

**Meeting of the Management Sub Committee held at the Welfare
Hall, Ystradgynlais on the
10th January 2022 at 6.30pm.**

**Present
Councillors G Davies, R Millington, W Thomas,
and A Williams**

Consideration of the Town Councils Publication Scheme was deferred to the next meeting of the Management Sub Committee

The Committee discussed and agreed on two principal areas that they felt should be addressed with regard to the budget process as well as some resulting changes for the 2022/23 budget.

1. EXPENDITURE EXCEEDING INCOME

The draft budget proposed for 2022 / 23 exceeded the Town Councils' income.

Income for 2022/23 was forecast as £339,100. This was made up of the precept (inc. a proposed 4.9% increase) of £319,000, Burial income of £6,000 and VAT rebate of £14,100.

The 2022/23 Draft Budget proposed expenditure of £410,000. This excluded reserve items. The proposal was therefore to spend £70,900 in excess of the income.

To achieve this the Town Council would need to reduce its reserves and spend all of its incoming balance of circa £50,000.

Recommendation:

The Management Committee recommended that, under normal circumstances, the Town Council should not budget to spend more than its income. The Councils budget should only exceed income for exceptional project items that the Council agrees to use reserves for.

If there were items carried forward with a balance (for example the £25,000 for the Welfare Grounds agreed in 2020/21 and carried forward into the 2021/22 budget) these would be in excess of the normal budget expenditure.

2. THE DRAFT BUDGET EXCEEDS EXPENDITURE

Over the term of this Council the budget had always exceeded actual expenditure (except during 2020/21 due to the C-19 crisis). While the Committee accepted that the budget was a series of estimates and forecasts the budget did not closely represent expenditure. For example:

Forecast total expenditure for 2021/22 was £370,00 which included non-recurring expenditure on Christmas Lights, circa £25,000 and the grant to Welfare Grounds of £25,000. The Draft Budget for 2022/23 was for expenditure of £410,000. This was an increase of 9.7% on the forecast or 21.9% if non-recurring expenses are excluded.

Each year the budgeted expenditure amount far exceeded the actual spend.

Recommendation:

The Councils Budget should reflect actual expenditure estimates and not be inflated.

To achieve this, expenditure would need to be more closely monitored on a line-by-line basis in future. At present the Town Council could not identify spend by line. For example, the Council was forecasting to spend £2,500 on Stationary / Office Equipment. However, the actual spend in the current year was unknown.

3. AMENDMENTS TO 2022/23 BUDGET

With a limited amount of time until the budget needed to be ratified to achieve a precept request, and with insufficient analysis of the current spend, the Committee recognised that neither of those recommendations were achievable for the 2022/23 budget.

If the recommendations were adopted for future budgets, greater monitoring and control of expenditure would need to be in place throughout 2022/23 to ensure that the data was available to make improvements for 2023/24.

However, to take steps towards a more balanced budget the Committee recommended that the following items were removed from the current

forecast budget spend. Those items should be placed in a reserve category. The purpose of this was to recognise these items, as those that which had not been spent in previous years and would hopefully not be spent in this year. However, by leaving them in a reserve category the option to do so would be available if required. If these items were not spent, then the saving should be used to increase reserves in the following year.

Items To Move To Reserve:

Admin Contingency	£2,000
Election Contingency	£14,000
Cemetery Contingency	£1,000
Ystrad Ward Community Enhancement	£2,500
Ynyscedwyn Ward Contingency	£2,000
Cwmtwrch Ward Community Enhancement	£2,500
Community Centre Grant	£10,000
TOTAL	£34,000

It was also recommended that the following items be removed from the budget

- Ynyscedwyn Ward Christmas Light reduced from £12,000 to £6,000
- Partnership Project Heritage Group Teddy Bear Bridge / Glantawe Elect Co. £4,000
- Bulb Planting £400 be removed from the Cwmtwrch Ward Budget as there was an allocation in the main budget for flower planting scheme of £2,500 for the ward – *This followed the Councils previously stated desire to ensure costs were either in a Ward or in the main budget but not split across the two.*

If all these recommendations for the Committee were accepted, then the Council forecast expenditure would reduce by £44,400. The budget would still forecast expenditure of £26,500 more than the Town Councils

income and would require the use of some of our incoming balance but should prevent reduction in the Town Council reserves.

The following movements were also recommended:

- Ystrad Christmas Trees be moved into the Ward Budget – *This would be to ensure consistency with Cwmtwrch Christmas Tree spend which was in the Ward Budget*
- Caerbont Park Expenditure of £9,982 in the Abercrave Ward Budget be moved to the main budget alongside Diamond and Coronation Parks – *For consistency as a major expense*

Meeting concluded at 8.30 p.m.