



Penrith Town Council

Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR

Tel: 01768 899 773 Email: office@penrithtowncouncil.gov.uk

DATE: 04 January 2022

NOTICE IS HEREBY GIVEN that an **ORDINARY MEETING** of **THE FINANCE COMMITTEE** will be held on **10 January 2022, at 6.00pm** and you are hereby **SUMMONED** to attend to transact the business as specified in the agenda and reports hereunder.

The Meeting will be held at **Penrith Parish Centre, St Andrews**

To assist in the speedy and efficient dispatch of business, Members should read the agenda and reports in advance of the meeting. Members wishing to obtain factual information on items included on the agenda are asked to enquire of the relevant officer **PRIOR** to 9.00am on Friday 07 January 2022.

Members are asked to indicate if they wish to speak on an item **PRIOR** to the meeting (by 1.00pm on the day of the meeting at the latest) by emailing office@penrithtowncouncil.gov.uk

COMMITTEE MEMBERSHIP

Cllr. Burgin	South Ward	Cllr. Jackson	North Ward
Cllr. Davies	West Ward	Cllr. Kenyon	North Ward
Cllr. Hawkins	North Ward	Cllr. Shepherd	East Ward

Mr I Parker, Services and Contracts Manager

Members of the public are welcome to attend. Details about how to attend the meeting, and how to comment on an agenda item are available on the Town Council Website.

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, that having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

AGENDA FOR THE ORDINARY MEETING OF THE FINANCE COMMITTEE 10 JANUARY 2022

PART I

Members are asked to:

1. Apologies

Receive apologies from Members.

2. Confirmation of the Minutes of Previous Meetings

Authorise the Chair to sign, as a correct record, the minutes of the Committee held on Monday 15 November 2021.

3. Declarations of Interest and Requests for Dispensations

Receive declarations by Members of interests in respect of items on this agenda and apply for a dispensation to remain, speak and/or vote during consideration of that item.

ADVICE NOTE:

Members are reminded that, in accordance with the revised Code of Conduct, they are required to declare any disclosable pecuniary interests or other registrable interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting.) Members may, however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared in the Register, as well as any other registrable or other interests. If a Member requires advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote, he/she is advised to contact the Monitoring Officer at least 24 hours in advance of the meeting

4. Public Participation

Receive any questions or representations, which have been received from members of the public. There is a period of up to 15 minutes in total for members of the public to ask questions or submit comments.

ADVICE NOTE:

Members of the public may make representations, answer questions, and give evidence at a meeting, which they are entitled to attend in respect of the business on the agenda. The public must make a request in writing to the Town Clerk **PRIOR** to the meeting, when possible. A member of the public can speak for up to three minutes. A question shall not require a response at the meeting nor start a debate on the question. The chair of the meeting may direct that a written or oral response be given

5. Excluded Item: Public Bodies (Admissions to Meetings) Act 1960

Determine whether items **15 and 16** should be considered without the presence of the press and public, pursuant to Section 1(2) of the Public Bodies (Admission to Meetings) Act, 1960, as publicity relating to that (any of those) matter/s may be prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for the other special reasons noted in relation to that matter on the agenda.

6. Budgetary Control Statement 2021/22: 30 November 2021

Review and approve the budgetary Control Statement for the period to 30 November 2021 and recommend that the statement be ratified by Full Council.

7. Payments for Approval

- a) Note that Cllr Shepherd and Cllr Burgin accessed the Electronic Banking System to reconcile the monthly report of all payments made for the relevant period and would be able to recommend that each payment aligned with the invoices.
- b) Agree two Members to undertake the Payments for Approval reconciliation for the meeting of Finance Committee on the 21 March 2022.
- c) Approve the monthly report of payments for November 2021.

8. Bank Reconciliation

Approve and sign the bank reconciliation as of 30 November 2021 as a correct record.

9. Proposed Budget 2022/23

Consider the proposed budget for 2022/23 and recommend the proposals go forward for ratification by Full Council.

10. Draft Financial Policies

Consider revised policies to operate during 2022/23 and recommend these go forward for ratification by Full Council.

- a) Reserves Policy
- b) Investment Policy

11. Tree Planting

Consider a request to plant trees at Fairhill and Thacka Beck Field.

12. Thacka Beck Field

Consider a transfer of funds from the Devolution Reserve to the Thacka Beck Field budget.

13. Fairhill Playing Field

Consider accepting a financial donation from the Fairhill Community Group for the provision of a new seat at Fairhill Playing Field.

14. Next Meeting

Note that the next meeting is scheduled for **21 March 2022 at 6.00pm**, at a **venue to be confirmed**.

PART II – PRIVATE SECTION

The following is exempt information as it relates to the financial or business affairs of any particular person (including the authority holding that information) and personal sensitive information relating to members of staff.

15. Proposed Budget 2022/23: Staff Salaries

To consider the salaries report for 2022/23.

16. Staffing Matters

To receive a report on staffing matters.

FOR THE ATTENTION OF ALL MEMBERS OF THE FINANCE COMMITTEE AND FOR INFORMATION TO ALL REMAINING MEMBERS OF THE TOWN COUNCIL

Access to Information

Copies of the agenda are available for members of the public to inspect prior to the meeting. Agenda and Part I reports are available on the Town Council website:

<https://www.penrithtowncouncil.gov.uk/>

Background Papers

Requests for the background papers to the Part I reports, excluding those papers that contain exempt information, can be made to the Town Clerk address overleaf between the hours of 9.00 am and 3.00 pm, Monday to Friday via

office@penrithtowncouncil.gov.uk



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DRAFT Minutes of the meeting of the

FINANCE COMMITTEE

Held at Penrith Parish Centre St Andrews on **Monday 15 November 2021**, at 6.00 p.m.

PRESENT

Cllr. Burgin
Cllr. Davies

South Ward
West Ward

Cllr. Kenyon
Cllr. Shepherd

North Ward
East Ward

Services and Contracts Manager
Responsible Finance Officer

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, that having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

DRAFT

MINUTES FOR THE MEETING OF

FINANCE COMMITTEE

15 November 2021

PART I

FIN21/33 Apologies for Absence

Apologies for absence were received from Councillor. Jackson.

Cllr Hawkins was absent without apologies.

FIN21/34 Confirmation of the Minutes of the Previous Meeting

Members authorised the Chair to sign the Minutes of the Meeting of the Finance Committee held on Monday 20 September 2021.

FIN21/35 Declarations of Interest and Requests for Dispensations

Members were asked to disclose their interests in matters to be discussed whether disclosable pecuniary or other registrable interest, and to decide requests for dispensations.

- a) Councillor Davies reported that he is a member of the CALC Executive and declared an interest in agenda item 16. Local Government Review Strategic Planning Group.

**FIN21/36 Public Participation
Public Representations**

Members noted that there were no questions or representations that had been received from members of the public prior to the meeting.

FIN21/37 Excluded Item: Public Bodies (Admission to Meetings) Act 1960

Members confirmed that no items should be considered without the presence of the press and public.

FIN21/38 Budgetary Control Statement 2021/22: 31 October 2021

Members considered the Budgetary Control Statement 2021/22 Expenditure for the period to 31 October 2021.

FIN21/38 Budgetary Control Statement 2021/22: 31 October 2021, continued

RESOLVED THAT:

- i. The Budgetary Control Statement 2021/22 Expenditure for the period to 31 October 2021 be approved and go forward for final ratification by Full Council.
- ii. The Council Grant and Eligibility criteria be circulated to Members of the Finance Committee.

FIN21/39 Payments for Approval

- a. Members noted that Cllr Davies and Cllr Jackson verified and confirmed that the banking transaction history reconciled and agreed with the transactions circulated with the meeting documents.
- b. Members were asked to agree the two Councillors to undertake the Payments for Approval checking at the next meeting of the Finance Committee.
- c. Members considered the Monthly Report of Payments for September and October 2021.

RESOLVED THAT:

- i. Cllr C. Shepherd and Cllr Burgin check the Payments for Approval for the meeting of the Finance Committee on the 10 January 2022.
- ii. The Monthly Report of Payments for September and October 2021 be approved.

FIN21/40 Bank Reconciliation

Members considered the Bank Reconciliation for the HSBC Bank account for the period ending 30 September and 31 October 2021.

RESOLVED THAT:

The Bank Reconciliation for the HSBC Bank account for the period ending 30 September and 31 October 2021 be approved and signed by Cllr Burgin.

FIN21/41 Cornmarket Area

Members considered the charging arrangements for use of the Cornmarket area for the Board and Elbow.

RESOLVED THAT:

The Board and Elbow be charged a fee of £750 for use of the Cornmarket area in 2022 and this go forward for final ratification by Full Council.

FIN21/43 Work Plan

Members received and noted the Finance Committee work plan progress to 30 September 2021.

FIN21/44 Bank and Investment Account Signatories

Members considered changes to the signatories on the Council's Bank and Investment Accounts.

RESOLVED THAT:

- i. Cllr Davies be removed as a signatory from the Cumberland Building Society account.
- ii. Cllr Hawkins be removed as a signatory from the HSBC, Cumberland Building Society, Penrith Building Society and the CCLA Public Sector Deposit Fund account.
- iii. Cllr Kenyon be approved as an authorised signatory for the CCLA Public Sector Deposit Fund account.

FIN21/45 External Audit

- a) Members received and noted that the Council's external auditors, PKF Littlejohn LLP, had signed off the accounts ending 31 March 2021 with no qualifications.
- b) Members noted that to comply with The Accounts and Audit Regulations 201 the Council has published on its website, Sections 1 and 2 of the 2020/21 Annual Return (the Annual Governance Statement and the Summary Accounts), together with the Audit Certificate.

RESOLVED THAT:

- i. Sections 1 and 2 of the 2021/21 Annual Return (the Annual Governance Statement and the Summary Accounts), together with the Audit Certificate go forward to Full Council for ratification.
- ii. The Responsible Finance Officer be thanked for his working in achieving a positive external audit.

FIN21/46 Project Budget Allocation

Members considered proposals for use of the Project Budget.

RESOLVED THAT:

The Project Budget be allocated against the following specific schemes of work, and these go forward to Full Council for ratification:

- | | | |
|-----|-------------------------------------|--------|
| i. | Speed Indicator Device | £2,500 |
| ii. | Eden District Council - Castle Park | £5,500 |
| | Tennis Court Redevelopment Scheme | |

FIN21/47 Recycling Centre Adoption Agreement

Members considered whether to renew the Recycling Centre Adoption Agreement with Eden District Council.

RESOLVED THAT:

The Recycling Centre Adoption Agreement with Eden District Council is not renewed, and this decision goes forward to Full Council for ratification.

FIN21/48 Thacka Beck Field

Members noted an update report on matters at Thacka Beck Field.

FIN21/49 Local Government Reorganisation

Members considered the Terms of Reference for a Local Government Review Strategic Planning Group.

RESOLVED THAT:

The Terms of Reference for a Local Government Review Strategic Planning Group be approved and go forward to Full Council for ratification.

FIN21/50 Next Meeting

Members noted that the next meeting of the Finance Committee is scheduled for Monday 10 January 2022 at 6.00pm at Penrith Parish Room, St Andrews.

CHAIR:

DATE:

FOR ATTENTION FOR ALL MEMBERS OF FINANCE COMMITTEE AND FOR INFORMATION TO THE TOWN COUNCIL

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FINANCE COMMITTEE

10 January 2022

**Matter: Budgetary Control Statement 2021/22:
Expenditure to 30 November 2021**

Purpose of Report:

To consider the budgetary control statement for the eight-month period to 30 November 2021

Item no: 06

Author: Jack Jones, RFO

Supporting Member: Cllr Roger Burgin, Committee Chair

This is a public report

Recommendations

The Committee is recommended to:

- i. Review and approve the budgetary control statement.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, that having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

The Local Government Act 1972 requires the Council to have sound financial management.

Link to Council Priorities

Robust budgetary control supports the Council in its delivery of priorities within the approved budget framework.

1. Report Details

A. Budgetary Control Statement (Appendix A)

The attached budgetary control statement shows the following information, analysed over the most detailed budget headings:

- The full year's Approved Budget for 2021/22, which was ratified by Council on 25 January 2021.
- The Latest Budget for the full year; the agreed changes from the Approved Budget include the transfer of budgets to allocate resources for the implementation of the new Grants scheme and the use of the Devolution Reserve to fund an extra £2,000 budget at Thacka Beck. CCEG Committee has requested that Council approve the transfer of budgets to create an Arts & Culture Development budget and to deal with

an overspending on Greening; the Latest Budget assumes that these will be agreed by Council on 24 January.

- The budget to date, based on the latest budget for the year. This proportion is the anticipated budget for the first eight months of the year, based on a forecast of the expected pattern of income and expenditure, known as the budget profile. For most headings, this profile will be a simple pro-rata of the annual budget (ie 8/12ths for the current period), however more detailed profiles have been used for several budget headings (eg Greening expenditure is weighted towards the first half of the year).
- Actual income and expenditure to 30 November, based on the matching principle, which means taking account of all income and expenditure which relates to the period, irrespective of when it is paid/received. An exception to the general matching rule is that grants approved but not yet paid at the end of the period are included as expenditure, on the basis that this gives a truer view of expenditure against budget.
- The variance between the actual income and expenditure and the profiled latest budget for the period. Variances are expressed as favourable (positive) where there is an underspending or increased income, and as adverse (negative and bracketed) where there is an overspending or reduced income.
- The position on the Council's three reserves: its General Reserve, Devolution and Acquisitions Reserves, at the end of November. To give a truer view of the General Reserve, it is assumed that contributions to the Devolution Reserve are made during the year at each month-end.

B. Commentary

The statement shows underspendings on most budget headings. It is clear that the current staffing situation, coupled with the effects of the pandemic, is adversely affecting key spending programmes.

B.1 Income

Overall income of £305,215 is just below the profiled budget of £305,633.

- The full year's precept and CTRS grant income has been received from Eden DC; the appropriate proportion of each has been allocated to this period.
- Investment returns remain poor and will fail to meet the budget target.

B.2 Planning Committee

Expenditure of £887 is shown against the profiled budget of £14,057, an underspending of £13,170.

- £5,780 of the variance relates to Planning services; expenditure is difficult to profile as it is largely dependent on progress with the Neighbourhood Plan, however the Committee plans to use some of the budget to purchase speed indicator devices.

- The Climate Change annual budget of £13,300 excludes the associated staffing costs, which are reported in the Finance Committee. The budget is profiled over the final three quarters of the year and totals £7,390 to 30 November. There has been no spend against this amount, for reasons which are known to the Committee.

B.3 CCEG Committee

Net spend of £24,240 is shown against the profiled budget of £62,221, an underspending of £37,981.

- Expenditure on Town Projects has been offset by a grant of £3,750 from Cumbria CC towards a marketing plan, leading to a £1,338 underspend.
- The Covid-19 Response budget, created as a contingency, is underspent by £2,587.
- Staff time of £1,192 has been charged to the Arts & Cultural Strategy rather than Officer Support. Overall, Arts & Entertainment shows an underspending of £4,292.
- Greening records expenditure of £7,825 to date, a potential overspend of £2,825, which should be met by a transfer of estimates from Grow Nature Grants. The overspend arose from the £2,864 purchase of planters for the Monument; these were ordered in January to be met from last year's budget, however they were only supplied this year.
- The Grants scheme was approved on 24 May so the budget has been profiled over the final three quarters of the year. The only expenditure to date is on four Large Grants and the overall budget is underspent by £25,388.
- The Corporate Communications budget, which includes Community Engagement, is currently underspent by £4,201, a variance which is likely to increase in the next few months.
- In response to several of these variances, the CCEG Committee has requested Council to approve the following budget amendments:
 - the transfer of £3,000 from Grow Nature Grants to Greening; and
 - the creation of an Arts & Culture Development budget of £22,500 by transferring £6,300 from the Arts & Cultural Strategy budget, £13,200 from Town Projects and £3,000 from the Large Grants budget.
 As noted above, these changes have been assumed in the Latest Budget figures.

B.4 Finance Committee

Net expenditure of £210,972 is shown against the budget to date of £236,852, an underspending of £25,880. The main variances are as follows:

- The approved Staffing budget allows for the salary of the Sustainability Officer from 1 July, so the profile includes the post's costs from that date. In overall terms, the budget is underspent by £9,894, mainly on costs associated with staffing. Within this figure, direct staff costs are currently underspent by £7,714; to date, underspendings from the vacant Community Engagement Officer post and sickness

absence have been offset by untaken annual leave, the allowance paid to the Acting Town Clerk and additional staff cover for the Town Clerk's absence.

The approved budget includes an allowance of 1.0% for the annual inflationary pay award. This was set in January, based on an expectation that public sector pay might be frozen. Nationally, local government unions have submitted a claim for a 10% pay increase; currently they are consulting their members on industrial action in reply to an offer of 1.75% from the employers' side.

- Civic Regalia shows an overspend of £717 due to the £485 purchase of a press and seal and £221 for past Mayors' brooches; this is currently offset by underspends on other Civic Functions and can be set against administrative cost underspendings in the future.
- The IT budget is currently underspent by £5,728; it appears that there will be an underspend at outturn.
- Devolved Services budgets are underspent by £4,940 in total, which is mirrored by a similar variance on the amount contributed to the Devolution Reserve. Currently there are variances on several headings:
 - Allotments show an underspending of £1,740, after meeting the surveyor's costs for Salkeld Road and the budgeted drainage works at Brackenber.
 - Benches are underspent by £738; two memorial benches have been purchased with income from relatives.
 - The single main reason for the underspend of £1,093 on the Bandstand is the £500 income from the Board and Elbow.
 - The Approved Budget provided £1,500 for Play Area inspection costs; as the assets are not to transfer from Eden DC, this heading is currently underspent by £1,000.
 - The budget for producing an action plan for Local Government re-organisation has not yet been used, but Officers are now actively progressing the work.
- The £2,667 profiled budget for Council Projects has not been used; Council has agreed the use of the funds so expenditure is expected to increase up to the annual budget.
- Expenditure on Other Overheads is £1,465 below the profiled budget, the largest variance being £1,361 on Legal Fees, which records nil expenditure, and £770 on Accountancy Fees.
- Repairs and Renewals show an underspending of £3,647 to date as there has been minimal expenditure on the budget.

B.5 Contingency

- The profiled portion of the contingency provision, £667, is shown as fully underspent as any unforeseen expenditure is allocated to the correct budget heading.

B.6 Total Expenditure & Increase/Decrease in General Reserve

- The individual variances result in an underspending of £77,698 against the profiled total expenditure budget of £313,797. As there is £418 less income, there is a net variation of £77,280 on the profiled amount transferrable to the General Reserve.

B.7 Reserves

- The Actual to date column includes the General Reserve balance at 1 April 2021 of £340,432 which was £63,945 higher than forecast in the Approved Budget because of underspendings in 2020/21.

The profiled budget assumes that the Reserve should decrease by £8,164 in the period, resulting in a balance of £268,323 at 30 November. The actual balance on the reserve at the month end is £409,548, which is £141,225 higher than expected.

- The Devolution Reserve opened the year with a balance of £135,948, which was £14,070 higher than the Approved Budget. As noted above, the actual amount of £12,389 transferrable into the Devolution Reserve is £4,940 higher than profile, resulting in a total of an additional £19,010 in the Reserve.
- The Approved Budget assumes that no use will be made of the £50,000 held in the Acquisitions Reserve during 2021/22, although this money will be available if required.

C. Balance Sheet (Appendix B)

Appendix B shows the Council's balance sheet as at 30 November 2021. The following points may be noted:

- The total invested of £624,773 includes monies placed with CCLA pending its use to fund expenditure towards the end of the year.
- The main debtor balance is £3,049 VAT reclaimed from HMRC in respect of November's transactions.
- Prepayments of £10,088 include adjustments for insurance, office rental, licences, subscriptions and maintenance agreements.
- The HSBC Bank balance stands at £147,332, including cover for cash flow requirements in the coming months.
- Accruals of £12,594 represent goods and services received before 30 November, where the payment was not made by that date. Individual items include £1,100 staff time, £2,120 for Town Projects, £4,400 grants, £964 for accommodation, £820 Community Caretaker costs, £1,506 for printing and other office costs and £1,372 audit and accountancy fees.

- The Payroll Control balance of £7,974 relates to deductions calculated in the November payroll; the total is due to HMRC for income tax and national insurance and to the Cumbria Pension Fund for superannuation.
- The Receipts in Advance figure comprises £154,776 income for December 2021 to March 2022, already received from Eden DC as precept or devolved services grants, together with £2,129 from United Utilities for planting maintenance.

D. Conclusion

The budgetary control statement shows that overall spending to 30 November was around £78,000 below the Latest Budget for the period. This is a similar figure to the position at the end of October, suggesting that the trend for increasing underspends may have slowed down. However, as the Council is now eight months into the financial year, the underlying underspending is expected to continue into the coming months and could, given the current staffing situation, increase as the year progresses. This position may be tempered by several budgeted programmes planned for the latter part of the year, however it appears almost certain that there will be a substantial underspend at year-end. The current assumption in the 2021/22 forecast outturn calculated for the 2022/23 Draft Budget is that there will be a £75,000 underspend against the Approved Budget at year end.

Finally, there are no issues arising from the Council's balance sheet at 30 November.

2. Options Analysis including risk assessment

Risk & Consequences

The Council may fail to receive expected income or may incur unexpected overspending, potentially leading to the curtailment of planned expenditure.

Adverse criticism of over or underspending.

Controls Required

A sound budgetary control system with regular reporting and identification of issues.

3. Financial and Resource Implications

This report is concerned solely with financial management.

Appendices

- Appendices - Income & Expenditure and Balance Sheet statements

Background Papers

- Transaction and trial balance reports from the Sage accountancy system
- Budgetary control working papers



Penrith Town Council

BUDGETARY CONTROL STATEMENT: EIGHT MONTHS ENDED 30 NOVEMBER 2021

Approved Budget 2021/22	Latest Budget 2021/22	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£	£		£	£	£
		INCOME			
		Precept:			
450,069	450,069	Council Tax	300,046	300,046	0
7,700	7,700	EDC - CTRS Grant	5,133	5,034	(99)
		Other Income:			
670	670	Investment Income	447	135	(312)
10	10	Miscellaneous Income	7	0	(7)
458,449	458,449	TOTAL INCOME	305,633	305,215	(418)
		EXPENDITURE			
		PLANNING COMMITTEE:			
		Planning:			
}	}	Officer Support	0	554	}
10,000	10,000	Planning Consultancy	6,667	333	5,780
}	}	Consultation	0	0	}
10,000	10,000		6,667	887	5,780
		Climate Change:			
5,000	5,000	Community Consultation	2,778	0	2,778
2,000	2,000	Internal Business Plan	1,111	0	1,111
1,000	1,000	Carbon Footprinting: High level baseline	556	0	556
500	500	Carbon Footprinting: Calculator licence	278	0	278
3,000	3,000	BIG STEP	1,667	0	1,667
800	800	Staff Development/Exceptional Expenses	444	0	444
1,000	1,000	Carbon Literacy Training	556	0	556
13,300	13,300		7,390	0	7,390
23,300	23,300	Planning Committee Total	14,057	887	13,170
		CCEG COMMITTEE:			
		Town Projects:			
15,000	1,800	Town Projects	1,200	(138)	1,338
5,000	5,000	Covid-19 Response	3,333	746	2,587
20,000	6,800		4,533	608	3,925
		Arts & Entertainment:			
5,000	7,500	Officer Support	5,000	0	5,000
7,500	1,200	Arts & Cultural Strategy	800	1,508	(708)
0	22,500	Arts & Culture Development	0	0	0
29,000	0	Events Grants	0	0	0
41,500	31,200		5,800	1,508	4,292
		Environment:			
14,500	8,000	Greening	8,000	7,825	175
31,000	0	Community Grants	0	0	0
		Grants:			
	15,000	Small Grants	8,333	0	8,333
	12,500	Grow Nature Grants	6,944	0	6,944
	33,500	Large Grants	18,611	8,500	10,111
0	61,000		33,888	8,500	25,388
		Corporate Communications:			
12,500	12,500	Community Engagement	8,333	3,599	4,734
2,500	2,500	Press Support	1,667	2,200	(533)
15,000	15,000		10,000	5,799	4,201
122,000	122,000	CCEG Committee Total	62,221	24,240	37,981

Approved Budget 2021/22	Latest Budget 2021/22	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£	£		£	£	£
		FINANCE COMMITTEE:			
		Staffing:			
195,170	195,170	Salaries	127,000	118,369	8,631
16,910	16,910	National Insurance	11,059	10,793	266
34,120	34,120	Superannuation	22,249	23,432	(1,183)
1,000	1,000	Recruitment Expenses	667	58	609
950	950	Staff Training	633	362	271
1,500	1,500	Conferences	1,000	131	869
700	700	Staff Expenses	467	36	431
250,350	250,350		163,075	153,181	9,894
		Accommodation:			
7,500	7,500	Rent	5,000	5,000	0
1,700	1,700	Heat, Light & Water	1,133	1,082	51
920	920	Service Charges	613	648	(35)
230	230	Room Hire & Meetings	153	469	(316)
380	380	Insurances	253	260	(7)
(10)	(10)	Letting Income	(7)	0	(7)
10,720	10,720		7,145	7,459	(314)
		Civic Functions:			
400	400	Civic Functions	267	68	199
700	700	Mayoral Expenses	467	0	467
300	300	Deputy Mayor's Expenses	200	0	200
100	100	Civic Regalia	67	784	(717)
1,500	1,500		1,001	852	149
		Cost of Democracy:			
200	200	Annual Meeting	200	302	(102)
1,000	1,000	Members' Training	667	84	583
200	200	Members' Expenses	133	0	133
200	200	Notice/Honours Board	133	95	38
1,600	1,600		1,133	481	652
21,000	21,000	IT	14,000	8,272	5,728
2,050	2,050	Website	1,367	375	992
		Devolved Services:			
(1,400)	(1,400)	Bring Site	(933)	(933)	0
1,550	11,550	Allotments	11,033	9,293	1,740
400	400	War Memorial	267	838	(571)
790	790	Benches	527	(211)	738
5,410	5,410	Bus Shelters	273	655	(382)
1,700	1,700	Bandstand	1,133	40	1,093
420	420	Musgrave Monument	280	130	150
1,200	1,200	Fairhill Park	800	1,155	(355)
1,500	1,500	Play Areas	1,000	0	1,000
0	0	Fairhill United Utilities Planting Maintenance	0	0	0
3,000	5,000	Thacka Beck	2,000	1,619	381
300	300	Signage, etc	200	0	200
8,800	8,800	Community Caretaker	5,867	5,921	(54)
3,000	3,000	Local Government Re-organisation: Action Plan	1,000	0	1,000
19,674	7,674	Contribution to/(from) Devolution Reserve	7,449	12,389	(4,940)
46,344	46,344		30,896	30,896	0
		Council Projects:			
3,000	3,000	Officer Support	1,000	0	1,000
8,000	8,000	Project Budget	2,667	0	2,667
11,000	11,000		3,667	0	3,667
		Other Overheads:			
1,800	1,800	Printing, Postage & Stationery	1,200	1,409	(209)
1,700	1,700	Audit Fees	1,133	1,230	(97)
4,000	4,000	Insurance	2,667	2,260	407
100	100	Bank Charges & Interest	67	71	(4)
2,800	2,800	Accountancy Fees	1,867	1,097	770
2,500	2,500	Legal Fees	1,667	306	1,361
450	450	Licences	300	277	23
3,000	3,000	Subscriptions	2,000	2,786	(786)
16,350	16,350		10,901	9,436	1,465
8,000	8,000	Repairs & Renewals	3,667	20	3,647
368,914	368,914	Finance Committee Total	236,852	210,972	25,880

Approved Budget 2021/22	Latest Budget 2021/22	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£ 1,000	£ 1,000	Contingency	£ 667	£ 0	£ 667
0	0	Transfer to/(from) Acquisitions Reserve	0	0	0
515,214	515,214	TOTAL EXPENDITURE	313,797	236,099	77,698
(56,765)	(56,765)	INCREASE/(DECR) IN GENERAL RESERVE	(8,164)	69,116	77,280
		RESERVES:			
		General Reserve:			
276,487	276,487	Balance brought forward 1 April 2021	276,487	340,432	63,945
(56,765)	(56,765)	Increase/(decrease) in year	(8,164)	69,116	77,280
219,722	219,722	Balance carried forward	268,323	409,548	141,225
		Devolution Reserve:			
121,878	121,878	Balance brought forward 1 April 2021	121,878	135,948	14,070
19,674	7,674	Contribution from/(to) 2021/22 Budget	7,449	12,389	4,940
141,552	129,552	Balance carried forward	129,327	148,337	19,010
		Acquisitions Reserve:			
50,000	50,000	Balance brought forward 1 April 2021	50,000	50,000	0
0	0	Contribution from/(to) 2021/22 Budget	0	0	0
50,000	50,000	Balance carried forward	50,000	50,000	0
411,274	399,274	TOTAL RESERVES	447,650	607,885	160,235



Penrith Town Council

BALANCE SHEET AS AT 30 NOVEMBER 2021

	£	£
Investments		
Penrith Building Society	85,941	
Cumberland Building Society	84,972	
CCLA Public Sector Deposit Account	<u>453,860</u>	
		624,773
Current Assets		
Debtors	116	
Debtor - VAT	3,049	
Prepayments	10,088	
HSBC Bank Account	<u>147,332</u>	
	160,585	
Current Liabilities		
Creditors	0	
Accruals	12,594	
Payroll Control	7,974	
Receipts in Advance	<u>156,905</u>	
	177,473	
Net Current Assets		(16,888)
		<u>607,885</u>
Represented by:		
Reserves		
General Reserve		409,548
Devolution Reserve		148,337
Acquisitions Reserve		50,000
		<u>607,885</u>



Penrith Town Council

Item 7c

Payments Schedule November 2021

Date	Ref	Details	Net £	VAT £	Total £	Budget
03/11/2021	21-107	KTD - Domain services	48.75	9.75	58.50	IT
03/11/2021	21-108	National Allotment Society - Membership fee	55.00	11.00	66.00	Devolved Services - Allotments
03/11/2021	21-109	Lamont Pridmore - Payroll & Accountancy fees	1,235.00	247.00	1,482.00	Other Overheads - Accountancy Fees
10/11/2021	21-110	Cumbria Assocn Local Councils - Member training	20.00	-	20.00	Cost of Democracy - Member Training
10/11/2021	21-111	Cumbria Local Publications - Eden Local	190.00	-	190.00	Corporate Communications - Press Support
10/11/2021	21-112	Cumbria Local Publications - Eden Local	190.00	-	190.00	Corporate Communications - Press Support
10/11/2021	21-113	KTD - IT services	171.00	34.20	205.20	IT
10/11/2021	21-114	R Richardson - Reimburse Remembrance wreath	18.50	-	18.50	Civic Functions - Civic Functions
10/11/2021	21-115	Urbaser - Community Caretaker duties, October 2021	754.17	150.83	905.00	Devolved Services - Community Caretaker
10/11/2021	21-116	Urbaser - Grounds maintenance, Fairhill, October 2021	353.66	70.73	424.39	Devolved Services - Fairhill Park
10/11/2021	21-117	Urbaser - Window cleaning, bus shelters	207.15	41.43	248.58	Devolved Services - Bus Shelters
10/11/2021	21-118	Barrmon Media - Herald Remembrance advert	49.00	9.80	58.80	Civic Functions - Civic Functions
10/11/2021	21-119	P Foote - Reimburse legal practising fee	306.00	-	306.00	Other Overheads - Legal Fees
17/11/2021	21-120	Lowther Forestry Group - Tree survey, Thacka Beck	450.00	90.00	540.00	Devolved Services - Thacka Beck
17/11/2021	21-121	KTD - System support renewal	369.75	73.95	443.70	IT
17/11/2021	21-122	Naturally Wild - Habitat survey, Thacka Beck	595.00	119.00	714.00	Devolved Services - Thacka Beck
17/11/2021	21-123	Cumbria Clock Company - Service, Musgrave Monument	220.00	44.00	264.00	Devolved Services - Monument
24/11/2021	21-124	Walton Goodland - Office rent q/comm 25 December 2021	1,875.00	-	1,875.00	Accommodation - Rent
24/11/2021	21-125	Askin & Little - Doff clean War Memorial	790.00	158.00	948.00	Devolved Services - War Memorial
30/11/2021	21-126	Penrith Parish Centre - Room hire, meetings	74.75	-	74.75	Accommodation - Room Hire and Meetings
30/11/2021	21-127	National Association of Civic Officers - Staff Training RR	50.00	-	50.00	Staffing - Training & Expenses
30/11/2021	21-128	Ian Cannon Ltd - Allotment Drainage Scheme, Brackenber	9,600.00	1,920.00	11,520.00	Devolved Services - Allotments
04/11/2021	CCR 21-38	B&Q - Sundries, Bus shelters	10.70	-	10.70	Devolved Services - Bus Shelters
02/11/2021	CCR21-35	Post Office - Postage	3.43	-	3.43	Other Overheads - Printing, Postage & Stationery
01/11/2021	CCR21-36	TV Licensing - Licence	159.00	-	159.00	Other Overheads - Licences
02/11/2021	CCR21-37	Zoom - Subscription	83.93	16.79	100.72	Town Projects - Covid-19 Response
09/11/2021	CCR21-39	Post Office - Postage	4.59	-	4.59	Other Overheads - Printing, Postage & Stationery
09/11/2021	CCR21-40	B&M - Sundries	5.00	-	5.00	Repairs and Renewals - Repairs & Renewals
18/11/2021	CCR21-41	Post Office - Postage	21.42	-	21.42	Other Overheads - Printing, Postage & Stationery
23/11/2021	CCR21-42	Nothing But Padlocks - New lock, Bandstand	35.39	7.08	42.47	Devolved Services - Bandstand
08/11/2021	BP	HSBC - Bank charges	6.50	-	6.50	Other Overheads - Bank Charges & Interest
19/11/2021	BP	HMRC - Tax & NI, October 2021	3,972.16	-	3,972.16	Staffing - Salaries
19/11/2021	BP	Cumbria Pension Fund - Superannuation, October 2021	4,002.20	-	4,002.20	Staffing - Salaries
22/11/2021	BP	Abode Acropro - Subscription	12.64	2.53	15.17	IT
26/11/2021	BP	Net Pay - November 2021	10,339.79	-	10,339.79	Staffing - Salaries
22/11/2021	DD/STO	British Gas - Electricity, Bandstand	17.33	0.87	18.20	Devolved Services - Bandstand
30/11/2021	DD/STO	New Star Networks - Broadband	209.68	41.94	251.62	IT
Total			36,506.49	3,048.90	39,555.39	

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Date: 06/12/2021
Time: 15:47:26

Penrith Town Council
Bank Reconciliation

Page: 1

Bank Ref: 1205	Date To: 30/11/2021
Bank Name: HSBC	Statement Ref: 1205 2021-12-06 02
Currency: Pound Sterling	

Balance as per cash book at 30/11/2021: 147,331.65

Add: Unpresented Payments

Tran No	Date	Ref	Details	£
4427	30/11/2021	21-126	Penrith Parish Centre - Room	74.75
4430	30/11/2021	21-127	National Association of Civic	50.00
4431	30/11/2021	21-128	Ian Cannon Ltd - Allotment	11,520.00
				<u>11,644.75</u>

Less: Outstanding Receipts

Tran No	Date	Ref	Details	£
				<u>0.00</u>

Reconciled balance : 158,976.40

Balance as per statement : 158,976.40

Difference : 0.00



Contact tel 03457 60 60 60
see reverse for call times
Text phone 03457 125 563
used by deaf or speech impaired customers
www.hsbc.co.uk

3 November to 16 December 2021

Your Statement

Account Name
Penrith Town Council

Sortcode **Account Number** **Sheet Number**
[REDACTED]0 [REDACTED] 138

Your BUSINESS CURRENT ACCOUNT details

Date	Payment type and details	Paid out	Paid in	Balance
	BALANCE BROUGHT FORWARD			166,205.00
	BP [REDACTED] PENRITH TOWN COUNC	2,937.02		
	BP [REDACTED] PENRITH TOWN COUNC	609.26		
	BP [REDACTED] PENRITH TOWN COUNC	607.70		162,051.02
29 Nov 21	BP WALTON GOODLAND PEOI 24412	1,875.00		
	BP Askins & Little PTC2021-22-09	948.00		159,228.02
30 Nov 21	DD NEW STAR NETWORKS	251.62		158,976.40
02 Dec 21	CR PUBLIC SECTOR DEPO		15.50	
	BP Penrith Parish Cen PTC INV 3033	74.75		
	BP National Associati PTC inv 2235	50.00		
	BP Ian Cannon Ltd PTC inv 1979	1,520.00		157,347.15
03 Dec 21	BP Ian Cannon Ltd PTC inv 1872	10,000.00		
	VIS INT'L 0011967057 ZOOM.US 888 799 96 WWW.ZOOM.US	100.72		147,246.43
09 Dec 21	DR TOTAL CHARGES TO 17NOV2021	6.50		147,239.93
10 Dec 21	BP HEATONS OFFICE SOL SINV10496120	1,176.67		
	BP PARISH ONLINE 16UF901-0004	600.00		
	BP Penny Gledhill Penrith Town Counc	1,060.00		
	BP [REDACTED] PENRITH TOWN COUNC	9.15		144,394.11
13 Dec 21	CR CUMBRIA COUNTY CO		6,120.00	150,514.11
14 Dec 21	VIS GLENWOOD DECORATIN DARLINGTON	35.98		150,478.13
16 Dec 21	BALANCE CARRIED FORWARD			150,478.13

Information about the Financial Services Compensation Scheme

Your deposit is eligible for protection under the Financial Services Compensation Scheme (FSCS). For further information about the compensation provided by the FSCS, refer to the FSCS website at www.FSCS.org.uk, call into your nearest branch or call your telephone banking service. Further details can be found on the FSCS Information Sheet and Exclusions List which is available on our website (www.hsbc.co.uk).

FINANCE COMMITTEE

10 January 2022

Matter: Proposed Budget 2022-23

Purpose of Report:

To consider the Proposed Budget 2022/23, Service Development Proposals and the Proposed Medium Term Financial Plan.

Item no: 09

Author: Jack Jones, RFO

Supporting Member: Cllr Roger Burgin, Committee Chair

Recommendations

The Committee is recommended to consider:

- a) The Forecast Outturn expenditure for 2021/22 of £439,504;
 - b) The Proposed Budget 2022/23 which would, based on the estimated Council Taxbase, provisionally require a precept of £454,570 resulting from a nil increase in Council Tax;
 - c) The salaries payable to Council staff in 2022/23, as detailed in the supporting confidential report;
 - d) The allocation of the amount of £25,000 available for financial growth in 2022/23 to the two service development proposals set out in the report;
 - e) The proposed level of financial reserves;
 - f) The parameters and forecasts in the Proposed Medium Term Financial Plan;
- and to forward these proposals, with any amendments, to Council for approval.

Law and legal implications

Sections 41 and 50 of the Local Government Finance Act 1992 require the Council to calculate its annual budget requirement and its resulting precept by 28 February. The precept is issued to the billing authority, Eden District Council, to collect the income on behalf of the Town Council.

Link to Council Priorities

The annual budget should reflect and support the Council's priorities for the financial year ahead.

1. REPORT DETAILS

A. Introduction

Draft estimates for 2022/23 were considered by the Budget Working Group on 6 December 2021. Since then, two changes have been made in the latest iteration of the estimates:

- Elsewhere on this agenda is a report proposing that £3,000 be allocated to the Thacka Beck budget from the Devolution Reserve in the current financial year.
- The CCEG Committee's cancelled meeting on 13 December was due to consider two proposals to amend its draft 2022/23 Budget: the transfer of £3,000 from Town Projects to a new Marketing Penrith budget and £10,000 from Large Grants to the Arts & Culture Development budget.

Only one piece of information is awaited: the proposed budget still assumes the RFO's estimate of the Council Taxbase for next year pending notification of the actual figure by Eden DC. The final figure is expected around the date of this Committee meeting.

The Working Group confirmed that a nil increase in Council Tax for next year would be appropriate, in view of the current circumstances and that reserves were at a comparatively high level, giving scope for a release of resources to the annual budget over a period of years to fund new initiatives.

The Working Group also noted that the Medium Term Financial Plan (MTFP) developed alongside the Proposed Budget demonstrated that budgets can be affordable in the longer term, based on key parameters.

This report presents the resulting Proposed Budget for 2022/23 and Medium Term Financial Plan, which indicate that the Council will be able to set sustainable budgets for subsequent years that will incorporate further financial growth in services and meet its target reserve level, with modest annual tax increases.

B. Proposed Budget 2022/23

Appendix A

The statement at **Appendix A** shows the following detailed information for the Council's Committees and services:

- a) The Actual Outturn income and expenditure for 2020/21, for comparison purposes.
- b) The Approved Budget for 2021/22, as agreed by Council on 25 January 2021.
- c) The Forecast Outturn for the current year, with the projected full year's expenditure based on trends identified from budget monitoring statements and including the effect of decisions made by Council to date and proposals for the redirection of estimates, notably the requested creation of the new Grants scheme and an Arts and Culture Development budget.

Total outturn expenditure for 2021/22 of £439,504 is forecast to decrease by £75,710 from the Approved Budget of £515,214. The major differences can be summarised in the following table:

Expenditure per Approved Budget 2021/22	£	£ 515,214
Climate Change Initiative delayed one year	(13,300)	
Town Projects budget transferred to Arts & Culture Development	(13,200)	
Reduced expenditure on Covid-19 Response	(2,500)	
Increased Officer Support to CCEG services	2,500	
Arts & Cultural Strategy budget transferred to Arts & Culture Development	(6,300)	
New Arts & Culture Development budget	22,500	
Events budget transferred in full to new Grants scheme	(29,000)	
Net reduction in Greening expenditure following transfer to Grants	(6,500)	
Community Grants budget transferred in full to new Grants scheme	(31,000)	
Forecast expenditure on new Grants scheme	31,000	
Reduced activity on Community Engagement	(4,500)	
Staffing:		
• Provision for April 2021 pay award transferred to Contingency (£2,440)		
• Community Engagement Officer vacancy (£16,550)	(23,110)	
• Sickness absence (£8,140)		
• Acting up and sick cover arrangements £5,670		
• Reduced Training, Conference and Expenses costs (£1,650)		
Reduced IT and Website expenditure	(3,050)	
Devolved Assets:		
• Brackenber Allotments drainage work £10,000		
• Bus shelter provision slipped to 2022/23 (£5,000)	9,200	
• Play Areas expenditure not undertaken (£1,500)		
• Additional expenditure on Thacka Beck £5,700		
• Resulting reduction in contribution to Devolution Reserve	(9,200)	
Lower Repairs & Renewals costs	(2,500)	
Contingency provision: estimated costs of April 2021 pay award £3,930 less general reduction (£500)	3,430	
Other minor variations (net)	(180)	
		(75,710)
Forecast Outturn Expenditure 2021/22		439,504

d) The Proposed Budget for 2022/23, which allows for a continuation (standstill) budget that identifies and provides for the current committed level of service to be maintained. This involves the current year's budget being adjusted to remove any one-off items and to include the estimated costs of contractually committed changes to expenditure or income; inflationary increases have only been allowed

where necessary. The proposed budget is modelled to provide an allowance of £25,000 to fund service development proposals (growth items) in 2022/23, as detailed below.

Based on these estimates, the proposed precept for 2022/23 will be £454,570; the increase of £4,501 from the 2021/22 figure of £450,069 is due to a higher estimated Council Taxbase and can be explained as follows:

	£	£ 450,069
2021/22 Precept		
Removal of Covid-19 Response budget	(5,000)	
Creation of new Grants budgets and support:		
• Officer Support £2,500		
• Events (£29,000)	0	
• Greening (£9,500)		
• Community Grants (£31,000)		
• Grants budget £67,000		
Removal of one-off Arts & Cultural Strategy budget	(7,500)	
Transfer of £10,000 from Large Grants to Arts & Culture Development budget	0	
Cessation of Community Engagement software	(5,000)	
Staffing:		
• Provision for April 2021 pay award (£2,440), offset by increase in NI rate £2,460		
• Replacement Community Engagement Officer £2,260	8,580	
• Full year effect of Sustainability Officer post £7,780		
• Reduced Training, Conference and Expenses costs (£1,480)		
Increase in Room Hire/Meetings budget	1,500	
Reduction in IT budget	(1,000)	
Devolved Assets:		
• Cessation of grants from Eden DC £4,860 and Bring Site income £1,400		
• Removal of Play Areas (£1,500) and LGR Project (£3,000) budgets	460	
• Review of operating costs (net) (£1,300)		
• Resulting reduction in contribution to Devolution Reserve	(460)	
Removal of one-off Project budget	(8,000)	
Cessation of benches programme	(5,000)	
Contingency provision: estimated costs of April 2021 pay award £4,480 and 2022 pay award £6,510	10,990	
Allowance for Growth Items	25,000	
Increase in contribution from General Reserve	(10,529)	
Other minor variations (net)	460	
		4,501
Proposed Precept 2022/23 (provisional)*		454,570

*The precept for 2022/23 is dependent on the Council Taxbase, which has not yet been confirmed by Eden DC.

- e) The position on the Council's three reserves over the two financial years.
- f) The resulting Council Tax based on the budgets for the two financial years, representing a nil increase in the Council Tax for 2022/23.

C. Proposed Medium Term Financial Plan (MTFP)

Appendix B

Appendix B shows a forecast of income and expenditure for the years 2022/23 to 2026/27, based on the figures in the 2022/23 Proposed Budget, again showing only continuation budgets. These are adjusted for planned variations, together with a modest provision for growth in subsequent years; basic figures are at April 2022 prices and future inflation has been allowed for as a global figure on staffing and running costs.

A standstill Council Tax and an allowance for a 2.5% pay award have been included for 2022/23. The parameters for subsequent years are as follows:

- A 2.0% increase in Council Tax for each of the years 2023/24 to 2026/27
- A return to small annual increases in the Council Taxbase
- Pay inflation of 2.0% pa
- Average price inflation of 0.5% pa (which would imply a real terms reduction in several budgets, justified by the propensity for underspending)
- Achievement of a General Reserve equivalent to 35% of net expenditure by 31 March 2025, to be maintained thereafter
- Allowance for service development proposals totalling £100,000 over the life of the Plan, including the £25,000 proposed for 2022/23
- Contributions to the Devolution Reserve until expenditure on existing devolved assets reaches the agreed target figure of £46,344.

Based on these parameters, the Council can demonstrate that it has a viable and sustainable financial plan for the next five years.

D. Service Development Proposals (Growth Items)

Appendix C

Two growth proposals have been made during the budget process:

- Creation of a £10,000 Participatory Budget, to be supplemented by in-year underspendings in the CCEG Committee budget for 2022/23; and
- Resources, legal and professional advice, consultation and marketing, totalling £15,000 in support of the Local Government Review (LGR) project.

For the purposes of the Medium Term Plan, it is assumed that the Participatory Budget will continue at £10,000 pa and that there will be residual costs of £5,000 in 2023/24 relating to the LGR project.

Appendix C shows that the MTFP parameters would allow for these two proposals plus a further £30,000 of new financial growth over the next five years; the total growth of £100,000 is largely dependent on the phased use of reserves.

E. Detailed Budgets

The following commentary provides details of the individual estimates within the Proposed Budget and the Medium Term Financial Plan.

a) Income

The precept income for 2022/23 is based on a 0.0% increase in Council Tax and an assumed small increase in the Council Taxbase. The parameters in the Medium Term Plan project tax income which will allow sustainable budgets and maintain the General Reserve above its target level. The investment income budget has been reduced to a modest amount until there is a return to higher interest rates.

b) Planning Committee

Planning Services are expected to continue at their current level of £10,000 pa; however the inability to progress expenditure on Climate Change initiatives has delayed the full programme by one year, so as to start in 2022/23.

c) CCEG Committee

The Forecast Outturn reflects the approved transfer of budgets to accommodate the new Grants scheme and its continuation into subsequent years. A further requested transfer to create an Arts & Culture Development budget for 2021/22 only is subject to approval by Council but is assumed in the Forecast Outturn.

CCEG Committee was also to be asked to consider changes to its 2022/23 budget at its meeting on 13 December; that meeting was cancelled, however the amendments have been included in the Proposed Budget so that its planned initiatives can proceed.

Based on previous years' outturns and budget monitoring in the current year, a significant underspending of £37,000 is forecast for the Committee's overall 2021/22 expenditure; it is important to note that this does not reduce the CCEG budget; in particular, the Committee will not be constrained by the forecast if it is able to encourage the take up of Grants.

Town Projects

Most of the Town Projects budget, £13,200, has been transferred to the new Arts & Culture Development budget for 2021/22 only. CCEG Committee is being requested to consider transferring a further £5,000 in 2022/23 to a new Marketing Penrith budget.

Covid-19 Response

Expenditure on Covid-19 Response has (up to now) been lower than budgeted, so the forecast shows a £2,500 underspend. The full budget of £5,000 is removed in 2022/23, although £1,000 has been transferred to the Finance Committee Room Hire/Meetings budget to allow for extra costs and/or Zoom meetings recommencing.

Arts & Entertainment

Officer Support is increased by £2,500 for the Forecast Outturn and subsequent years, connected to the operation of the new Grants scheme. The Arts & Cultural Budget of £7,500 was for a single year only; the Forecast Outturn transfers £6,300 of this sum to part fund the Arts & Culture Development budget of £22,500. For 2022/23, CCEG Committee is being asked to transfer £10,000 from Large Grants to the Development budget.

The Events budget has been transferred to the new Grants scheme budget.

Environment

The Greening budget was reduced by £9,500 on a continuing basis towards the new Grants scheme. The current year's £3,000 overspend of the resulting £5,000 budget is shown in the Forecast Outturn.

Community Grants

The £30,000 budget has been transferred to the new Grants scheme on a permanent basis.

Grants

The new Grants scheme budgets agreed by Council in April 2021 total £67,000 on an ongoing basis. In the current year, £3,000 has been transferred to Greening to meet its overspend and £3,000 to the Arts & Culture Development budget. The Forecast Outturn reflects these changes and a further £30,000 in potential underspending. For 2022/23, CCEG is to consider a transfer of £10,000 from Large Grants to the Arts & Culture Development budget.

Corporate Communications

The Community Engagement Officer vacancy has resulted in fewer initiatives, reducing 2021/22 expenditure by £4,500. The 2022/23 Budget assumes the discontinuation of the licence for Dialogue software as its functions can be provided by other means.

d) Finance Committee

Staffing

The 2021/22 Forecast Outturn and 2022/23 Proposed Budget estimate the costs of the existing approved staff establishment. After adjusting for pay awards, the 2021/22 Forecast is £23,110 lower than the approved budget for the year. The main reasons for this are the vacant Community Engagement Officer post and two sickness absences, offset by cover arrangements.

The 2022/23 Proposed Budget assumes a full establishment and the forthcoming 1.25% increase in National Insurance contributions. Based on staff appraisals this year, each Officer will be due incremental progression on 1 April 2022, where appropriate. The supporting Part 2 confidential report shows the recommended salary points for each member of staff.

The staff pay award for 2021/22 has not yet been agreed so salary costs are effectively at March 2021 rates; allowance has been made in the Contingency budget for pay awards effective from April 2021 and April 2022. Future years' forecast pay awards are provided as a global sum alongside price inflation.

The pandemic has prevented face to face training so that events have either been cancelled or provided virtually at a lower cost. Training, conferences and staff expenses all show reductions to reflect this.

Accommodation

Expenditure for Room Hire has been increased to cover the cost of hiring premises because of the Covid pandemic; a further increase of £1,000 in 2022/23 provides for the possible continuation of Zoom for meetings.

Civic Functions

The Forecast Outturn includes £700 for the purchase of a Council press and seal.

Cost of Democracy

Training and expenses show a reduction as events have been cancelled or provided virtually at a lower cost. The MTFP includes £6,000 in 2023/24 for the next election.

IT

The Forecast Outturn shows a decrease of £2,000 due to a planned replacement computer which has not proved necessary and a further small reduction in demand.

Website

Budgetary control statements suggest that the Forecast Outturn will be £1,050 below budget.

Devolved Services

The Forecast Outturn for 2021/22 and the Proposed Budget 2022/23 include the latest estimated costs and income for assets already transferred from Eden DC. The Medium Term Plan no longer provides for the transfer of Play Areas and Toilets as these will be part of the larger discussion on Local Government Review. Service expenditure forecasts have been reviewed in the light of operating experience and are continued into future years; 2021/22 is the final year of the phased grants from Eden DC.

○ Bring Site

Council has decided that the arrangement with Eden DC will not be renewed past 31 March 2022. This will mean a loss of income of £1,400 pa. It expected that offsetting savings will be made in terms of expenditure on the Community Caretaker and in staff time, however it is too early for these to be quantified.

○ Allotments

The ongoing budget includes the cost of asset maintenance, boundary repairs and hedge cutting. For 2021/22, there is an additional cost of £10,000 for the major drainage repairs at the Brackenber site. As these have now been completed, the 2022/23 Budget is reduced by £750.

- Benches & Bus Shelters

A one-off provision of £5,000 was made in the 2021/22 Budget for the provision of one shelter; it has not been possible to proceed with this scheme, so it has been slipped into 2022/23 and planned for Scaws.

- Bandstand

The 2021/22 Forecast Outturn includes income of £500 from the Board & Elbow public house for use of the area; in 2022/23, income of £750 has been agreed, while grant from Eden DC reduces by £800. No income is included in subsequent years.

- Musgrave Monument:

From 2022/23 onwards, costs are increased by £200 for a latchway inspection, clock inspection & survey, while grant of £180 is terminated.

- Fairhill Park

Grounds maintenance costs of £700 are transferred to Thacka Beck for its share of the new contract. The 2022/23 budget provides for £3,300 expenditure and the loss of the same amount of grant income.

- Play Areas & Fairhill Site Improvements

No expenditure is planned; these headings are shown because of earlier expenditure in the comparatives for 2021/22.

- Fairhill UU Planting Maintenance

Although the net budget is shown as £nil, the Council has received £4,000 income from United Utilities, which it is assumed will be used in annual instalments to meet the estimated £650 expenditure.

- Thacka Beck

The 2021/22 Budget comprised a “starter” estimate of £3,000 for grounds maintenance, gates and fences. Since then, a further estimate of £2,000 has been approved and £3,000 is being requested; together with £700 transferred from Fairhill for grounds maintenance costs, this gives a Forecast Outturn of £8,700. The ongoing budget is £3,700.

- Local Government Review

The Forecast Outturn repeats the approved £3,000 budget for the initial costs of the LGR plan.

- Contribution to Devolution Reserve

The 2018/19 Approved Budget set a target of £45,594 for Devolved Services, being the reduction in Special Expenses charged by Eden DC. This target was increased to £46,344 because of the Signage budget being added to the Devolved Services heading. Since the MTFP no longer includes the potential transfer of Toilets and Play Areas, it is now forecast that the total cost of services will be permanently lower than £46,344 so that the difference is contributed to the Devolution Reserve, which will accumulate until decisions are made on its use.

Council Projects

The project budget of £8,000 applies to 2021/22 only; it is planned to spend this on a speed indicator device and support to Eden DC's improvement scheme at Castle Park.

Other Overheads

A review of expenditure on these budgets has resulted in several minor variations. Although the Subscriptions budget has been increased, this is offset by a rationalisation of costs previously charged to other headings.

Repairs & Renewals

For three years from 2019/20, the normal £3,000 budget has been enhanced by £5,000 pa for a programme of bench replacements. There has been little expenditure on routine items, so the Forecast Outturn is reduced to £5,500 and the 2022/23 Budget reverts to £3,000.

e) Contingency

The general contingency provision is reduced to £500 for the remainder of 2021/22, then reverts to £1,000 for subsequent years. Because of the uncertainty regarding pay awards, in a change to previous practice, the anticipated costs of the April 2021 award (£3,930 in 2021/22 and £4,480 in 2022/23) are budgeted in Contingencies, representing the national employers' final offer of a 1.75% award. Similarly, the 2022/23 Contingency allows for a possible 2.5% increase in pay, amounting to £6,510.

f) Inflation

Anticipated pay and price inflation has been included in the detailed budgets for 2022/23. For 2023/24 onwards, the MTFP allows for compound pay inflation of 2.0% pa and price inflation at an average rate of 0.5% pa as a global figure.

g) Allowance for Growth Items

Largely due to the forecast level of reserves at 31 March 2021, the parameters adopted for the preparation of the 2021/22 Budget and the Medium Term Financial Plan suggest that there will be approximately £100,000 available over the life of the Plan to fund new service development proposals. After allowing for the ongoing costs of Participatory Budgeting and the Local Government Review project, £30,000

could be available over the life of the Plan for new initiatives. Members should note that the phasing shown in Appendix C is illustrative and has been chosen to fit the Plan.

F. Reserves

The Proposed Budget and Medium Term Plan assume a continuation of existing plans for reserves.

General Reserve

The Council has a policy of reaching a target balance in the Reserve equivalent to 35% of its forecast net expenditure by 31 March 2025. Underspendings in previous years, notably £64,000 in 2020/21, coupled with £75,000 this year, mean that this target has already been exceeded. As a result, there are resources in the Reserve which can be used to fund financial growth over the life of the Plan.

Based on the Plan's parameters, the 35% target for 31 March 2025 of £179,900 can also be exceeded, as shown in Appendix B, and maintained in subsequent years. The illustrative phased use to fund growth results in the balance at 31 March 2027 being equal to its target.

Devolution Reserve

As noted above, the Reserve is being built up from contributions from the Devolved Services budget heading until the total cost of those services reaches £46,344. Appendix B shows that the MTFP projections forecast that this target figure will not be reached and that contributions will stabilise at £22,839 in 2025/26, leading to a balance of £258,752 at 31 March 2027. The reserve is intended to act as a cushion against the longer-term full costs of devolved assets being higher than expected, necessary renovation and/or improvements.

Acquisitions Reserve

The reserve was established in 2018/19 with a contribution of £50,000. No use of this money is budgeted or forecast, however it will be available when required for expenditure associated with acquisitions.

G. Council Tax

The current year's Band D Council Tax is £83.09 per property. Adoption of the Proposed Budget for 2022/23 would result in a nil increase. In addition to the draft estimates, the tax calculation is based on an expectation of a modest increase in the Council Taxbase; the actual taxbase should be notified by Eden DC in early January and will require some adjustment to the budget.

The Medium Term Plan at Appendix B indicates that a 2.0% increase in Council Tax in each of the following four years would fund sustainable base budgets with an allowance for growth and meet the Council's target reserve.

H. Observations

The Committee should be aware of the following comparisons and potential risk factors.

- i) This will be the second year in a row that a nil increase is proposed. While there is no need in the short term for an increase, the medium term forecasts allow for only modest financial growth over the life of the MTFP. All other things being equal, the introduction of more ambitious new spending programmes in future years would require tax increases beyond the 2.0% factored into the Plan. If this were the case, a nil increase now would represent a lost opportunity to secure a higher base income: a 1.0% rise in 2022/23 would represent around £24,000 additional income over the five years of the Plan.
- ii) To put the nil increase into perspective, State pension increases are determined by the temporary double lock which applies the higher of the September Consumer Price Index (CPI) rate or 2.5%. As September's CPI was 3.1%, State pensions will increase by this percentage in April 2022.
- iii) The latest rate of inflation as measured by the Consumer Price Index is 5.1% (November 2021), well above the Bank of England's 2.0% target and the highest for ten years. Several factors have contributed to this rate: higher energy and fuel costs, clothing and food prices; however these are not a large component of the Council's direct expenditure.
- iv) The Bank of England unexpectedly raised the bank base rate by 0.15% to 0.25% in December. At present, it is too early to predict whether investment returns will reflect this increase and only a modest income is included in the MTFP.
- v) The Medium Term Financial Plan assumes average inflationary price increases of 0.5% pa. This may appear to be low, particularly when CPI is expected to peak at 6.0% in early 2022 and to be above the target 2.0% until well into 2023. In reality, the Council has not automatically inflated budgets in recent years, only where contractually committed, yet there has been no pressure on budgets and significant overall outturn underspendings. At the present time, while acknowledging that a 0.5% increase may suggest a real terms cut in budgets, this is not considered to be a problem.
- vi) Unusually for January, we do not know the outcome of the negotiations for the April 2021 staff pay round. The national employers have made a full and final offer of a 1.75% increase and declined to negotiate further; in response, trade unions are balloting their members on taking industrial action, with a result expected in January. The Proposed Budget and MTFP assume settlement at the 1.75% offer; an extra 1.0% would represent a cost of around £12,000 over the life of the Plan. For subsequent years, the MTFP's allowance of a 2.5% pay award in 2022 and 2.0% pa thereafter appears reasonable.
- vii) Superannuation contributions could be a potential risk factor for the Plan. Employer contributions are assessed triennially; we are currently in the final year of three with a contribution rate of 19.9%. Contributions are based on actuarial forecasts such as age of the workforce, working lives and life expectancy, together with economic factors such as inflation and investment returns. The effect of a

1.0% increase in contributions from April 2023 would be around £11,000 over the life of the Plan.

- viii) Setting a precept based on a fixed or nil increase in Council Tax means that it is dependent on knowledge of the actual Council Taxbase determined by Eden DC, which is not yet available. Some (hopefully small) adjustment may therefore be needed to the proposed budget before it is presented to full Council. Due to the pandemic, the Taxbase actually decreased by 0.9% in 2021/22. The Proposed Budget and MTFP assume that this will be recovered in 2022/23 by a 1.0% increase with a return to more normal 1.5% pa rises thereafter. Standstill Taxbases throughout the five years of the Plan would result in £90,000 less income, demonstrating how spending plans are dependent on regular healthy increases in the Taxbase.
- ix) Appendix B shows that the MTFP forecast predicts that the Devolution Reserve will continue to grow, with expenditure on the assets never reaching the target £46,344 figure and annual contributions levelling out at £22,839. By 31 March 2027, the Reserve will have a balance of £258,752, which is beyond any day to day demands. Although this is an unlikely scenario as there is bound to be the need for major repairs, improvements or upgrades which would reduce the balance, the Council should reconsider the purpose of the Reserve, its accumulation of resources and its potential use; it would be appropriate to carry out this review during the next twelve months when the outcome of LGR negotiations are clearer.
- x) During preparation of the draft estimates, the outlook for the Covid pandemic appeared to be relatively optimistic and so the budgeted provision for its implications was reduced in 2022/23. The position is much less certain now with the emergence of the Omicron variant and further measures may be needed as the Council's response; it is currently assumed that these will be funded from contingencies and/or reserves until it is known whether more fundamental adjustment to the budget is needed.
- xi) By far the biggest unknown in the Medium Term Plan is the implication of Local Government Review. The Plan assumes business as usual, with no increased responsibilities taken over by the Council. It appears that this is unlikely, with the Council being expected to adopt services and/or assets which may or may not come across with adequate funding, presenting a potential risk to future Council Tax levels. There is no way to predict the consequences at present but the Council is in a strong financial position, with sustainable standstill budgets and healthy reserves. It will be important to revise the medium term projections when new responsibilities are being considered, to ensure that the Council's longer term budgets remain viable.

I. NEXT STEPS

The Committee is asked to consider this report in conjunction with the draft reserves and investment policies elsewhere on the agenda. Firm budget proposals will then be submitted for decision by full Council on 24 January 2022.

2. Options Analysis including risk assessment

Risk & Consequences

The Council sets an invalid or inadequate budget.

An inability to raise a valid precept or insufficient resources to deliver the Council's objectives.

Overspendings leading to unwelcome curtailment of other spending programmes; possible unpalatable council tax increase; potential reputational damage.

Controls Required

A sound budget process will address these risks.

3. Financial and Resource Implications

This report is concerned solely with financial management. All figures other than the current year's budget and last year's outturn are provisional at this stage.

Appendices

2022/23 Proposed Budget:

- Budget Summary
- Summary Medium Term Financial Plan
- Service Development Proposals (Growth Items)

Background Papers

2022/23 Budget Working Papers



PROPOSED BUDGET 2022/23

ACTUAL OUTTURN 2020/21	APPROVED BUDGET 2021/22		BUDGET HEADING	FORECAST OUTTURN 2021/22		PROPOSED BUDGET 2022/23	
£	£	£		£	£	£	£
			INCOME				
454,233		450,069	Precept: Council Tax		450,069		454,570
7,829		7,700	EDC - CTRS Grant		7,551		7,350
515		670	Other Income: Investment Income		200		250
0		10	Miscellaneous Income		10		10
462,577		458,449	TOTAL INCOME		457,830		462,180
			EXPENDITURE				
			PLANNING COMMITTEE:				
			Planning:				
4,739	0		Officer Support	0		0	
1,367	10,000		Planning Consultancy	10,000		10,000	
503	0		Consultation	0		0	
6,609		10,000	Sub-Total		10,000		10,000
			Climate Change:				
0	0		Website & initial costs	0		0	
0	5,000		Community Consultation	0		5,000	
0	2,000		Internal Business Plan	0		2,000	
0	1,000		Carbon Footprinting: High level baseline	0		1,000	
0	500		Carbon Footprinting: Calculator licence	0		500	
0	3,000		BIG STEP	0		3,000	
0	800		Staff Development/Exceptional Expenses	0		800	
0	1,000		Carbon Literacy Training	0		1,000	
2,038	0		Unallocated Project budget	0		0	
2,038		13,300	Sub-Total		0		13,300
8,647		23,300	Planning Committee Total		10,000		23,300
			CCEG COMMITTEE:				
			Town Projects:				
4,377	15,000		Town Projects	1,800		10,000	
0	0		Marketing Penrith	0		5,000	
17,314	5,000		Covid-19 Response	2,500		0	
21,691		20,000	Sub-Total		4,300		15,000
			Arts & Entertainment:				
928	5,000		Officer Support	7,500		7,500	
2,484	7,500		Arts & Cultural Strategy	1,200		0	
0	0		Arts & Culture Development	22,500		10,000	
1,430	29,000		Events	0		0	
4,842		41,500	Sub-Total		31,200		17,500
			Environment:				
1,600		14,500	Greening		8,000		5,000
1,571		31,000	Community Grants		0		0
			Grants:				
0	0		Small Grants	8,000		15,000	
0	0		Grow Nature Grants	8,000		15,500	
0	0		Large Grants	15,000		26,500	
0		0	Sub-Total		31,000		57,000
			Corporate Communications:				
450	12,500		Community Engagement	8,000		7,500	
1,440	2,500		Press Support	2,500		2,500	
1,890		15,000	Sub-Total		10,500		10,000
31,594		122,000	CCEG Committee Total		85,000		104,500
			FINANCE COMMITTEE:				
			Staffing:				
172,871	195,170		Salaries	173,740		196,850	
15,378	16,910		National Insurance	15,730		19,960	
30,636	34,120		Superannuation	35,270		39,170	
0	1,000		Recruitment Expenses	1,000		500	
893	950		Staff Training	700		950	
289	1,500		Conferences	500		1,000	
325	700		Staff Expenses	300		500	
220,392		250,350	Sub-Total		227,240		258,930

ACTUAL OUTTURN 2020/21	APPROVED BUDGET 2021/22		BUDGET HEADING	FORECAST OUTTURN 2021/22		PROPOSED BUDGET 2022/23	
£	£	£		£	£	£	£
7,500	7,500		Accommodation:				
1,383	1,700		Rent	7,500		7,500	
765	920		Heat, Light & Water	1,700		1,800	
0	230		Service Charges	920		920	
367	380		Room Hire/Meetings	700		1,730	
0	(10)		Insurances	380		380	
			Letting Income	0		(10)	
10,015		10,720	Sub-Total		11,200		12,320
			Civic Functions:				
143	400		Civic Functions	200		400	
567	700		Mayoral Expenses	700		700	
267	300		Deputy Mayor's Expenses	300		300	
51	100		Civic Regalia	800		100	
1,028		1,500	Sub-Total		2,000		1,500
			Cost of Democracy:				
0	200		Annual Meeting	300		200	
0	0		Elections	0		0	
85	1,000		Members' Training	300		1,000	
80	200		Members' Expenses	150		200	
0	200		Notice/Honours Board	200		200	
165		1,600	Sub-Total		950		1,600
17,995		21,000	IT		19,000		20,000
3,901		2,050	Website		1,000		2,050
			Devolved Services:				
(1,400)	(1,400)		Bring Site	(1,400)		0	
2,530	1,550		Allotments	11,550		800	
418	400		War Memorial	400		400	
(420)	790		Benches	790		1,500	
(98)	5,410		Bus Shelters	630		5,780	
625	1,700		Bandstand	1,200		1,750	
719	420		Musgrave Monument	420		800	
(3,515)	1,200		Fairhill Park	500		3,300	
0	1,500		Play Areas	0		0	
0	0		Fairhill United Utilities Planting Maintce	0		0	
7,050	0		Fairhill Site Improvements	0		0	
(4,221)	3,000		Thacka Beck	8,700		3,700	
1,150	300		Signage	300		300	
8,617	8,800		Community Caretaker	8,800		8,800	
0	3,000		Local Government Re-organisation: Plan	3,000		0	
34,889	19,674		Contribution to Devolution Reserve	11,454		19,214	
46,344		46,344	Sub-Total		46,344		46,344
			Council Projects:				
0	3,000		Officer Support	3,000		3,000	
0	8,000		Project Budget	8,000		0	
0		11,000	Sub-Total		11,000		3,000
			Other Overheads:				
1,119	1,800		Printing, Postage & Stationery	1,600		1,800	
1,405	1,700		Audit Fees	1,750		1,450	
3,786	4,000		Insurance	3,600		3,800	
135	100		Bank Charges & Interest	130		130	
3,322	2,800		Accountancy Fees	2,600		2,600	
3,204	2,500		Legal Fees	1,500		1,500	
283	450		Licences	500		500	
2,841	3,000		Subscriptions	4,160		4,160	
16,095		16,350	Sub-Total		15,840		15,940
2,118		8,000	Repairs & Renewals		5,500		3,000
318,053		368,914	Finance Committee Total		340,074		364,684
0		1,000	Contingency		4,430		11,990
n/a		0	Allowance for Growth Items		0		25,000
0		0	Transfer to/(from) Acquisitions Reserve		0		0
358,294		515,214	TOTAL EXPENDITURE		439,504		529,474
			INCREASE/(DECREASE) IN GENERAL RESERVE				
104,283		(56,765)			18,326		(67,294)

ACTUAL OUTTURN 2020/21	APPROVED BUDGET 2021/22		BUDGET HEADING	FORECAST OUTTURN 2021/22		PROPOSED BUDGET 2022/23	
£	£	£		£	£	£	£
236,149		276,487	General Reserve:				
104,283		(56,765)	Balance brought forward 1 April		340,432		358,758
			Increase/(decrease) in year		18,326		(67,294)
340,432		219,722	Balance carried forward 31 March		358,758		291,464
			Devolution Reserve:				
101,059		121,878	Balance brought forward 1 April		135,948		147,402
34,889		19,674	Contribution from Annual Budget		11,454		19,214
135,948		141,552	Balance carried forward 31 March		147,402		166,616
			Acquisitions Reserve:				
50,000		50,000	Balance brought forward 1 April		50,000		50,000
0		0	Increase/(decrease) in year		0		0
50,000		50,000	Balance carried forward 31 March		50,000		50,000
526,380		411,274	TOTAL RESERVES AT 31 MARCH		556,160		508,080

ACTUAL OUTTURN 2020/21	APPROVED BUDGET 2021/22		COUNCIL TAX	FORECAST OUTTURN 2021/22		PROPOSED BUDGET 2022/23	
£454,233		£450,069	Precept		£450,069		£454,570
5,466.76		5,416.64	Taxbase (Band D properties)		5,416.64		5,470.81
£83.09		£83.09	Council Tax (Band D)		£83.09		£83.09
0.00%		0.00%	Increase (%)		0.00%		0.00%



Penrith Town Council

PROPOSED MEDIUM TERM FINANCIAL PLAN 2022/23 TO 2026/27

BUDGET HEADING	2022/23	2023/24	2024/25	2025/26	2026/27
	£	£	£	£	£
INCOME					
Council Tax	454,570	470,606	487,246	504,451	522,238
All Other Income	7,610	7,410	7,210	7,010	6,810
TOTAL INCOME	462,180	478,016	494,456	511,461	529,048
EXPENDITURE					
Staff Costs	258,930	260,260	262,230	262,230	262,230
All Other Expenditure	226,330	214,790	208,260	208,415	208,415
Inflation: Staff Costs: 2.0% pa	0	5,450	10,710	16,380	22,290
Inflation: Other Expenditure: Average 0.5% pa	0	1,070	2,080	3,130	4,170
Contribution to Devolution Reserve	19,214	23,464	22,994	22,839	22,839
Transfer to/(from) Acquisitions Reserve	0	0	0	0	0
Allowance for Growth Items (Illustrative)	25,000	30,000	15,000	15,000	15,000
TOTAL EXPENDITURE	529,474	535,034	521,274	527,994	534,944
INCREASE/(DECR) IN GENERAL RESERVE	(67,294)	(57,018)	(26,818)	(16,533)	(5,896)

RESERVES:	2022/23	2023/24	2024/25	2025/26	2026/27
	£	£	£	£	£
General Reserve:					
Balance brought forward 1 April	358,758	291,464	234,446	207,628	191,095
Increase/(decrease) in year	(67,294)	(57,018)	(26,818)	(16,533)	(5,896)
Balance carried forward 31 March	291,464	234,446	207,628	191,095	185,199
<i>Target General Reserve: 35% of Expenditure</i>			179,900	182,300	184,800
Devolution Reserve:					
Balance brought forward 1 April	147,402	166,616	190,080	213,074	235,913
Contribution from Annual Budget	19,214	23,464	22,994	22,839	22,839
Balance carried forward 31 March	166,616	190,080	213,074	235,913	258,752
Acquisitions Reserve:					
Balance brought forward 1 April	50,000	50,000	50,000	50,000	50,000
Contribution from Annual Budget	0	0	0	0	0
Balance carried forward 31 March	50,000	50,000	50,000	50,000	50,000
TOTAL RESERVES AT 31 MARCH	508,080	474,526	470,702	477,008	493,951

COUNCIL TAX:	2022/23	2023/24	2024/25	2025/26	2026/27
Precept	£454,570	£470,606	£487,246	£504,451	£522,238
Taxbase (Band D properties)	5,470.81	5,552.87	5,636.16	5,720.70	5,806.51
Council Tax (2021/22 £83.09)	£83.09	£84.75	£86.45	£88.18	£89.94
Increase (%)	0.00%	2.00%	2.00%	2.00%	2.00%



Penrith Town Council

PROPOSED MEDIUM TERM FINANCIAL PLAN SERVICE DEVELOPMENT PROPOSALS (GROWTH ITEMS)

REF	PROPOSAL	2022/23	2023/24	2024/25	2025/26	2026/27	TOTAL
		£	£	£	£	£	£
CCEG 1	Participatory Budgeting: Creation of a participatory budget to give residents greater participation in the spending and allocation of public money on community driven projects. To be supplemented by identified underspending of the CCEG Committee budget in 2022/23.	10,000	10,000	10,000	10,000	10,000	50,000
FIN 1	Local Government Review: Resources, legal and professional advice, consultation and marketing, in support of the project	15,000	5,000				20,000
	Allowance for New Growth in Future Years (Illustrative)	-	15,000	5,000	5,000	5,000	30,000
	TOTAL GROWTH ITEMS	25,000	30,000	15,000	15,000	15,000	100,000

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FINANCE COMMITTEE

10 January 2022

Matter: Draft Reserves Policy 2022-23

Purpose of Report:

To consider a draft policy for the management of the Council's financial reserves.

Item no: 10a

Author: Jack Jones, RFO

Supporting Member: Cllr Burgin, Committee Chair

This is a public report

Recommendations

The Committee is recommended to consider the draft policy and forward it, with any amendments, to Council for ratification.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, that having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

The Council is required, under statute, to maintain adequate financial reserves to meet the needs of the organisation.

The requirement for financial reserves is acknowledged in statute. Sections 31A, 32, 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:

- The balanced budget requirement:
Sections 31A, 42A of the Local Government Finance Act 1992, as amended.

- The legislative requirement for each local authority to ensure the proper administration of their financial affairs and that the proper officer has responsibility for the administration of those affairs. Section 151 of the Local Government Act 1972.

For best practice Penrith Town Council has referred to:

- LAAP BULLETIN 99, Local Authority Reserves and Balances July 2014
- Joint Panel on Accountability and Governance Practitioners' Guide March 2020

Link to Council Priorities

The annual budget and reserves should provide resources to deliver the Council's priorities for the financial year ahead and, as appropriate, for future years. Robust reserves should protect the Council against financial risk and offer the opportunity to take advantage of unexpected circumstances.

1. Report Details

Introduction

This report sets out the background for the determination of a reserves policy; the resulting draft makes no material changes from the 2021-22 policy for the coming financial year.

Legal Framework

Legislation recognises that local councils require financial reserves and must take account of them in determining their precept, however there is no statutory guidance on the nature or level of funds to be set aside in reserves, unlike in other tiers of local government, where the responsible finance officer has a duty to report on the adequacy of reserves at each budget setting. All reserves are legally part of the general fund, ie the Council's revenue account.

Types of Reserve and Accounting Framework

Two types of reserve are relevant to the Town Council:

- The general reserve or general fund working balance, which is used to provide working capital, smooth the impact of uneven cash flows to avoid unnecessary temporary borrowing and act as a contingency in the event of sharp budgetary changes or unexpected events or emergencies. The availability of resources also offers scope to pursue opportunities when they are recognised. Unless allocated for a specific purpose, revenue budget underspendings and windfalls are added to the working balance. The size of the general reserve should be set at a prudent level based on a risk assessment.

- Earmarked reserves, which are set aside for a specific purpose, being used to build up funds to meet known, planned or predicted spending requirements.

It used to be common for councils to build up many small reserves for very specific, narrowly defined purposes; it is now more usual for fewer reserves to be set up in a way which permits their use for a range of purposes.

In accounting terms, similar to the legal position, all reserves belong to the general fund and are interchangeable, unless restricted by deed or covenant. Distinct book entries in the budget and accounts should be made to record the transactions to and from reserves. It should also be noted that the terms "reserve" and "fund" are interchangeable, and it is common to refer to each by either name.

Accounting convention does not permit the payment of interest directly to reserves. If it is decided that interest should be allocated to a reserve, the mechanism is for an equivalent contribution to be made from the revenue account (where the interest is earned) to the reserve.

Similarly, expenditure should not be charged directly to a reserve; the expenditure is accounted for in the revenue account and an equivalent amount transferred from the reserves to replenish the revenue account.

Creation and Use of Reserves

As a general and prudent rule, reserves should not be used to fund recurring expenditure (ie the day to day operational costs of running the Council) as this could lead to funding problems in subsequent years when the expenditure continues after the reserve has been exhausted. An exception is the general reserve, which can be used as a regulator to limit precept and council tax increases or to avoid an unacceptably high level being carried forward.

Because they have a potential to affect the Council's budget, the creation of reserves and the transfers between the revenue account and those reserves should be explicit and conscious decisions taken by the Council as a whole, as should any decision to allocate interest to a reserve.

Draft Policy

The attached draft policy summarises the principles from this report and suggests target levels for each of the Council's reserves. The 2021-22 Policy reduced the target balance for the General Reserve from 50% to 35% of net expenditure, to be achieved by 31 March 2025. This target should be maintained, for several reasons:

- The Council has matured considerably in both governance and financial terms and has gained a better knowledge of the potential risks to the environment in which it operates and its susceptibility to major unforeseen financial risk.
- The General Reserve has accumulated more quickly than previously forecast and has already reached the existing medium term target, indicating that the target is realistic.
- Recent years have seen a tendency to underspend at year-end, so that the reserve is naturally boosted by unplanned funds. There is no indication that this trend will not continue in the short term. These monies will be held temporarily in the Reserve and be the primary source of funding for new initiatives.
- Members should note that the JPAG accounting guidance suggests that, for an authority with a budget over £200,000, a general reserve of 3 months' net expenditure (ie 25%) should be appropriate, depending on its circumstances. The RFO's view is that this percentage level would be inappropriate in the context of the Council's ambitions and potential risk.

The Council's Medium Term Financial Plan forecasts that the Devolution Reserve will have a balance of £167,000 at the end of 2022-23, rising by around £20,000 in each of the following years, to reach £259,000 at 31 March 2027. This money is set aside to include the risk of the existing devolved assets requiring refurbishment or repair costs. At present, the continuing accumulation of funds appears unnecessary and a lower medium term target would seem to be more appropriate. However, a review of both the purpose and the target level of this reserve would best be carried out in a year's time as part of the exercise to identify potential assets and services transferrable under local government reorganisation.

The Council's working capital also includes the £50,000 held in the Acquisitions Reserve. No use of this money is planned in the 2022-23 Draft Budget.

2. Options Analysis including Risk Assessment

2.1 Risk

The Council is unable to meet regular or unforeseen expenditure due to a lack of readily available funds.

2.2 Consequence

Overspendings leading to unwelcome curtailment of spending programmes; possible unpalatable council tax increase; potential reputational damage

2.3 Controls Required

An analysis of the financial risks and the maintenance of adequate reserves to meet all reasonably foreseeable eventualities

3. Financial Implications

The approach to reserves is a fundamental aspect of the financial management of the Council.

4. Legal Implications

The draft Strategy is compliant with the relevant legislation.

Appendices

Draft Reserves Policy.

Background Papers

- Local Government Finance Act 1992
- CIPFA LAAP Bulletin 99 Reserves & Balances
- JPAG Practitioners Guide 2021
- 2022-23 Budget working papers.

DRAFT RESERVES POLICY

PURPOSE

The Town Council maintains two types of reserves, for differing reasons:

- a General Reserve (the General Fund working balance), which provides working capital and a buffer against financial risks; and
- earmarked reserves to meet known, planned or predicted spending requirements which have been identified specifically.

The Council acknowledges that there is a balance to be struck between holding excessive reserves raised from public monies and retaining a prudent level of funds. It will therefore take advice from its Responsible Finance Officer on the adequacy and appropriateness of its reserves, primarily when setting its revenue budget.

1. GENERAL RESERVE

This reserve represents the balance on the Council's revenue account, ie the account which records all its financial transactions. Unless allocated for a specific purpose, revenue budget underspendings and windfalls are added to the working balance, while overspendings are taken from the balance.

The balance provides working capital to assist the Council's cash flow, acts as a buffer against unexpected events or expenditure and provides funds for opportunities to be pursued. The optimum level for the working balance is determined by an assessment of the Council's potential exposure to financial risks, together with a judgement of the extent to which earmarked reserves can support its cash flow on a temporary basis.

The medium-term target for the reserve is to accumulate a balance equivalent to 35% of net revenue expenditure by 31 March 2025. This is to be achieved by regular annual contributions from the revenue account, where necessary. The level of contributions will be determined annually, taking account of the impact on council taxpayers and the availability of earmarked reserves.

2. EARMARKED RESERVES

Other than any funds governed by legal conditions, the earmarking of reserves is at the discretion of the Council and monies can be moved from one to another if required. Reserves do not generally accrue interest on the investment of their funds.

In order to avoid future over-commitment, the day to day operational costs of running the Council are to be met from the revenue budget and reserves shall not be used to fund recurring expenditure.

- **Devolution Reserve:** This reserve is credited with the difference (while positive) between the council tax income equivalent to the special expenses previously levied in Penrith and the net cost of the assets transferred from Eden DC. The reserve will provide a cushion against the full cost of those assets being higher than expected, renovation and/or improvements.
- **Acquisitions Reserve:** This reserve supports a scheme of delegation for land and property, which created an allocation of £50,000 for a Capital Programme to support the activities associated with buying, surveying, legal fees, investing and managing land and property. The intention is to use these resources in the short term after which the reserve will be discontinued.

3. ESTABLISHMENT AND USE OF RESERVES

The Annex to this policy provides further details of the Council's current reserves with a target range for each one.

The establishment or closing of an earmarked reserve requires a formal decision of Council. Similarly, the approval of Council is required for all contributions and transfers to reserves, and all use of reserves to fund expenditure.

Review

This policy will be subject to annual review.

CURRENT RESERVES

Reserve	Purpose	Target level
General Reserves		
General Reserve (General Fund Working Balance)	<ul style="list-style-type: none"> • Provision of working capital. • Buffer against uneven cash flows, inflationary pressures, sharp budgetary changes, unexpected events or emergencies. • Ability to pursue opportunities when identified. 	<ul style="list-style-type: none"> • Assessed primarily on the basis of financial risks to the Council. • Medium-term target to be 35% of net revenue expenditure at 31 March 2025 and thereafter. • Minimum level: £150,000 • Range: £150,000 to £300,000
Earmarked Reserves		
Devolution Reserve	<ul style="list-style-type: none"> • Accumulation of funds in the early years of devolved asset transfers from Eden DC when grant income from that council is available. • Cushion against the longer-term full costs of devolved assets being higher than expected, renovation and/or improvements. 	<ul style="list-style-type: none"> • Based on the allocation of the difference (while positive) between the income equivalent to the special expenses previously levied in Penrith via council tax and the net cost of devolved assets transferred from Eden DC • Typical Range: £50,000 to £260,000
Acquisitions Reserve	<ul style="list-style-type: none"> • To support the activities associated with buying, surveying, legal fees, investing and managing land and proper. 	<ul style="list-style-type: none"> • The Reserve was established with a single contribution; it is anticipated that regular contributions will not be required and that the resources will be expended in the short to medium term. • Range: £nil to £50,000

DATE OF APPROVAL:

REVIEW: ANNUAL

FINANCE COMMITTEE

10 January 2022

Matter: Draft Investment Strategy 2022-23

Purpose of Report:

To consider a draft strategy for the management of the Council's financial investments in 2022-23.

Item no: 10b

Author: Jack Jones, RFO

Supporting Member: Cllr Burgin, Committee Chair

This is a public report

Recommendations

The Committee is recommended to consider the draft strategy and forward it, with any amendments, to Council for ratification.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, that having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

The Council has the power to invest for any purpose relevant to its functions under any enactment, or for the purposes of the prudent management of its financial affairs (section 12 of the Local Government Act 2003, the '2003 Act').

Statutory Guidance on Local Government Investments (3rd Edition)¹ issued under section 15(1)(a) of the Local Government Act 2003 is effective from 1 April 2018 and provides guidance on investments. The Guidance has statutory force and is mandatory where the investments of a town council exceed or are expected to exceed £100,000 at any point in a financial year. Town councils where investments are expected to exceed £10,000 are encouraged to adopt the principles in the Guidance.

¹ The Government is currently reviewing this guidance as part of an exercise to update the capital finance framework.

Where the Guidance is mandatory, or where a council has adopted the principles in the Guidance, the Council must, at a Full Council meeting, adopt an investment strategy for each financial year. Where a material change is proposed during the year, a revised strategy must be approved before the change is implemented.

The Guidance encourages transparency and local accountability in investment management.

Two codes of practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) contain investment guidance which complements the Government guidance. These publications are:

- Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes
- The Prudential Code for Capital Finance in Local Authorities.

Link to Council Priorities

Proper investment of reserves and working balances ensures that these monies are secure and available when required to fund expenditure to deliver the Council's priorities as resolved in the Council Plan.

1. Report Details

1.1 Background

This report proposes no changes to the Council's current investment practices. The detailed rationale for the policy is described here so that Members are fully aware of the considerations underlying investment decisions, notably the risks involved with investing funds with other organisations.

The statutory guidance details safeguards for financial and non-financial investments, focusing on:

- Excessive exposure to financial risk through borrowing and investment decisions;
- Insufficient transparency to understand that exposure; and
- Councillors' understanding of complex financial transactions.

1.2 Types of Investment

The guidance classes investments into two main categories:

- Investments held for treasury management purposes; and
- Other investments, including non-financial assets.

In each case, the Council must state the contribution that the investment makes to its objectives; for the first category, it is sufficient to state that they support effective

treasury management activities. Those activities should then follow the principles set out in the Treasury Management Code.

The Town Council does not have any investment in non-financial assets and has no plans to acquire any (operational assets used in service delivery are not considered to be investments). The remainder of this report therefore deals solely with investments managed as a treasury activity; should the Council decide to invest in non-financial assets, the guidance will need to be revisited and the Strategy revised.

1.3 Principles

Prudent investment has two underlying objectives, in this order:

- **Security** – protecting the capital sum invested from loss; and
- **Liquidity** – ensuring the funds are available when needed.

Only when these objectives have been fulfilled, should **yield** be considered. An individual investment must be assessed in terms of the Council's appetite for risk, within the parameters stated in the strategy.

The Committee should note that the Financial Services Compensation Scheme no longer applies to the Council, however its compensation value of £85,000 should continue to be used in the Council's strategy as a workable limit which accepts a reasonable degree of risk for investments in suitable organisations.

1.4 Financial Investments

These can be categorised as:

- Specified investments
- Loans; and
- Other, Non-specified investments.

Specified investments are in sterling, repayable within 12 months and made with a high quality investment scheme, the UK Government or another local authority.

The guidance outlines controls on loans made by authorities; again, these do not affect this Council.

Non-specified investments are any other financial investment; these carry a higher level of risk and would need specialist advice. For 2022-23, the Council's strategy should exclude this type of investment.

1.5 Capacity and Skills

The strategy should include a description of the steps taken to ensure that elected members and statutory officers have the appropriate capacity and skills to enable them to make informed decisions.

1.6 Investment Prospects 2022-23

Members will realise that the Covid-19 pandemic continues to suppress investment interest and returns. The Bank of England is in a difficult position, trying to stimulate the economy whilst containing inflation at an acceptable level. Many observers predicted that the historically low base rate of 0.1% would be increased in November, but the Bank held the rate. By December, the emergence of the Omicron variant suggested that a rate rise would be inappropriate, however an increase to 0.25% was confirmed by the Bank. Two reasons were given: after an initial fall, global asset prices had recovered from the news of the new variant, while action needed to be taken to address the current rate of inflation, with CPI being 5.1%.

Observers forecast further rises in the base rate during 2022, potentially to 1.0%. It should be noted that investment returns do not necessarily follow the base rate closely, rather its general trend. The Council's income from investments has reduced dramatically and low levels will almost certainly continue during next year; however this is not a major concern as the budget is not reliant on this income. More importantly, as returns are very flat, it is essential that the Council finds secure investments for its reserves and working capital.

1.7 Draft Strategy

The attached draft strategy is unchanged from the existing policy, other than the section relating to 2022-23 activities. It sets out the approach that the Town Council should take in respect of financial investments. The Committee should consider particularly the section on risk parameters and the suggested organisations with which the Council should invest, so the following paragraphs repeat the advice given in previous years.

The Council invests in accounts with the Penrith and Cumberland Building Societies. Building societies are not credit rated so it is difficult to assess the risk attached to investing in an individual society, therefore the draft policy generally excludes smaller building societies.

Penrith Building Society has assets of around £122 million and is the smallest of 43 societies in the country; although a rigid policy would exclude it as a counterparty because of its small size, Members have previously felt that it is a well-run organisation which they would wish to support. The draft strategy acknowledges this but limits the investment to the £85,000 limit.

The Cumberland Building Society has an asset base of around £2,700 million and is the 10th largest in the country; this is considered to be a secure organisation in which to invest, again with a limit of £85,000.

(Members should note that the £85,000 limit refers to the principal investment of funds; interest will accrue in these accounts and may increase the investment above the limit by a modest amount.)

The Council's main investment is in the CCLA Public Sector Deposit Fund, which is a pooled investment available to local authorities. The Fund currently has a value of £1,800 million, invested in a range of high quality institutions, and itself has the highest credit rating for a money market fund. By investing in the Fund, an authority has the benefit of buying into a share of that pool, with a consequent reduction in risk.

2. Options Analysis including Risk Assessment

2.1 Risk

Failure of an investment counterparty leading to the loss of Council funds.

Non-compliance with legal requirements or statutory guidance.

2.2 Consequence

Unwelcome curtailment of spending programmes; possible unpalatable council tax increase; potential reputational damage.

Criticism from internal/external audit; reputational damage.

2.3 Controls Required

Adherence to a robust and prudent investment strategy.

The strategy should incorporate the safeguards in the Government's guidance.

3. Financial Implications

The Council's reserves and surplus working capital are invested pending their use and therefore need to be protected against loss. The income earned from investment is of secondary importance.

4. Legal Implications

The draft Strategy is compliant with the relevant legislation.

Appendices

Draft Investment Strategy 2022-23

Background Papers

- Building Societies Association factsheet
- CCLA website

DRAFT INVESTMENT STRATEGY 2022-23

PURPOSE

The Town Council invests reserves and surplus funds which are not immediately required to meet expenditure.

This strategy provides a framework for the secure and prudent investment of those monies and adopts the relevant principles of statutory guidance issued under the Local Government Act 2003 and of CIPFA codes of practice.

INVESTMENT OBJECTIVES

The Council invests monies for treasury management purposes.

Its priorities in investing surplus funds are:

- **Security** (protecting the investment from loss);
- **Liquidity** (ensuring the money is available for expenditure when needed); and, providing the above objectives have been met,
- Obtaining the best **Yield**.

Investment opportunities are assessed in terms of these objectives; the Council aims to obtain the best possible return commensurate with proper levels of security and liquidity.

TYPES OF INVESTMENT

The Council will not invest in non-financial assets such as commercial property.

The Council will only place funds in specified investments, as defined by the Secretary of State, which offer high security and high liquidity. These investments are made in the Council's name and are:

- made in sterling;
- have a maturity of no more than one year; and
- with a counterparty which is the UK Government, a local authority or a body of high credit quality.

For the 2022-23 financial year, the Council does not intend to use non-specified investments (ie those which do not meet these criteria) as these are generally considered to be of higher risk and would require specialist advice.

RISK ASSESSMENT

The Council's investments no longer qualify for the Financial Services Compensation Scheme up to £85,000; however, this is considered to be an acceptable limit for investments in organisations of good credit quality. Larger amounts can be invested with organisations of high credit quality.

The Council does not employ external treasury advisors or subscribe to a credit rating agency. It bases its assessment of the risk attaching to potential investments with counterparties on their publicly available information, organisational structure and asset size.

The Council will also have regard to the amount of funds placed with a single institution.

APPROVED COUNTERPARTIES

The following counterparties are approved for the investment of surplus funds by the Council, with a duration of no longer than twelve months:

- HM Government and its agencies
- Local Authorities
- UK Clearing Banks
- Building Societies with an asset base in excess of £1,000 million or smaller societies where there are strategic or local considerations, limited to a principal investment of £85,000 with a single society
- UK FCA regulated qualifying money market funds with an AAA rating (Fitch credit rating).

TREASURY MANAGEMENT RESPONSIBILITIES

All investments are made in the name of the Town Council and will be approved by Full Council, having taken advice from the Responsible Financial Officer, who has knowledge and experience of the CIPFA codes of practice.

The Finance Committee oversees investment activities and the drafting of changes to this strategy.

Members of the Committee are suitably experienced and understand the nature of investment risks. Where necessary, their knowledge will be supplemented by formal or informal training.

ACTIVITIES FOR 2022-23

The Town Council plans to maintain its investments in the Penrith and Cumberland Building Societies. As it receives its full annual precept income early in the financial year, it will have surplus funds for most of the year and these will be invested in the CCLA Public Sector Deposit Fund until needed. As the Council does not have a long history of managing its cash flow actively, it will adopt a cautious approach to investing

surplus monies to ensure that its bank account balance is always sufficient to meet short-term requirements.

REVIEW

This strategy will be subject to annual review in advance of each financial year.

APPROVED:

REVIEW: ANNUAL

FINANCE COMMITTEE

10 January 2022

Matter: Tree Planting

Purpose of Report:

To consider a request to plant trees at Fairhill and Thacka Beck Field.

Item no: 11

Author: Services and Contracts Manager

Supporting Member: Cllr. Jackson, Lead Member for Assets

Recommendations

To consent for trees to be planted at Fairhill and Thacka Beck Field and give delegated authority to the Services and Contracts Manager to progress the scheme.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, which having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

Link to Council Priorities

This report aligns with the strategic priority for Health and Wellbeing to protect and improve the environment, leisure and recreational community facilities, services and assets that contribute to our quality of life.

1. Report Details

- 1.1 Penrith Rotary Club has approached the Council to enquire whether the Council would consent to the planting of trees at Fairhill and Thacka Beck Field. This scheme would support 'The Queens Green Canopy' project to mark Her Majesty's Platinum Jubilee in 2022.
- 1.2 Officers have met with a representative of the Penrith Rotary Club and discussed what may be potential areas on each of the fields. These areas are set out in Appendix A and B.
- 1.3 With regards to Fairhill the planting will be restricted to two areas that are currently not overly utilised for any recreational purpose and would not affect any residential properties or create overlooking issues.
- 1.4 With regards to Thacka Beck Field the area for the proposed planting is in front of the 'grey' wall and is intended to provide screening of this area. The recent Habitat Survey has been referred too which states the planting of trees should be of native species. The height of the tree once mature will be considered in order to not interfere with the resident's outlook. The scheme if approved will be undertaken in 2022.

2. Risk Assessment

- 2.1 Penrith Rotary Club intend to liaise with other community groups in the town and the Woodland Trust and will work with the Council to plan and agree the final scheme prior to installation.
- 2.2 A risk assessment for the installation of the trees would be prepared prior to the commencement of any planting.

3. Financial Implications

- 3.1 The Council would become responsible for the ongoing maintenance, upkeep, and inspection of the trees. This will involve including the newly planted trees into the schedule for the Tree Hazard surveys which are undertaken already at Fairhill and Thacka Beck Field.

4. Legal Implications

- 4.1 There are no direct legal implications associated with this report.

Appendices

Appendix A – Fairhill Tree Planting Area

Appendix B – Thacka Beck Field Planting Area

Background Papers

None





FINANCE COMMITTEE

10 January 2022

Matter: Thacka Beck Field

Purpose of Report:

To consider a transfer of funds from the Devolution Reserve to the Thacka Beck Field budget to meet the cost of improvement works.

Item no: 12

Author: Services and Contracts Manager

Supporting Member: Cllr. Jackson, Lead Member for Assets

Recommendations

Approve a budget of £3,000 from the Devolution Reserve towards the costs of boundary improvements at Thacka Beck Field and this go forward for ratification by Full Council.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, which having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

Link to Council Priorities

This report aligns with the strategic priority for Health and Wellbeing to protect and improve the environment, leisure and recreational community facilities, services and assets that contribute to our quality of life.

1. Report Details

- 1.1 Members approved an approach for the enhancement of Thacka Beck Field (Finance Committee, 28 June 2021), which involved as part of Stage 1 improvements, surveys, work to signage, fencing and boundary improvements.
- 1.2 The Council initially budgeted £3,000 to the Thacka Beck Field budget for the current financial year. This was supplemented by a further £2,000 from the Devolution Reserve and approved by Council (27 September 2021), which was considered sufficient at the time to meet the cost of the proposed enhancements.
- 1.3 The Council has commissioned the Habitat Survey, Tree Hazard Survey and placed an order for the supply and installation of signage. Quotations have been received for the boundary fencing works which will leave the budget £2,600 overspent.
- 1.4 Members are asked to approve a budget of £3,000 from the Devolution Reserve towards the costs of the planned works. Members are aware that the Devolution Reserve is established to fund Council assets.

2. Risk Assessment

- 2.1 There is a risk that should the Council not finance the improvement works the works will either not be undertaken, delayed or the standard of work will need to be reduced to a point that it may cost more in future years repairs and maintenance. The risk to the Council is low given that Devolution Reserve has sufficient reserve.

3. Financial Implications

- 3.1 Members are being asked to approve a budget of £3,000 from the Devolution Reserve to meet the cost of enhancement works at Thacka Beck Field. The Devolution Reserve balance stood at £136,000 at the start of the current financial year and the approved budget provides for further £20,000 to be added to this balance.

4. Legal Implications

- 4.1 There are no direct legal implications associated with this report.

Appendices

None

Background Papers

Previous reports, Finance Committee 28 June 2021, 20 September 2021 and Council 27 September 2021.

FINANCE COMMITTEE

10 January 2022

Matter: Fairhill Playing Field

Purpose of Report:

To consider accepting a financial donation from the Fairhill Community Group and agreeing to supplement the donation to install a new seat at Fairhill Playing Field.

Item no: 13

Author: Services and Contracts Manager

Supporting Member: Cllr. Jackson, Lead Member for Assets

Recommendations

It is recommended to:

- i. Accept the financial donation of £100 - 150 from the Fairhill Community Group.
- ii. Install a new seat at Fairhill Playing Field using the donation and meeting any additional cost from the benches budget.
- iii. Delegate authority to the Services and Contracts Manager to determine the style, type and location for the seat.

Law and legal implications

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, which having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

Link to Council Priorities

This report aligns with the strategic priority for Health and Wellbeing to protect and improve the environment, leisure and recreational community facilities, services and assets that contribute to our quality of life.

1. Report Details

- 1.1 The Council has received a letter from the Fairhill Community Group confirming that at their recent Annual General Meeting the group resolved to close on the basis that the Group had effectively met its aim of improving the facilities on the playing field at Fairhill.
- 1.2 Members will be aware that the Council has worked positively and constructively with the Fairhill Community Group on the development schemes at Fairhill including the Play Area project, paths and access, entrance improvements, the installation of football goals and planting enhancements.
- 1.3 The Fairhill Community Group have agreed that their remaining balances of £100 - £150 be offered to the Town Council as a donation towards the installation of seating near the playground. The Fairhill Community Group acknowledge that the donation would not cover the cost of a seat in full and

have asked whether the Council would be prepared to accept the donation with a view to supplementing the funds to meet the costs of purchasing a seat.

- 1.4 Should Members accept the donation it is recommended the Services and Contracts Manager is given delegated authority to determine the style, type and location of the seat.

2. Risk Assessment

- 2.1 The risk to the Council is financial, however this can be mitigated by giving delegated authority to the Services and Contracts Manager to determine the style, type, and location of the seat, allowing financial control.

3. Financial Implications

- 3.1 The Fairhill Community Group has offered a donation to the Council of £100 - £150 for the provision of a new seat.
- 3.2 Dependant upon the style of seat, the cost of a new seat supplied and installed may range from £250 - £700 in this instance. The additional cost would be met from the unspent balance in the benches budget.

4. Legal Implications

- 4.1 There are no direct legal implications associated with this report.

Appendices

None

Background Papers

Letter from Fairhill Community Group, 30 November 2021