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(ie play equipment, relocation of CCTV etc)

The effect of the Council Tax increased proposed for each Band A to Band D is as follows:

<b>Band</b>	<b>Per Annum increase</b>	<b>Per Week increase (Red)</b>	<b>Per Annum increase</b>	<b>Per Week Increase (Blue)</b>
<b>A</b>	£26.66p	51p	£15.84p	30p
<b>B</b>	£31.11p	60p	£18.64	36p
<b>C</b>	£35.50p	68p	£21.28p	41p
<b>D</b>	£40.00p	76p	£24.00p	46p

There should be no reason for a substantial increase (barring unforeseen circumstances) in the year to 31<sup>st</sup> March 2021.

The following report sets out the detail of how the budget has been prepared.

The final point of interest is the location of the Council Offices. Council confirmed at its December 2018 meeting that the Offices will remain in Triangle House for at least the next 5 years. There has been an allowance made in the budget for works to the building to accommodate the new member of staff.

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## 2. Grant Aid

The Grant Aid available from Powys County Council will change over the next few years. Below is a chart showing the available money based upon the agreements in place.

Year ending 31 <sup>st</sup> March	2018 £	2019 £	2020 £	2021 £	2022 £	2023 £
<b>Grant Aid</b>						
PCC Toilets	5,000	5,000.00	5,00.00	0.00	0.00	0.00
PCC Tourism	12,750	0.00	0.00	0.00	0.00	0.00
PCC Recreation	0.00	0.00	0.00	0.00	0.00	0.00
PCC Day Centre	79,000	79,200	79,500	80,000	80,200	0.00
Street Scene	17,800	17,800	17,800	17,800	17,800	£0.00
<b>Total estimate</b>	<b>114,550</b>	<b>102,000</b>	<b>102,300</b>	<b>97,800</b>	<b>98,000</b>	<b>£0.00</b>
<b>Change</b>		<b>(-12,550)</b>	<b>+300</b>	<b>(-4,500)</b>	<b>+200</b>	<b>(98,000)</b>

It should be noted that when the grant aid comes to its current contractual term Powys County Council cannot be relied on to continue with that funding. It has therefore has bet taken that such funding will cease at the end of current agreements bearing in mind the budget cuts being implemented by the County Council.

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## 3. The past few years

The record of annual accounting of the Town Council since 2009 is set out below. Over the period the reserves have held steady and increased in the past few years in line with Council Policy.

WELSHPOOL TOWN COUNCIL										
<b>Annual Accounts:</b>										
<b>YEAR</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>BROUGHT FORWARD</b>	179496	169392	141964	140866	156551	285860	238672	210961	240687	211360
<b>Income</b>	419573	416417	388928	421165	691999	394587	407542	731491	541451	563516
<b>Precept</b>	145000	171000	190000	196000	211000	236000	261002	275001	320000	340000
<b>Total</b>	744069	756809	720892	758031	1059550	916447	907216	1217453	1102138	1114876
<b>Expenditure</b>	398739	372954	338377	390772	562982	464150	473371	698924	564692	546024
<b>Loans</b>	2491	2492	2492	2492	2492	2492	11493	5492	8491	8491
<b>Salaries</b>	173447	239399	239157	208216	208216	211133	211391	272350	317595	346341
<b>Total</b>	574677	614845	580026	601480	773690	677775	696255	976766	890778	900856
<b>CARRIED FORWARD</b>	169392	141964	140866	156551	285860	238672	210961	240687	211360	214020
<b>Represented by:</b>										
<b>YEAR</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Debtors/Stock	15738	44273	31245	52976	174291	25712	57985	41668	58593	69555
Bank Balances	155804	122354	158922	123717	270539	227966	160311	233376	162646	148515
<b>Total</b>	171542	166627	190167	176693	444830	253678	218296	275044	221239	218070
Creditors	2150	24663	49301	20142	158970	15006	7335	34357	9879	4050
<b>Total</b>	169392	141964	140866	156551	285860	238672	210961	240687	211360	214020
<b>Reserves 2018:</b>										
<b>YEAR</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General	154392	141964	140866	156551	153360	138672	165961	169187	169450	174020
Playgrounds					130000	60000				
Other schemes	15000					25000	12000	3500	2500	30000
Air Show					2500	15000	33000	34000	14500	
Day Centre								34000	25000	10000
<b>Total</b>	169392	141964	140866	156551	285860	238672	210961	240687	211450	214020

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## 4. Policy of the Council

The Policy which has been adopted in the budget for the forthcoming year is as follows:

### **Income**

The income projections have been prepared on a conservative basis so that there is more chance of targets being exceeded rather than falling short. Any Schemes not included will only proceed if grant aid is secured.

### **Expenditure**

The expenditure has been prepared on a realistic basis to ensure there is room for the budget to cope with small movements in the costs incurred. The expenditure also takes into account the various projects proposed including the relocation of the markets.

### **Grant Aid**

The budget has taken into account any changes in grant aid from Powys County Council (minimal this year) and the grant aid by the Burgesses Land Trust in line with the sustainability plan.

### **Special Projects**

The budget allows for £61,188 (net) in special projects so that the Councillors do have room to provide for smaller projects unidentified at the time of the budget being set.

The projects included (Red Scheme) are:

- a) Memorial Garden improvements and Memorial Wall.
- b) Changing Places Facility in the Town Hall.
- c) New climbing frame for Maes Y Dre Playground. \*\*
- d) An outdoor senior citizens gym (subject to grant aid). \*\*
- e) Relocation of CCTV cameras displaced by the new Police system. \*\*
- f) Planting boxes for the main street. \*\*
- g) Allowance for other small projects of £5,000.

Those excluded for the Blue Scheme are marked \*\*

Each of the above will be given Full Council approval before being taken forward.

### **Financial risk assessment**

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The Council accounts management is conducted in line with the Financial Risk Assessment which is reviewed in February of each year.

### Investment strategy

The investment strategy (reviewed in December 2018) is set out in the adopted Council Plan. The budget the policy is to keep £80,000 in high interest accounts separate from the current accounting facility protecting such money for emergencies. The bank interest is now so poor some short term bonds are being considered (only annual). This takes into account government guidance on investment strategy.

### Overdraft

The Council has an overdraft facility of £30,000 which is renewed each year to give comfort in the period October to December when the finances are at their most vulnerable in terms of cash flow.

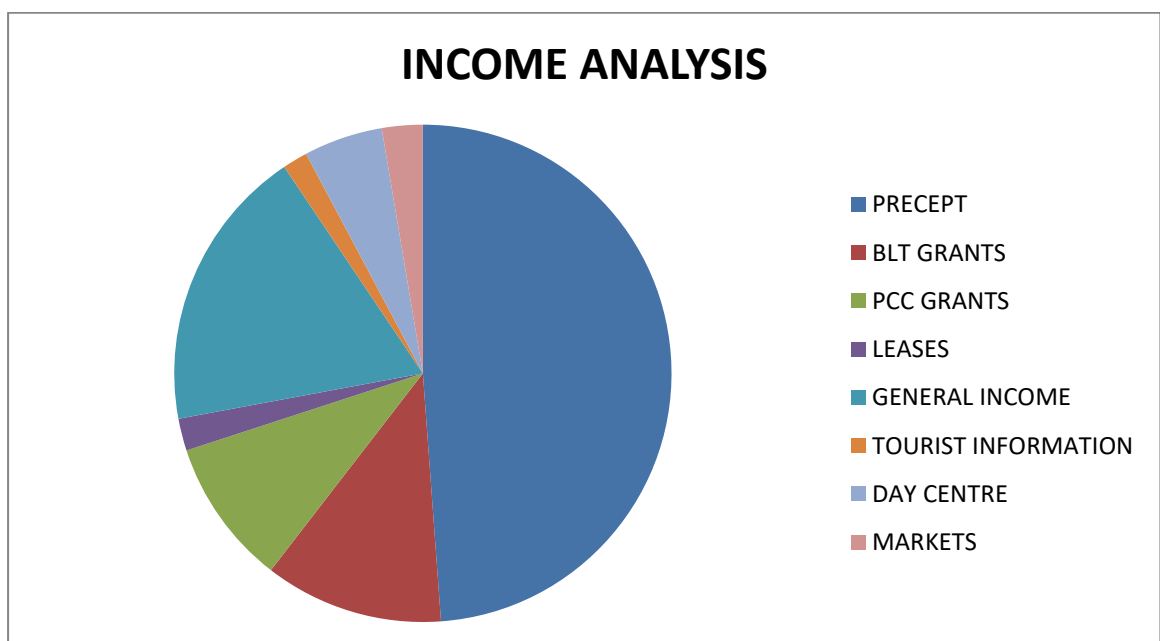
### Cash Flow

The Council does prepare a cash flow forecast the beginning of the year and this is measured monthly to ensure that the management accounts (available money) is within 5% of forecast.

## 5. Risk Analysis

### Income risk assessment

The risk of each income section is noted in the chart below:





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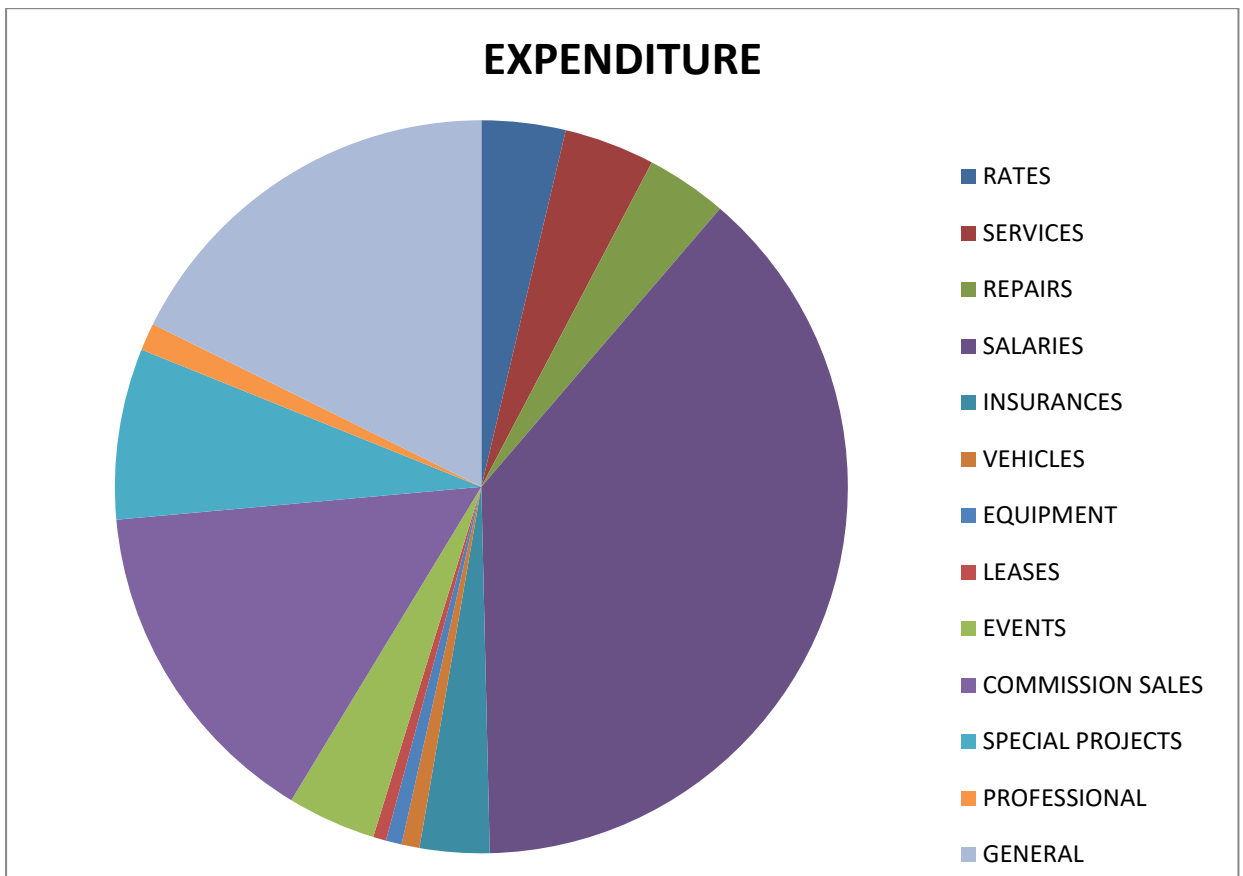
**The risk areas are as follows:**

- 1) Market Income (pink area top left)
- 2) Day Centre income (small blue area to the top left)
- 3) TIC Income (brown area to the left)

Total sum at 'risk' is £101,200 (9%). However, normally you would reduce this sum by 25% to be taken as the 'risk' area which is £25,050 (2.25%)

The cost of events is not affected by the weather from the past year now that the Air Show and the Carnival are not taking place.

**Expenditure risk assessment**



- 1) Repairs cost more on aging buildings (top right green sector)
- 2) Fuel costs increasing (maroon area at top right)

The main risk is inflation (the Brexit effect which is unknown) and business rates/Powys Charges increasing. The other areas which could give some risk is unknown repairs to buildings or vehicles.

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The budget has been set taking into account these risks to some extent.



## 6. Budget forecasting 2017 to 2021

The budget planning of Welshpool Town Council has always looked forward over future years to allow Councillors to gauge how best to plan for the future. This year is no different and set out below are the projected and estimated figures for the years to 2024. (See appendix B for detail)

**A summary of income & expenditure estimates is set out here:**

<b>Year</b>	<b>2019</b> £	<b>2020</b> £	<b>2021</b> £	<b>2022</b> £	<b>2023</b> £	<b>2024</b> £
<b>Income</b>	1,153,368	1,075,868	1,124,289	1,095,423	1,082,458	1,113,055
<b>Costs</b>	1,129,448	1,042,798	1,047,572	998,154	1,033,882	1,057,742
<b>Balance</b>	23,920	33,070	76,717	97,269	48,576	55,313
<b>Percentage cover</b>	1.8%	3.12%	6.8%	8.8%	4.5%	4.9%

**Increase in Council Tax over period:**

<b>Increase %</b>	<b>18%</b>	<b>20%</b>	<b>0%</b>	<b>4.5%</b>	<b>4.3%</b>	<b>4.1%</b>
<b>Increase £</b>	<b>£75,000</b>	<b>£110,000</b>	<b>£0</b>	<b>£25,000</b>	<b>£25,000</b>	<b>£25,000</b>

## **7. Analysis**

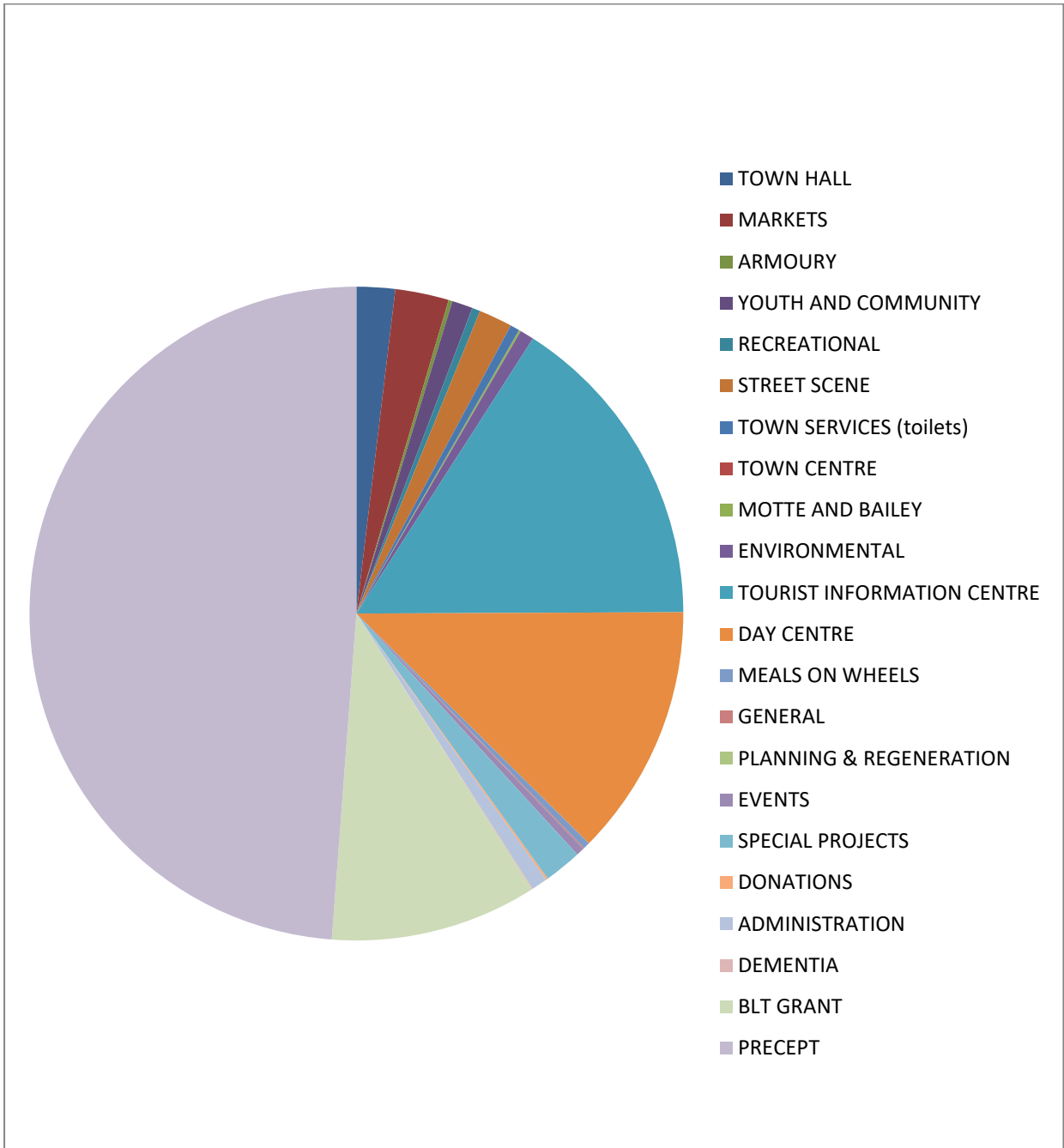
The analysis of the Council budget should be considered in several ways and these have been set out in the charts below.

### **Income**

This chart shows the spread of income for each service delivery.

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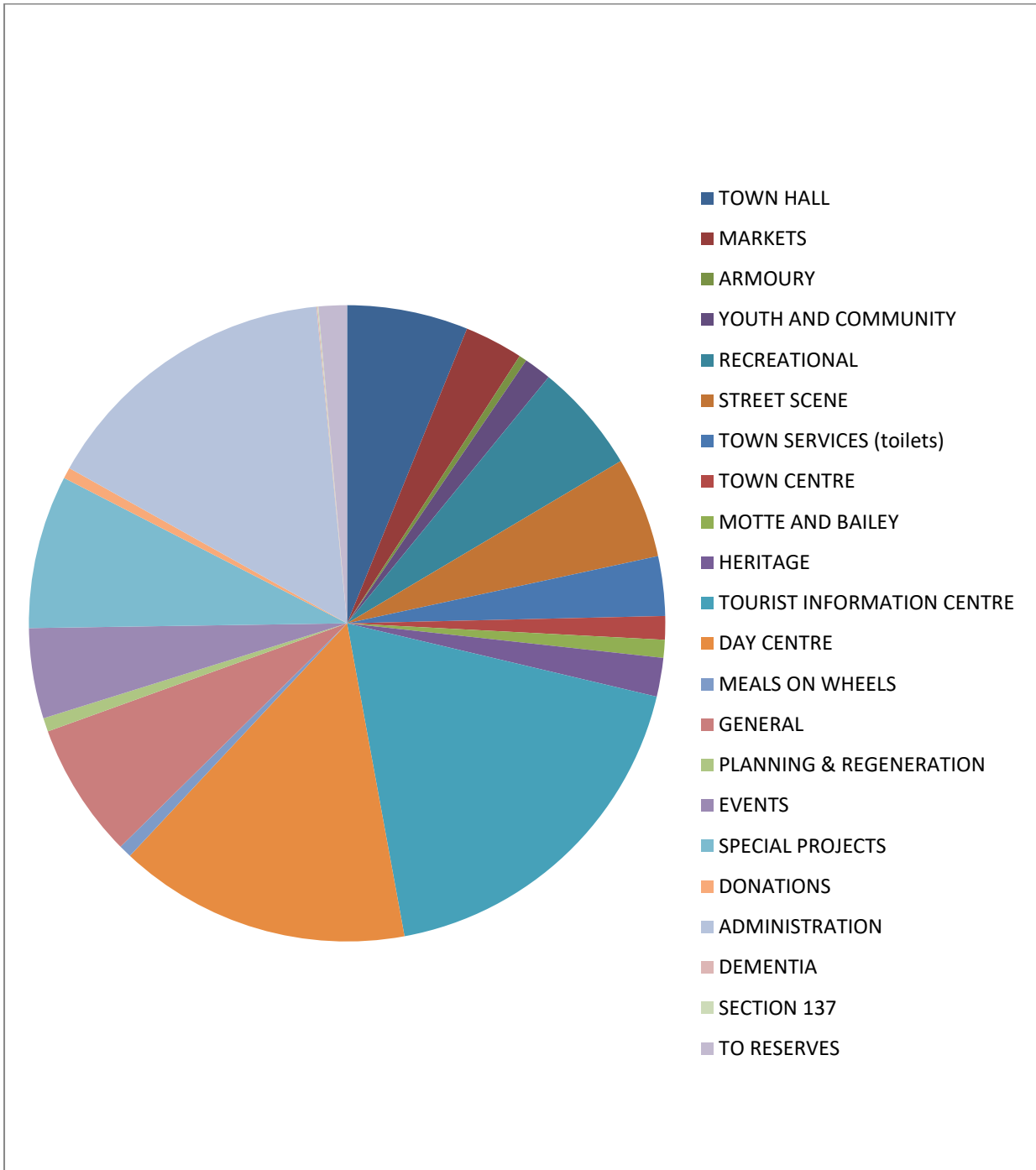
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## Expenditure

This chart shows the spread of expenditure for each service delivery.

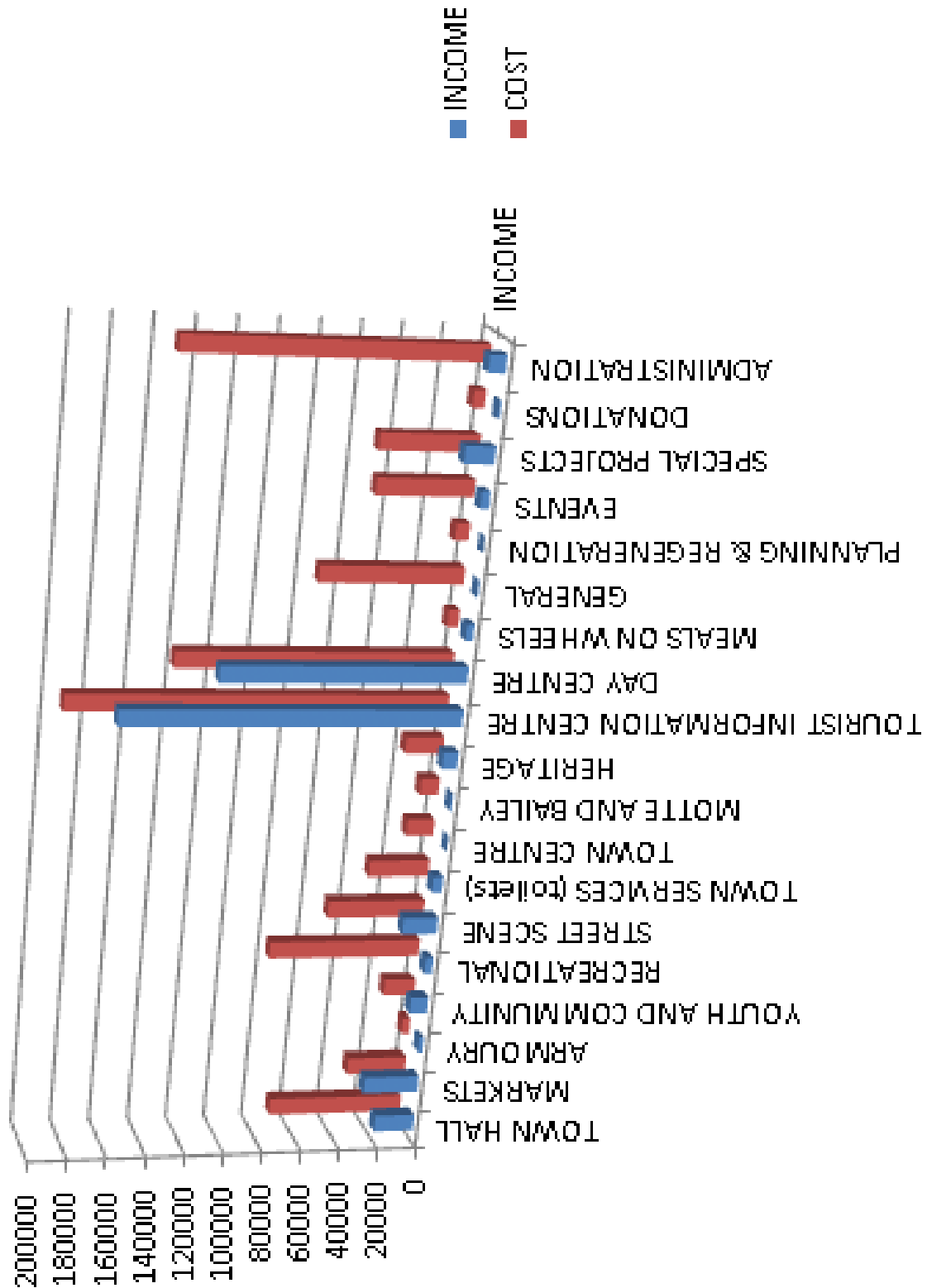
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The spread of expenditure over the services is good in that there is no one service that takes more than 20% of the overall budget.

**Chart showing income and expenditure for each service:**

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## 8. Other considerations

Other factors which are of relevance to point out are:

### Changes in income:

<b>Council Tax Increase</b>	<b>£55,000</b>	
<b>BLT special grant aid</b>	<b>£15,000</b>	
<b>Total extra income</b>		<b>£70,000</b>

### Changes in costs

<b>Special projects (Red Scheme)</b>	<b>£46,000</b>	
<b>Town Hall wiring</b>	<b>£15,000</b>	
<b>Increased general costs</b>	<b>£30,000</b>	
<b>Increase due to staff increase</b>	<b>£27,000</b>	
<b>Office alterations</b>	<b>£7,000</b>	
<b>Total costs</b>		<b>£125,000</b>
<b>Balance</b>		<b>£55,000</b>

## **9. SWOT ANALYSIS**

The budget looks forward into the year taking into account those services which the Council has agreed to seek to take forward.

There is no allowance within the budget for any further service delivery which will need to be assessed on a case by case basis as it arises.

There is a need to consider a SWOT analysis to identify the strengths and weaknesses of the Town Council with regards to financing; an assessment is set out below:

### **Strengths**

The strengths are:

- The Councillors and Committee system of the Council.
- The Town Clerk and staff loyalty.
- The management ability of the Council.
- The asset base of the Council.
- The number of services provided for the funds available.

### **Weaknesses**

The weaknesses are:

- Reliance on the Town Clerk. (Substantially reduced with a Deputy Clerk)
- Grant levels decreasing from the principal authorities.

### **Opportunities**

The opportunities are identified as:

- To protect local services with financial backing.

### **Threats**

The threats are:

- The income levels from outside sources.
- The budget cuts & increased charges by Powys County Council.



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## **10. The budget**

The budget prepared on the basis set out in this report is attached at appendix A showing a summary and individual service delivery areas

The budget has been prepared looking at the current year's budget, the proposed budget for the year to 31<sup>st</sup> March 2020 and also a projection for the period up to and including the year to 31<sup>st</sup> March 2024.

The budget has also shown an amount for training and statutory documents, this is to cover document updates such as updated fire risk assessments, asbestos report updates and the new regulations regarding energy ratings for buildings.

The budget also allows for the new pension contributions set by government for workplace pension schemes.

### **NOTES**

The increase in precept would be approx. £21 pa per band D household. This is £39.6 p per week.

### **BUDGET**

The budget presented gives the Council more comfort with a normal overrun buffer to ensure that the income and expenditure is robust into the future. The budget also allows for progression in line with the sustainability plan and completion of the succession plan for the Town Clerk.

RAR/2.1.2019

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**APPENDIX A**

**TAX BANDS FOR COMMUNITIES IN POWYS**

OTHER COMMUNITIES BAND D COUNCIL TAX								
COMMUNITY	2018			2019				
	PCC	POLICE	TOWN	TOTAL	PCC	POLICE	TOWN	TOTAL
WELSHPOOL	1132.57	213.87	128.26	1474.70	1189.20	224.53	162.96	1576.69
NEWTOWN	1132.57	213.87	126.68	1473.12	1189.20	224.53	149.65	1563.38
MONTGOMERY	1132.57	213.87	37.11	1383.55	1189.20	224.53	40.23	1453.96
MACHYNLLETH	1132.57	213.87	139.42	1485.86	1189.20	224.53	169.84	1583.57
LLANIDLOES	1132.57	213.87	112.00	1458.44	1189.20	224.53	111.52	1525.25
LLANFYLLIN	1132.57	213.87	34.75	1381.19	1189.20	224.53	39.72	1453.45
LLANFAIR CAEREINION	1132.57	213.87	49.83	1396.27	1189.20	224.53	50.46	1464.19
BRECON	1132.57	213.87	82.95	1429.39	1189.20	224.53	107.38	1521.11
BUIITH WELLS	1132.57	213.87	80.05	1426.49	1189.20	224.53	86.32	1500.05
YSTRAFGYNLAIS	1132.57	213.87	85.14	1431.58	1189.20	224.53	88.56	1502.29
LLANDRINDOD WELLS	1132.57	213.87	62.35	1408.79	1189.20	224.53	67.31	1481.04

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**APPENDIX B**

<b>WELSHPOOL TOWN COUNCIL</b>		<b>BUDGET : 2019-2020</b>					
	Year ending 31st March	2019	2020	2021	2022	2023	2024
<b>INCOME</b>	<b>TOWN HALL</b>	22000	20500	20725	20957	21195	21441
	<b>MARKETS</b>	30000	28500	29200	29750	30500	31500
	<b>ARMOURY</b>	29583	2083	0	0	0	0
	<b>YOUTH AND COMMUNITY</b>	0	11000	2083	2083	2083	2083
	<b>RECREATIONAL</b>	4060	4360	11000	11000	11000	11000
	<b>STREET SCENE</b>	17900	17800	17803	17804	0	0
	<b>TOWN SERVICES (toilets)</b>	5500	5000	5000	0	0	0
	<b>TOWN CENTRE</b>	0	0	0	0	0	0
	<b>MOTTE AND BAILEY</b>	80900	1000	3000	3000	3000	3000
	<b>ENVIRONMENTAL</b>	0	7500	75000	0	0	0
	<b>TOURIST INFORMATION CENTRE</b>	170500	170500	170500	170500	170500	170500
	<b>DAY CENTRE</b>	134200	134200	125950	126200	94950	99200
	<b>MEALS ON WHEELS</b>	2500	3500	3600	3700	3800	3900
	<b>GENERAL</b>	925	625	625	625	625	625
	<b>PLANNING &amp; REGENERATION</b>	0	0	0	0	0	0
	<b>EVENTS</b>	7550	4300	4300	4300	4300	4300
	<b>SPECIAL PROJECTS</b>	111000	20000	5000	5000	5000	5000
	<b>DONATIONS</b>	1000	1000	1003	1004	1005	1006
	<b>ADMINISTRATION</b>	10000	8500	10000	10000	10000	10000
	<b>DEMENTIA</b>	750	500	500	500	500	500
	<b>BLT GRANT</b>	110000	110000	125000	140000	150000	150000
	<b>PRECEPT</b>	415000	470000	500000	525000	550000	575000
	<b>OVERALL TOTAL INCOME</b>	<b>1153368</b>	<b>1020868</b>	<b>1110289</b>	<b>1071423</b>	<b>1058458</b>	<b>1089055</b>
<b>EXPENDITURE</b>	<b>TOWN HALL</b>	66900	64902	69582	71451	73361	75312
	<b>MARKETS</b>	28000	30938	32696	33983	35301	36751
	<b>ARMOURY</b>	31200	4125	4291	4462	4641	4826
	<b>YOUTH AND COMMUNITY</b>	4500	13563	14145	15351	15564	15784
	<b>RECREATIONAL</b>	71050	58941	60613	62446	64347	63585
	<b>STREET SCENE</b>	47000	51928	55385	54630	56416	58242
	<b>TOWN SERVICES (toilets)</b>	30500	31502	33412	34848	36312	37805
	<b>TOWN CENTRE</b>	11400	11938	14620	14808	15005	15209
	<b>MOTTE AND BAILEY</b>	82900	9475	9641	9812	9991	10176
	<b>HERITAGE</b>	31000	19500	75000	0	0	0
	<b>TOURIST INFORMATION CENTRE</b>	188600	190743	194191	197214	200317	203502
	<b>DAY CENTRE</b>	149500	154663	151703	156665	155306	160632
	<b>MEALS ON WHEELS</b>	3750	6800	6982	7170	7362	7561
	<b>GENERAL</b>	65500	74588	72636	73993	75361	76239
	<b>PLANNING &amp; REGENERATION</b>	6500	7188	7436	11693	7961	8239
	<b>EVENTS</b>	53650	48276	49505	50552	51616	52698
	<b>SPECIAL PROJECTS</b>	126500	51188	50000	50000	50000	50000
	<b>DONATIONS</b>	6050	5600	6050	6050	6050	6050
	<b>ADMINISTRATION</b>	124300	152389	142886	167173	172188	177354
	<b>DEMENTIA</b>	648	550	550	550	550	550
	<b>SECTION 137</b>	100	500	0	0	0	0
	<b>TO RESERVES</b>	0	5000	10000	10000	10000	10000
	<b>OVERALL EXPENDITURE</b>	<b>1129548</b>	<b>994298</b>	<b>1061322</b>	<b>1032853</b>	<b>1047647</b>	<b>1070516</b>
	<b>BALANCES</b>	23820	26570	48967	38570	10812	18540