

Clerc: Helena Fox
1 Ffordd Penuel
Pentyrch
Caerdydd CF15 9LJ

Ffon 029 2089 1417
Epost: clerk@pentyrch.cc
Gwefan: www.pentyrch.cc

PENTYRCH COMMUNITY COUNCIL



CYNGOR CYMUNED PENTYRCH

Clerc: Helena Fox
1 Penuel Road
Pentyrch
Cardiff CF15 9LJ

Phone 029 2089 1417
Email: clerk@pentyrch.cc
Website: www.pentyrch.cc

RFO Report to Council

2020-2021

To accompany PCC Accounts

1 Income & Expenditure

For 2019-20, PCC set a Precept of £155,000 and a budget of £161,456. It spent £163,905 with an income of £194,181. That left an underspend on the year of £30,276.

For 2020-2021, PCC set a Precept of £175,000 and a budget of £186,636. It spent £136,545 with an income of £181,186. This leaves an underspend on the year of £44,641.

We owe £0 since there were no invoices due and thus no creditors.

We are owed £1,794.13 being the last VAT Quarter refund.

The actual income of £181,186 for the year compares with £194,181 the previous year. PCC increased the Precept by £20,000 from £155,000 to £175,000 but income in the previous year increased by the Entrust grant received for play equipment at Memorial Park.

Previously, it was recognized that gross expenditure showed a pattern of alternating higher and lower spending years. The Precept had been less than expenditure in all but one of those years. In the last three years it has been possible to add to the general reserves (see later) as well as increase ear-marked reserves.

Note: the expenditure figure below for 2019-2020 is inflated by the Entrust grant.

Year	Expenditure £	Precept £
2020-21	136,545	175,000
2019-20	163,905	155,000
2018-19	120,134	143,000
2017-18	109,225	91,000
2016-17	112,190	83,000
2015-16	83,182	85,000
2014-15	102,147	80,000
2013-14	85,715	80,000
2012-13	129,805	73,000
2011-12	93,241	71,000

2 Assets

At 31.3.2020, PCC's assets stood at £131,380.42. At 31.3.2021 they stand at £135,068.69. The increase is due to the purchase of tools, new PCC noticeboards, survey pins for Creigiau Rec and a new bench for the Frog Pond.

A record of the Council's assets is kept on the PCC computer system. A detailed list is part of PCC's annual accounts.

It is important to note that local government finance does not account for depreciation of assets and we have to record the value as the original cost paid. Where no cost is known we show the value as £1.

Cash assets as at 31.3.21 as per bank statements are:

- Current account: £14,014.02
 - Deposit account: £40,425.89
 - CCLA: £70,538.24
 - Petty cash: £218.69
- Total: £125,196.84

PCC's Bank Reconciliation shows net cash assets of £125,046.84 (including one unrepresented cheque of £150.00) compared with £78,817 in the previous year.

As the Balance Sheet shows, after taking account of debtors and creditors the net assets of PCC are £126,841 compared with £82,200 at the previous year end.

This total includes ear-marked reserves of £45,530 compared with £40,736 last year and a General Fund of £81,311 compared with £41,464.

3. General Fund and Ear-marked Reserves

In 2017-18 PCC recognized that its General Fund was significantly low and budgeted £5,000 in 2018-19 to increase the General Fund, repeating this for 2019-20. It also conducted a rigorous budgeting review to ensure that all necessary expenditure was properly reflected in the budget.

As at 31.3.2021, PCC's General Fund stands at £81,311 from £41,464 a year before, an improvement from 25% of gross expenditure to 59%. PCC's General Fund now exceeds the minimum 25% recommended below. This is a significant achievement in two financial years during which the General Fund has increased from 2% at the end of 2017-18 to 59% at the end of 2020-2021.

Year	General Fund £	Expenditure for year £	General Fund as % of Expenditure
2020-21	81,650	136,545	59
2019-20	41,464	163,905	25
2018-19	16,833	120,134	14
2017-18	1,781	109,225	2
2016-17	18,916	112,190	17
2014-15	33,159	102,147	32
2013-14	40,158	85,715	47
2012-13	39,576	129,805	30
2011-12	85,177	93,241	91

Covid-19 and the restrictions it brought mean that the General Fund is now higher than it should be and PCC will address this during the 2021-2022 year. PCC will review its ear-marked reserves and

will move some of its General Fund into the ear-marked reserve Community Support Fund to help local organizations dealing with the effects of Covid-19.

Welsh Audit Office guidance on reserves states: *“Councils have no legal powers to hold revenue reserves other than those for reasonable working capital needs or for specifically earmarked purposes. Earmarked reserves, which are set aside for specific purposes and for savings for future projects, should be realistic and approved by the Council.*

It is generally accepted that general (un-earmarked) revenue reserves usually lie within a range of three to twelve months of gross expenditure. However, the amount of general reserve should be risk-assessed and approved by the Council.” (Governance and accountability for local councils in Wales – A Practitioner’s Guide (2019)) (One Voice Wales with Society of Local Council Clerks)

4. Population Change

PCC’s population did not start to grow during 2020-2021 as expected because of significant delays at the building site at Llanilltern Village, due partly to the disruptions of Covid-19. In some 4 years, 500 new homes are due to be completed, which will trigger the building of a new primary school. The entire development of 1,500 new homes is expected to complete in about 2028. During 2020-21 there were delays in construction at the start of the financial year because of extremely wet weather followed by the national disruption caused by the Coronavirus lockdown. Despite that, some 149 new households joined PCC’s community at Llanilltern Village and more are expected in 2021-22.

2019 saw the early stages of development of Site E, the land south of Creigiau and north of the A4119. When complete this will add some 680 new homes to the PCC area. We did not expect any new homes to be occupied during 2020-21 and no progress was made on this development that we are aware of.

Cardiff Council’s Council Tax department confirm that when they set the Band D Equivalent (BDE) number each December, they take into account expected completions of new homes during the coming year. They also bear the burden of any uncollected council tax although the average collection rate is 98.5% for Cardiff, and higher in the PCC area.

Recent figures for BDEs for the PCC area:

Year	Band D Equivalents
2008-09	3105
2009-10	3097
2010-11	3121
2011-12	3121
2012-13	3127
2013-14	3108
2014-15	3131
2016-17	---
2017-18	3258
2018-19	3263
2019-20	3280
2020-21	3316

The table below shows the Council Tax contributions paid in the PCC area towards the Precept:

Council Tax Band	PCC contribution 2018-19 £/year	PCC contribution 2019-20 £/year	PCC contribution 2020-21 £/year
	Precept: £143,000	Precept: £155,000	Precept £175,000
A	29	32	35
B	34	37	40
C	39	42	46
D	44	47	52
E	54	58	63
F	63	68	75
G	73	79	87
H	88	95	104
I	102	110	121

Because any change in the Precept is shared across the community this table shows that this year's £20,000 increase in the Precept varied from an extra £3/year for Band A to £11/year for Band I properties.

Cardiff Council gave the number of properties in the PCC area as of February 2020 as:

Village	Number of Properties	Number of Streets	Number of Electors
Gwaelod y Garth	511	20	915
Pentyrch	1,002	46	1,925
Creigiau & Capel Llanilltern	1,074	50	2,139
Total	2,587	116	4,979

The latest figures from Cardiff show the number of properties and electors in the PCC area as of January 2021:

Village	Number of Properties	Number of Streets	Number of Electors
Gwaelod y Garth	510	20	922
Pentyrch	1,001	46	1,913
Creigiau & Capel Llanilltern	1,223	50	2,134
Total	2,734	116	4,969

As the number of new homes rises, PCC will have the option of increasing its income while keeping the amount levied the same/household but from more homes. Any increase needed in the Precept levied will be spread over more households, reducing the effect per household.

Helena Fox
Clerk and RFO to PCC
April 15 2021