

20 December, 2023

LLANELLI RURAL COUNCIL

Minute Nos: 291 – 299

At a Meeting of the **FINANCE AND GENERAL PURPOSES COMMITTEE** of the Llanelli Rural Council held at the Council Chamber, Vauxhall Buildings, Vauxhall, Llanelli, and via remote attendance on Wednesday, 20 December, 2023 at 6.00 p.m.

Present: Cllr. W. E. Skinner (Chairman)

Cllrs.

S. R. Bowen	A. Evans
M. V. Davies	N. Evans
S. L. Davies	S. N. Lewis
T. M. Donoghue	N. A. Stephens

291. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs. S. K. Nurse and J. S. Phillips.

292. MEMBERS' DECLARATIONS OF INTEREST

No declarations of interest were made.

293. INTERNAL AUDIT (INTERIM UPDATE) 2023/24

Members considered the Internal Audit Report (Interim Update) 2023/24 received from the Director, Auditing Solutions Ltd which concluded that the council continued to have effective systems in place and consequently, there were no significant matters arising at present.

Members thanked the Finance Manager and supporting staff for the work undertaken in managing the council's finances, and it was

RESOLVED that the report be noted and accepted.

294. FINANCIAL REPORTS

RESOLVED that the committee income and expenditure reports for the Administration Department, Burial Services and the Training Department to 31 October, 2023 be noted.

20 December, 2023

295. SCHEDULES OF PAYMENTS

Consideration was given to the schedules of payments for the Administration Department, Burial Services and the Training Department for October 2023 (copies of which had been previously circulated) which revealed that the expenditure amounted to £114,789.88, £51,893.13 and £103,535.57 respectively.

RESOLVED that the reports be noted.

Cllr. S. L. Davies left the meeting.

296. GENERAL RESERVES 2023/24

Members considered the report of the Finance Manager on the council's General Reserve balances.

The council was required to maintain adequate financial reserves to meet the needs of its operations and to ensure financial security. General Reserves were funds which do not have any restrictions on their use. They cushion the impact of uneven cash flows, offset budget requirements, if necessary, or can be held in case of unexpected events or emergencies.

The management and control of reserves should be reported to the council as part of the Budget Report. The minimum level of General Reserves should be recommended to the council by the Finance Manager. This would form part of the recommendations for the annual budget and precept request by the council.

The budget for 2023/24 agreed a 2% increase on the precept, the pay award for 2023/24 was calculated with an increase of 2% in the estimates, any amounts over this would have to be funded by the general reserve. The pay award agreed in November 2023, was £1925 on salaries or £1 per hour. The increase above budget was to be funded by general reserves.

High inflation meant it was difficult to predict costs and any further increases during the year would have to be funded by general reserves. The total movement in general reserves would only be known at year end once all expenditure was accounted for and the Statement of Accounts was prepared in June 2024. Fluctuations would depend on planned expenditure being below estimates, costs lower or higher than estimated or volumes of items purchased changing depending on need. Inflation has decreased to 4.6% in October 2023 having peaked at 10.4% in February 2023 when the budget was set.

The precept was raised by 2% for 2023/24 after a three year freeze. The impact of this meant the council had to take more money from general reserve balances to fund unexpected programmes of work during the year, pay awards and subsidise the rising cost of inflation.

As a general rule, an acceptable level of general reserve balances was equivalent to three to six months of operating expenditure to ensure there was enough to cover costs should there be a delay in receiving precept instalments from Carmarthenshire County Council. The precept was paid in three equal instalments in April, August, and December.

20 December, 2023

The general reserve balance on 1 April 2023 was £485,003.

The average monthly operating expenditure represents £121,820. With a general reserve balance of £485,003, this represented four months of operating expenditure, near the lowest end of the scale. This was equivalent to 21.8% of the council's annual spending on services which was originally estimated in February 2023 to be £2,221,617. The general reserve balance did not include Training Department reserves, as this was accounted for separately.

It is recommended not to subsidise budget plans by routinely taking money from general reserve balances. The over utilisation of general reserves to fund expenditure would have an impact on the general health of the general reserve balances and leave the council vulnerable when unexpected events result in contingency plans to meet unexpected costs.

The projected general reserve balances on 31 March, 2024, would be reported to council in February with the estimates of income and expenditure for 2024/25.

Following discussion, it was

RESOLVED that the report be noted.

297. PUBLIC BODIES (ADMISSION TO MEETINGS) ACT, 1960

RESOLVED that in view of the confidential nature of the business to be transacted, the following matter be considered in private and that the power of exclusion of the public under Section 1(2) of the Public Bodies (Admission to Meetings) Act, 1960 be exercised.

**298. TRAINING DEPARTMENT
TRAINING FACILITY – FOOHOLD ENTERPRISE VILLAGE
BURY ROAD, LLANELLI**

Further to Minute No, 52, members received the report of the Technical and General Operations Manager on the Training Department vacating the premises at Machynys, Llanelli by 12 January, 2024.

Following a significant period of rent free accommodation at Machynys training facility, the Licence Agreement proposal for 1 April, 2023 included an annual rent charge of £7,800 per annum. Service and water recharges had also increased.

The council had been 'Holding Over' at Machynys by mutual agreement with the landlord since 1 April, 2023 until the Prince's Trust Team 15 had completed their 12 week programme in December, 2023.

The premises costs were not sustainable at Machynys since the rent had been incorporated into the Licence Agreement. The viability of the Prince's Trust Programme was presently under review. Discussions were ongoing with the programme lead representative from the Prince's Trust organisation.

20 December, 2023

To reduce programme costs, officers were considering utilising Vauxhall Buildings and council owned community halls for the future delivery of the Prince’s Trust programmes. An alternative private rental facility at Felinfoel was also being considered.

Following discussion, it was

RESOLVED that:

1. The Training Department shall vacate the facility at Burry Road, Machynys on 12 January, 2024.
2. A further report shall be presented to members regarding viability and delivery proposals for the Prince’s Trust Programme.

299. SEASONAL GREETINGS

The Leader and Chairman wished members and staff a Merry Christmas and a Happy New Year.

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The meeting concluded at 6.33 p.m.

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The afore-mentioned Minutes were declared to be a true record of the proceedings and signed by the Chairman presiding thereat and were, on 9 January, 2024, adopted by the Council.