

Ogmore Valley Community Council

Cyngor Cymuned Cwm Ogwr



FINANCE AND GENERAL COMMITTEE MEETING CYFARFOD PWYLLGOR CYLLID A CYFFREDINOL

Tuesday 12 November 2024, 6.30 pm at Zoom
Dydd Mawrth 12 Tachwedd 2024, 6.30 pm yng Zoom

A G E N D A

MEMBERS OF OGMORE VALLEY COMMUNITY COUNCIL ARE SUMMONED TO ATTEND THIS MEETING

AELODAU CYNGOR CYMUNED CWM OGMORE YR ARCHWILIWDYD I DDIWEDDAR Y CYFARFOD HWN

THIS IS A PUBLIC MEETING, MEMBERS OF THE PUBLIC AND THE PRESS ARE WELCOME TO ATTEND TO OBSERVE PROCEEDINGS. DOCUMENTS REFERENCED ON THE AGENDA MAY BE OBTAINED FROM THE CLERK PRIOR TO THE MEETING. CONTACT DETAILS AT THE FOOT OF THIS NOTICE

- 1 Apologies for Absence
- 2 Declarations of Personal/Prejudicial Interests in accordance with the Council's Code of Conduct & Section 106 of the Local Government Finance Act 1992
- 3 Minutes of 19th March 2024 and extract from June 18th 2024 Meeting– Annex A
- 4 Matters Arising
- 5 Review of 2024/25 Budget, Precept for 2025/26 and Budget for 2025/26 – Annexes B-F
- 6 Financial Regulations – update
- 7 Update on Banking and Investments - update
- 8 Recommendations to Full Council

Scott Allin – RFO

Scottallin495@gmail.com

Ogmore Valley Community Council Cyngor Cymuned Cwm Ogwr



FINANCE AND GENERAL COMMITTEE MEETING CYFARFOD PWYLLGOR CYLLID A CYFFREDINOL

Tuesday 19 March 2024, 6.30 pm via Teams
Dydd Mawrth 19 Mawrth 2023, 6.30 pm ar Teams

MINUTES

In Attendance

**Cllr David Newman
Cllr Margaret Lloyd
Cllr David Pound
Cllr Hywel Williams (from item 16)**

**Scott Allin – RFO
Niamh Gwilym - Clerk**

13 Apologies for Absence

Cllr Craig Batchelor-Howells
Cllr Angela Jones

Resolved: Members unanimously accepted the apologies for absence.

14 Declarations of Personal/Prejudicial Interests in accordance with the Council's Code of Conduct & Section 106 of the Local Government Finance Act 1992

No interests were declared.

15 Minutes 15 November 2023 – Annex A

No items were raised as the minutes had been previously approved by Full Council.

16 Matters Arising

- Christmas Lights – Annex B

It was resolved in the last Full Council meeting that the Finance and General Committee should create a financial plan that could be considered alongside the complaints for and against Christmas Lights.

The need to actively consider the budget was highlighted, as the Council are at budget capacity in terms of Christmas lights, unless the Council used reserves to fund the additional lighting. It was noted that the Council are exploring additional CAT expenditure so the awareness of affordability is paramount, noting that last year, the Council spent just over £12,000 on the Christmas trees and major decorations and £9,600 on garlands.

It was suggested that the Council could host focal points for Christmas displays in each ward to concentrate the lighting in order to emphasise the effects of the lighting in identified areas throughout the Valley and maximise the value for money.

Cllr Lloyd proposed a public meeting to discuss the Christmas lights with the public.

The proposal was seconded however it was noted that the Council would have to lead on a meeting with a specific proposal. A discussion ensued regarding the advantages and disadvantages of a public meeting. It was recognised that a public meeting may not result in the most effective outcome.

Therefore, it was suggested that Councillors individually canvass in their local areas to gain holistic views of the public's preference of the geographical location of the Christmas lights and to encourage cooperation with the contractors to represent the community's views. Therefore, it was noted that the Ogmore Vale Community Councillors have been invited to BCBC Cllr Hughes' public surgeries and it was suggested that the Council could advertise their presence at such surgeries to discuss Christmas lights with the community. It was noted that this would have to be discussed with Cllr Hughes.

It was agreed that the Council should advertise that there is an opportunity to discuss Christmas Lights through either contacting the Councillors individually or at Cllr Hughes' surgery, emphasising that Cllr Hughes has no responsibility for the Christmas lights.

Resolved: to recommend to the Full Council to advertise opportunities to discuss Christmas lights with Councillors, either directly or at the Ogmore Vale Surgery.

- Active for Life Funding – Annex C

It was resolved during the last Full Council meeting that the Finance and General Committee should consider the increase in costs of the Halo Annual Playscheme. The costs have increased from £4,500 to £6,471.15. It was noted that this is a 43% increase and that the proposed scheme will not provide a service in Evanstown. The Council currently have a budget for £4,500 to support the playscheme. Whilst the importance of the playscheme was noted, it was suggested that the Clerk ask Halo to provide a further breakdown of when the 11 weeks are, what provisions will be in place in Evanstown and further justification and breakdown of the costs.

Resolved: to recommend to the Full Council that the Council should enquire when the 11 weeks are, what services can be provided for Evanstown and for a further justification of the increase in costs.

17 Investment Strategy – Annex D

It was noted that the Council may want to consider adopting an investment strategy and the RFO and Clerk are interested in gaining direction from the Council regarding the best use of funds, highlighting that the Council should seek to protect its' funds through government guarantees (FSCS).

It was noted that an option used by many Community Councils is COIF, but COIF is not protected by the FSCS and many banks do not take applications from organisations, only individuals, so the Council's scope is limited. It was agreed that at the moment, £100,000 should be transferred between the 1.62% interest accounts (instant access) to maximise financial benefit from the accounts available as there is safety with the bank the Council currently use. However, it was noted that it is still safer to split the funds over two banks to maximise security. Therefore, it was decided that the RFO and Clerk should research alternative building societies that are FSCS protected and present the information to the Council.

Resolved: to recommend to the Full Council that £100,000 of the funds should be moved into the current interest account and to research alternative building societies to maximise financial security.

18 Recommendations to Full Council

The resolutions above to be ratified by the Full Council.

The meeting closed at 7.30pm

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Signature of the Chairperson, Cllr David Newman Date

Niamh Gwilym – Clerk of the Council
Niamhgwilym4@gmail.com

Extract from June 18th Meeting:

ITEMS FOR DISCUSSION AND/OR APPROVAL (approx. 7:00pm)

47 To approve Annual Return – 2023/24

(a)(i) Annual Return – Annex C

Resolved: to approve the Annual Return 2023/24.

(ii) Bank Reconciliation – 31 March 2024 – Annex D

Resolved: to approve the year end bank reconciliation.

(iii) Explanation of Variances - Annex E

Resolved: to approve the Explanation of Variance.

(iv) Internal Audit report (summary) – Annex F

Resolved: To note that the Internal Audit report has been formally reviewed.

(v) Internal Audit report (detail) – Annex G

Cllr Pound thanked the RFO and Clerk for producing the annual accounts and internal audit, bar a few minor suggestions, the audit was sound.

Resolved: To note that the Internal Audit report has been formally reviewed.

(b) Audited Accounting Statements 2022/23 – Annex H

For Council's reference, no decision needed.

Resolved: To note that the Council have reviewed the Audited Accounting Statements of 2022/2023.

(c) Reserve's Policy – Annex I

It was noted that the only recommendation which the Council should consider taking forward is under the Earmarked Reserved section, regarding how and when the reserve will be used and a timescale for the review of the reserves. The recommendation is to be deferred to the Policy and Strategy Committee which will be held in July.

Resolved: The Council acknowledged the recommendations of the Audit regarding reserves and to defer the recommendations to the Policy and Strategy Committee for further discussion.

(d) Investment Options – Annex J

The RFO asked if he and Clerk could move money internally between saving and current accounts for the benefit of keeping the minimum amount in the current account. This was moved.

Resolved: The RFO and Clerk to move money within the OVCC's account without asking the Council first. The Council to acknowledge the recommendations of the Audit regarding reserve's and to defer the recommendations to the Policy and Strategy Committee.

Review of 2024/25 Budget, Precept for 2025/26 and Budget for 2025/26

Stage 1 - Review the current year budget and spending. The Council reviews the current year to identify:

- activities that are being carried out this year that will also be carried out next year and need to be budgeted for again (e.g. payment of the clerk, maintenance costs of the Community Centre);
- things that are happening in the current year that will not happen next year and do not need to be budgeted for again (e.g. one-off project spend such as election costs)
- items that are not in the current year budget and may need to be added for next year's budget (e.g. full year costs of Evanstown Warden)
- inflation as appropriate

This builds on the decisions that the Council has taken in the past and feeds into the spending plans for the next year. The review of current year spend as at September 2024 is attached as Annex C.

Stage 2 - Determine the cost of spending plans

Having determined what the Council wants to spend its money on, the next stage is to work out the costs of its plans. For existing activities, this requires an assessment of likely changes in the level of the activity and the possible impact of wage and price inflation. The prices of new activities are estimated using the best information currently available.

The spend figures from 24/25 are reviewed by the Council and uprated for inflation and any adjustments such as the full year effect of changes plus any new initiatives. The details of the revisions are documented and form the basis of the Council's forecast of 2025/26 which is outlined at Annex D.

Stage 3 - Assess levels of income

Consideration is given to budgeted levels of income for the forthcoming year. This will include reviewing the calculation for the precept and any other income that is expected. In OVCC's case, other income is a refund on VAT from HMRC plus some interest receipts from the balances being held as the Council does not run any other services. Occasionally, there can be small amounts of income such as donations but these are not included in the budget as they are uncertain and there is not a track record to base a forecast on.

The income estimate for 25/26 is based on the calculations in Annex E which shows the 24/25 precept which is based on an estimate of 2,613 households in the Ogmores Valley paying band £35.47 per annum for the Community Council precept. Annex E models the impact of options to increase the Community Council precept by 5%, 10%, 15% and 20% as well as reducing it by 5%. The Council will discuss these options although as the Council is holding reserves for identified projects that have

been delayed as well as the impact of the cost of living crisis, it may be decided to leave the precept as it was in 2024/25.

The other income lines consist of HMRC rebate and interest.

Stage 4 - Bring together spending and income plans

Spending and income decisions are linked directly to see how affordable the plans are. The Council judges affordability by the impact the overall plans have on the precept. In OVCC's case it is may be decided for 2025/26 not to increase the precept given the cost of living increases together with the fact that the Council is still sitting on balances from the Covid period which have yet to be spent. It will may be judged that reserves will be used to fund the gap between acceptable precept level and spending plans.

The Council then ensures that the income figures and spend figures are matched and the deficit or surplus can be explained and is reasonable. The Council then approves the budget for 2025/26 as well as the precept required to fulfil the plans for spend.

Annex F also gives a forecast of potential reserves in 2025/26 which indicates that the General Reserves are below 12 month of spend and are sufficient for the Council's needs without an increase in precept. This reserve calculation will be updated at the year- end for actuals including any underspend from 2024/25

RECOMMENDATIONS

To discuss and set budget and precept for 2025/26

	2024/25	Sep-24			Annex C
BUDGET REVIEW	12 month	Monthly	End of Sep 24	Total	
	BUDGET	Expenditure	Expenditure	Remaining	% - Remaining
Income					
Balance B/F - Actual	£ 189,427.00				
Precept - 26 April 24 Actual	£ 92,700.00				
HMRC Refund - 26 April 24 Actual	£ 5,535.00				
Bank Acc 1 - budget	£ 120.00				
Bank Acc 2 - budget	£ 120.00				
Total income:	£ 98,475.00				
Total	£ 287,902.00				
Staffing:					
Salaries - gross	£ 36,293.00	-£ 2,637.37	-£ 16,382.69	£ 19,910.31	54.9%
Pension Contributions	£ 1,451.00	-£ 220.12	-£ 1,373.16	£ 77.84	5.4%
HMRC: PAYE/NICS	£ 3,629.00	-£ 390.84	-£ 2,546.98	£ 1,082.02	29.8%
Staff Expenses eg mileage/meetings	£ 1,620.00	-£ 205.99	-£ 530.86	£ 1,089.14	67.2%
Training: CILCA, SLCC, FILCA, Lantra	£ 7,344.00	£ -	£ -	£ 7,344.00	100.0%
Total:	£ 50,337.00	-£ 3,454.32	-£ 20,833.69	£ 29,503.31	58.6%
Administration:					
Postage, Stationery & Printing	£ 500.00	-£ 36.00	-£ 36.00	£ 464.00	92.8%
SLCC Membership	£ 187.00		£ -	£ 187.00	100.0%
Information Commissioner Fee 2023	£ 50.00		-£ 35.00	£ 15.00	30.0%
One Voice Wales Membership	£ 1,500.00		-£ 1,549.00	-£ 49.00	-3.3%
Office Equipment	£ 1,600.00		£ -	£ 1,600.00	100.0%
Home as Office	£ 456.00	-£ 108.00	-£ 216.00	£ 240.00	52.6%
Misc: Payroll services, HR Policies	£ 500.00		-£ 246.00	£ 254.00	50.8%
Website	£ 1,500.00	-£ 21.60	-£ 129.60	£ 1,370.40	91.4%
Total:	£ 6,293.00	-£ 165.60	-£ 2,211.60	£ 4,081.40	64.9%
Statutory					
Audit Fees (internal & external)	£ 1,000.00		-£ 600.00	£ 400.00	40.0%
Council Insurance	£ 1,545.00	-£ 1,561.68	-£ 1,561.68	-£ 16.68	-1.1%
Total:	£ 2,545.00	-£ 1,561.68	-£ 2,161.68	£ 383.32	15.1%
Repairs and maintenance					
Blackmill Y & CC	£ 5,000.00	£ -	£ -	£ 5,000.00	100.0%
Total:	£ 5,000.00	£ -	£ -	£ 5,000.00	100.0%
Civic:					
Councillor Annual allowances £150 x 15	£ 1,500.00	£ -	£ -	£ 1,500.00	100.0%
Councillor Carer's Allowances	£ 1,000.00	£ -	£ -	£ 1,000.00	100.0%
Councillor Expenses	£ 500.00	£ -	£ -	£ 500.00	100.0%
Chair's Allowance	£ 1,200.00	£ -	£ -	£ 1,200.00	100.0%
Elections	N/a	N/a	N/a	N/a	N/a
Councillor Training	£ 1,000.00	-£ 40.00	-£ 630.00	£ 370.00	37.0%
Total:	£ 5,200.00	-£ 40.00	-£ 630.00	£ 4,570.00	87.9%
Powers Donations	£ 4,000.00	£ -	£ -	£ 4,000.00	100.0%
Community Services and Plan					
Summer Playscheme	£ 4,500.00	£ -	-£ 4,500.00	£ -	0.0%
Christmas Lights	£ 26,400.00	£ -	£ -	£ 26,400.00	100.0%
Remembrance Budget	£ 660.00	£ -	£ -	£ 660.00	100.0%
Flowers	£ 400.00	£ -	-£ 104.15	£ 295.85	74.0%
Total:	£ 31,960.00	£ -	-£ 4,604.15	£ 27,355.85	85.6%
BASE BUDGET (without reserves)	£ 105,335.00	-£ 5,221.60	-£ 30,441.12	£ 74,893.88	71.1%
General Reserves:	£ 51,926.00	£ -	£ -	£ 51,926.00	100.0%
Restricted/community Projects Reserves	£ 137,231.00		-£ 1,511.51	£ 135,719.49	98.9%
Total:	£ 189,157.00	£ -	-£ 1,511.51	£ 187,645.49	99.2%

2025/26 Proposed Budget

			Annex D
BUDGET REVIEW	2024/25 12 month BUDGET	REVISIONS	2025/26
Income			
Precept -	£92,700.00	Estimate based on same households as 24/25 and no % rise	92,700
HMRC Refund - Actual	£5,535.00	HMRC based on 24/25 actual reduced to £5,000	5,000
Account 2	£120.00	Estimate - 1.5% on £150,000	2,250
Account 3	£120.00	Estimate - 1.5% on £15,000	225
Total	£98,475.00		£100,175.00
Staffing:			
Salaries - gross	£36,293.00	Increase sals - Clerk £15? RFO - pt 13 £14.60, Warden pt 2 £12.26	40,000
Pension Contributions	£1,451.00	4% of Sals is employers contribution	1,600
HMRC: PAYE/NICS	£3,629.00	Employer NIC - 10% of payroll plus £2,000 for Employers NIC increase	6,000
Staff Expenses eg mileage/meetings	£1,620.00	Hold at 24/5 budget	1,620
Training: CILCA, SLCC, FILCA, Lantra	£7,344.00	Reduce budget to £5,000 - no spend as at Sept 24	5,000
Other			
Total:	£50,337.00		£54,220.00
Administration:			
Postage, Stationery & Printing	£500.00	Reduce by £200	300
SLCC Membership	£187.00	Actual	187
Information Commissioner Fee 2023	£50.00	Actual	35
One Voice Wales Membership	£1,500.00	Actual	1,549
Office Equipment	£1,600.00	Reduce by £600	1,000
Home as Office	£456.00	Hold at 24/25	456
Misc: Payroll services, HR Policies	£500.00	Hold at 24/25	500
Website	£1,500.00	Hold at 24/25	1,500
Total:	£6,293.00		£5,527.00
Statutory			
Audit Fees (internal & external)	£1,000.00	Hold at 24/25	£1,000.00
Council Insurance	£1,545.00	Actual	£1,570.00
Total:	£2,545.00		£2,570.00
Repairs and maintenance/Contingency			
Blackmill Y & CC	£5,000.00	Hold at 24/35 - PW also possible source of funding for BYCC/Contingency	5,000
Total:	£5,000.00		5,000
Civic:			
Councillor Annual allowances £150	£1,500.00	£156*15 but assume 10	1,560
Councillor Carer's Allowances	£1,000.00	Reduce to £500	500
Councillor Expenses	£500.00	£56*15	520
Chair's Allowance	£1,200.00	Hold at 24/25	1,200
Elections	£0.00	None	-
Councillor Training	£1,000.00	Hold at 24/25	1,000
Total:	£5,200.00		4,780
Powers Donations	£4,000.00	Hold at 24/25 - spend is low. Need a push in community	4,000
Community Services and Plan			
Summer Playscheme	£4,500.00	Increase to £5,636 to reflect Halo increased costs	5,636
Christmas Lights and other events	£26,400.00	Increase for events at Washeries	27,000
Remembrance Budget	£660.00	Round to £700	700
Flowers	£400.00	Hold at 24/25.	400
Total:	£31,960.00		33,736
BASE BUDGET (without reserves)	£ 105,335.00		£ 109,833.00
RESERVES			
General Reserves:	£51,926.00		£70,081.00
Specific Community Projects Reserves	£137,231.00		£119,076.00
BASE BUDGET (without reserves)	£189,157.00		£189,157.00
Subsidy	£ 6,860.00		£ 9,658.00

Precept Calculation

							Annex E
	Year	Precept - £	Houses	Per house - £			
	2024/25	92,700	2,613.41	35.47			
Year	24/25	25/26	22/23 - 5% inc	22/23 - 10% inc	22/23 - 15% inc	22/23 - 20% inc	
Precept	£ 92,700.00	£ 92,700.00	£ 97,335.00	£ 101,970.00	£ 106,605.00	£ 111,240.00	
CC Cost per Annum	£ 35.47	£ 35.47	£ 37.24	£ 39.02	£ 40.79	£ 42.57	
CC Cost per Month	£ 2.96	£ 2.96	£ 3.10	£ 3.25	£ 3.40	£ 3.55	
CC Cost per Week	£ 0.68	£ 0.68	£ 0.71	£ 0.75	£ 0.78	£ 0.82	
Base Budget	£ 109,833.00	£ 109,833.00	£ 109,833.00	£ 109,833.00	£ 109,833.00	£ 109,833.00	
Budget shortfall/surplus	-£ 17,133.00	-£ 17,133.00	-£ 12,498.00	-£ 7,863.00	-£ 3,228.00	£ 1,407.00	
Other Revenue	£ 7,475.00	£ 7,475.00	£ 7,475.00	£ 7,475.00	£ 7,475.00	£ 7,475.00	
Budget shortfall/surplus	-£ 9,658.00	-£ 9,658.00	-£ 5,023.00	-£ 388.00	£ 4,247.00	£ 8,882.00	

Reserves Forecast			Annex F
	24/25	Assumptions	Reserve
Committed	£		Forecast for 25/26
December 23 – Christmas lights £9,637 for 2024/25 and 2025/26 – split cost over 3 years	19,274	£9,637 extra spent in 24/25	9,637
Mar 23 – Benches - £5k per ward less spend of £1,680 by OV Priide	18,320	£1,511 spend plus no extra on benches	16,809
Feb 23 – Underwriting of subsidy for Aberfelds CAT – 2 years before income streams are established	40,000	No spend	40,000
March 24 - £10,000 PW re Warden less Jan-Mar 24 spend f £1,800	8,200	Spent in 24/25	0
Subsidising 2024/25 budget and 25/26 budget	8,465	Spent in 24/25 and Subsidy in 25/26	9,658
Total	94,259		76,104
Other CATs – previously discussed plus elections	42,972	As previous	42,972
Earmarked	137,231		119,076
General Reserves	51,926	Increase by £18,155 to balance to £189,157	70,081
TOTAL RESERVES	189,157		189,157
		Plus any underspend in 24/25	