



# Penrith Town Council

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

Tel: 01768 899 773 Email: [office@penrithtowncouncil.gov.uk](mailto:office@penrithtowncouncil.gov.uk)

**DATE: 10 January 2023**

**NOTICE IS HEREBY GIVEN** that an **ORDINARY MEETING** of **THE FINANCE COMMITTEE** will be held on **16 January 2023, 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 Town Council Office, Unit 1, Board Room, Church House, Friargate, Penrith.**

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 13 January 2023.

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](mailto:office@penrithtowncouncil.gov.uk)

## COMMITTEE MEMBERSHIP

Cllr. Burgin	South Ward	Cllr. Lawson	Carleton Ward
Cllr. Kenyon	North Ward	Cllr. Rudhall	East Ward
Cllr. Knaggs	West Ward	Cllr. Shepherd	East Ward

Mrs V. Tunnadine, Town Clerk, PSLCC

# **AGENDA FOR THE ORDINARY MEETING OF THE FINANCE COMMITTEE MONDAY 16 JANUARY 2023**

## **PART I**

Members are asked to:

### **1. Apologies**

Receive apologies from Members.

### **2. Confirmation of the Minutes of the Previous Meeting**

Authorise the Chair to sign, as a correct record, the minutes of the Finance Committee held on Monday 14 November 2022.

### **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 item 14 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. Payments for Approval**

- a) Note that Cllr. Kenyon and Cllr. C. Shepherd accessed the Banking System to reconcile the 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 20 March 2023.
- c) Approve the monthly report of payments for November and December 2022.

## **7. Bank Reconciliation**

Approve and sign the bank reconciliations as of 30 November and 31 December 2022 as a correct record.

## **8. Budgetary Control Statement 2022/23: 31 December 2022**

Review and approve the Budgetary Control Statement for the period 31 December 2022 and recommend the statement be ratified by Full Council.

## **9. Proposed Budget 2023/24**

Consider the proposed budget for 2023/24 and recommend the proposals go forward to Full Council to be considered and approved.

## **10. Draft Financial Policies**

Consider revised policies to operate during 2023/24 and recommend these go forward for ratification by Full Council.

- a) Reserves Policy
- b) Investment Strategy

## **11. Responsible Finance Officer – FILCA Award**

Note that the Council's Responsible Finance Officer has passed The Financial Introduction to Local Council Administration (FILCA) course and note his pay will increase by one spinal pay column point backdated to the date of passing the FILCA course.

## **12. Draft Social Media and Training Policy**

Consider the following reviewed policies and agree that these go forward for ratification by Full Council.

- a) Social Media Policy
- b) Training Policy

## **13. Next Meeting**

Note that the next meeting is scheduled for **20 March 2023, 6.00pm** at the **Board Room, Church House, Friargate, Penrith.**

## **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.

### **14. Proposed Budget 2023/24: Staff Salaries**

Consider the salaries report for 2023/24.

#### **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](mailto:office@penrithtowncouncil.gov.uk)



# Penrith Town Council

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Tel: 01768 899 773 Email: [office@penrithtowncouncil.gov.uk](mailto:office@penrithtowncouncil.gov.uk)

**DRAFT** Minutes of the meeting of the

## **FINANCE COMMITTEE**

Held on Monday 14 November 2022, at 6.00 p.m.

### **PRESENT**

Cllr. Burgin	South Ward	Cllr. Rudhall	East Ward
Cllr. Kenyon	North Ward	Cllr. Shepherd	East Ward
Cllr. Knaggs	West 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, 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.

# **DRAFT MINUTES FOR THE MEETING OF FINANCE COMMITTEE 14 November 2022**

## **FIN22/37 Apologies for Absence**

Apologies for absence were received from Cllr Lawson.

## **FIN22/38 Confirmation of the Minutes**

Members authorised the Chair to sign the Minutes of the Meeting of the Finance Committee held on Monday 26 September 2022.

## **FIN22/39 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. There were no declarations of interest and requests for dispensations.

## **FIN22/40 Public Participation**

Members noted that there were no questions or representations from members of the public.

## **FIN22/41 Excluded Item: Public Bodies (Admission to Meetings) Act 1960**

Members considered whether any items should be considered without the press and public, pursuant to Section 1 (2) of the Public Bodies (Admissions to Meetings) Act, 1960.

### **RESOLVED THAT:**

Matter 16 Staffing Matters be considered in Part Two, private session without the presence of the press and public as this item of business related to the financial and personal affairs of a particular person, in this instance members of staff.

## **FIN22/42 Payments for Approval**

- a) Members noted that prior to the meeting, Cllr. Kenyon and Cllr. Shepherd verified and confirmed that the banking transaction history for September and October 2022 reconciled and agreed with the transactions circulated with the meeting documents.
- b) Members were asked to agree the two Councillors undertake the payments for approval checking for the next meeting of the Finance Committee to be held on the 14 November 2022.

### **RESOLVED THAT:**

Cllr Kenyon and Cllr Shepherd check the payments for approval prior to the meeting of the Finance Committee on the 16 January 2023.

## **FIN22/42 Payments for Approval, continued**

c) Members considered the Monthly Report of Payments for September and October 2022.

### **RESOLVED THAT:**

The Monthly Report of Payments for September and October 2022 be approved.

## **FIN22/43 Bank Reconciliation**

Members considered the Bank Reconciliation for the HSBC Bank account for the period ending 30 September and 31 October 2022.

### **RESOLVED THAT:**

The Bank Reconciliation for the HSBC Bank account for the period ending 30 September and 31 October 2022 be approved and signed by Cllr Knaggs.

## **FIN22/44 Budgetary Control Statement 2022/23: 31 October 2022**

Members considered the Budgetary Control Statement 2022/23 Expenditure for the period to 31 October 2022.

### **RESOLVED THAT:**

The Budgetary Control Statement 2022/23 expenditure for the period to 31 October 2022 be approved and go forward for ratification by Full Council.

## **FIN22/45 Cornmarket Area**

Members considered a request from the Board and Elbow Public House to be granted permission for use of the Cornmarket area for outdoor hospitality in 2023 and considered the charging arrangements.

### **RESOLVED THAT:**

- i. The Board and Elbow be granted consent to use the Cornmarket area for outdoor hospitality in 2023 between the dates of 01 April and 30 September.
- ii. The Services and Contracts Manager be given delegated authority to confirm the usage arrangements in line with those set out in the report.
- iii. A fee of £825 be charged for use of the Cornmarket area in 2023 and this go forward for ratification by Full Council.

## **FIN22/46 Finance Committee Meeting Dates**

Members considered the report setting out the proposed meeting dates for the 2023/24 year.

### **RESOLVED THAT:**

The proposed meeting dates be approved, and the dates go forward for ratification by Full Council.

## **FIN22/47 Thacka Beck Field**

- a) Members noted the progress on the tree planting scheme in support of the Queens Platinum Jubilee Green Canopy project and the installation of a new path at Thacka Beck Field.
- b) Members considered a request to purchase a Queens Platinum Jubilee Bench.

### **RESOLVED THAT:**

A Queens Platinum Jubilee Bench in the Council corporate style is purchased and installed at Thacka Beck Field.

## **FIN22/48 IT Service Schedule**

Members noted that the Council had renewed its IT Service Schedule for the period 27 October 2022 to 26 October 2023.

Councillor Rudhall joined the meeting

## **FIN22/49 UK GDPR Review**

Members considered a report setting out a review of the UKGDPR policy.

### **RESOLVED THAT:**

- a) The Social Media Policy review be deferred and an informal meeting be arranged with the Town Clerk to discuss the draft policy and agree the appropriate meeting to report the Draft Policy to.
- b) The Training Policy review be deferred and an informal meeting be arranged with the Town Clerk to discuss the draft policy and agree the appropriate meeting to report the Draft Policy to.
- c) Members noted the data and audit risk assessment.
- d) Members noted that the following policies had typographical errors and dates amended and that the overall content was unchanged, and that UK GDPR was referenced rather than EU GDPR:
  - i. Privacy Policy
  - ii. Information Security Incident Policy
  - iii. Information Protection Policy
  - iv. SAR Requests
  - v. Data Protection Policy
  - vi. Subject Access Request Policy
  - vii. Removable Media Policy
- e) Members noted that the Council's GDPR policies would be consolidated when the anticipated GDPR legislative changes are enacted.
- f) Members noted that the Information Security Policy and Password Policy to comply with Cyber Essentials was being reviewed by the Council's IT contractor.

## **FIN22/50 2022-23 National Salary Award**

Members noted that NALC had informed the Council of the new rates of pay applicable from the 01 April 2022 and that the new rates of pay and backdated increases would be paid to staff in December.

## **FIN22/51 Next Meeting**

Members noted that the next meeting of the Finance Committee was scheduled for **Monday 16 January 2023** at **Board Room, Unit 1, Church House** at **6.00pm**.

## **Private Session**

### **Part II**

Members agreed that there was one item in this part of the agenda to be considered in private as it would involve the disclosure of exempt information under the following category of Part 1 of Schedule 12A of the Local Government Act 1972: Exempt information relating to members of staff.

## **FIN22/52 Staffing Matters**

Members considered a confidential oral report on staffing matters.

### **RESOLVED THAT:**

The oral report be noted.

### **CHAIR:**

### **DATE:**

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

### **Access to Information**

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### **Background Papers**

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**Payments Schedule  
November 2022**

Date	Ref	Details	Net £	VAT £	Total £	Budget
02/11/2022	22-150	Cumbria Association of Local Councils - Play Area Training	90.00	-	90.00	Staff Training
02/11/2022	22-151	Lamont Pridmore - Accountancy Services April to October 2022	940.00	188.00	1,128.00	Accountancy Fees
02/11/2022	22-152	Paul Foote (Staff) - Legal Practice Certificate	316.00	-	316.00	Legal Fees
02/11/2022	22-153	Cumbrian Local Publications Ltd - Eden Local December	250.00	-	250.00	Community Engagement
02/11/2022	22-154	Urbaser Ltd - Bunting Removal	536.62	107.32	643.94	Town Projects
02/11/2022	22-155	Urbaser Ltd - Grounds Maintenance Contract	300.67	60.13	360.80	Fairhill Park
02/11/2022	22-155	Urbaser Ltd - Grounds Maintenance Contract	56.00	11.20	67.20	Thacka Beck
02/11/2022	22-156	Urbaser Ltd - Community Caretaker Contract September 2022	647.34	129.47	776.81	Community Caretaker
02/11/2022	22-157	Ian Cannon Ltd - Bollards and Gates Fairhill	2,500.00	500.00	3,000.00	Fairhill Park
02/11/2022	22-158	Gale Little - Office Cleaning Services	60.00	-	60.00	Service Charges
02/11/2022	22-159	Momentive Europe UC FKA - Survey Monkey	750.00	150.00	900.00	Community Engagement
09/11/2022	22-160	Colourmedia Solutions Ltd - Social Media Services	450.00	90.00	540.00	IT
09/11/2022	22-161	Carlisle DBF Ltd - Room Hire	72.00	14.40	86.40	Room Hire/Meetings
09/11/2022	22-161	Carlisle DBF Ltd - Room Hire	82.08	-	82.08	Room Hire/Meetings
09/11/2022	22-162	National Society of Allotment and Leisure Gardeners Ltd - Me	55.00	11.00	66.00	Thacka Beck
09/11/2022	22-163	The Cumbria Clock Company Ltd - Musgrave Clock Service	220.00	44.00	264.00	Musgrave Monument
09/11/2022	22-164	Barrnon Media Ltd - Press Advert	35.00	7.00	42.00	Press Support
09/11/2022	22-165	Penrith Rotary Club Charitable Trust - Grow Nature Grant	500.00	-	500.00	Grow Nature Grants
09/11/2022	22-166	KTD Ltd - Hardware	2,666.43	533.29	3,199.72	IT
09/11/2022	22-167	KTD Ltd - Managed Print Use 30/08 - 30/09	138.30	27.66	165.96	Printing, Postage & Stationery
09/11/2022	22-168	KTD Ltd - Domain Services	23.75	4.75	28.50	IT
09/11/2022	22-169	KTD Ltd - Managed Print Use 30/09 - 31/10	198.25	39.65	237.90	Printing, Postage & Stationery
09/11/2022	22-170	KTD Ltd - Aindale Premium	171.00	34.20	205.20	IT
09/11/2022	22-171	Kompan Scotland Ltd - Replacement Parts Fairhill Play Area	55.00	11.00	66.00	Fairhill Park
23/11/2022	22-172	Ian Parker (Staff) - Mileage Expenses	31.95	-	31.95	Staff Expenses
23/11/2022	22-173	Heatons Group - Stationery	18.41	3.68	22.09	Town Projects
23/11/2022	22-174	Heatons Group - Stationery	25.90	5.18	31.08	Town Projects
23/11/2022	22-175	Heatons Group - Stationery	101.44	20.29	121.73	Town Projects
23/11/2022	22-175	Heatons Group - Stationery	639.64	-	639.64	Town Projects
01/11/2022	CCR22-65	Post Office Ltd	21.45	-	21.45	Printing, Postage & Stationery
02/11/2022	CCR22-66	Lock Shop Direct	33.95	6.79	40.74	Fairhill Park
04/11/2022	CCR22-67	Zoom	83.93	16.79	100.72	IT
07/11/2022	CCR22-68	Post Office Ltd	3.45	-	3.45	Printing, Postage & Stationery
07/11/2022	CCR22-69	Royal British Legion	20.00	-	20.00	Civic Functions
17/11/2022	CCR22-70	Screwfix	5.83	1.16	6.99	Thacka Beck
17/11/2022	CCR22-71	B&Q	6.40	-	6.40	Thacka Beck
14/11/2022	CCR22-72	Amaazon - IT cables	12.13	2.43	14.56	IT
23/11/2022	CCR22-73	Post Office Ltd	2.35	-	2.35	Printing, Postage & Stationery
28/11/2022	CCR22-74	Adobe - Software	63.20	12.64	75.84	Subscriptions
21/11/2022	CCR22-75	West End Stationers	24.00	4.80	28.80	Printing, Postage & Stationery
22/11/2022	CCR22-76	Amazon - stationery	37.92	-	37.92	Printing, Postage & Stationery
08/11/2022	CHG	Bank Charges to 17/10/22	8.00	-	8.00	Bank Charges & Interest
01/11/2022	DD	TV License	159.00	-	159.00	Licences
22/11/2022	DD	British Gas	7.62	0.38	8.00	Bandstand
29/11/2022	DD	New Star Networks	290.60	58.12	348.72	IT
18/11/2022	BP	LGPS Oct 22	4,110.98	-	4,110.98	Staffing - Salaries
18/11/2022	BP	HMRC PAYE/NI - Oct 22	3,848.46	-	3,848.46	Staffing - Salaries
28/11/2022	BP	Net Pay Paid - Nov 22	13,292.51	-	13,292.51	Staffing - Salaries
<b>Total</b>			<b>33,962.56</b>	<b>2,095.33</b>	<b>36,057.89</b>	

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**Payments Schedule  
December 2022**

Date	Ref	Details	Net £	VAT £	Total £	Budget
01/12/2022	22-176	KTD Ltd - IT Hardware	397.00	79.40	476.40	IT
01/12/2022	22-177	Ian Cannon Ltd - Construction of new path Thacka Beck	14,375.00	2,875.00	17,250.00	Thacka Beck
01/12/2022	22-178	SLCC Enterprises Ltd - Publisher Course	120.00	24.00	144.00	Staff Training
01/12/2022	22-179	Cumbrian Local Publications Ltd - Eden Local issue 189	560.00	-	560.00	Community Engagement
01/12/2022	22-180	Walton Goodland - Office Rent 25/12/22 - 24/03/23	1,875.00	-	1,875.00	Rent
01/12/2022	22-181	Gail Little - Office Cleaning	80.00	-	80.00	Service Charges
01/12/2022	22-182	Urbaser Ltd - Community Caretaker Contract October 2022	647.34	129.47	776.81	Community Caretaker
01/12/2022	22-183	Urbaser Ltd - Grounds Maintenance Contract October 2022	300.67	60.13	360.80	Fairhill Park
01/12/2022	22-183	Urbaser Ltd - Grounds Maintenance Contract October 2022	56.00	11.20	67.20	Fairhill Park
01/12/2022	22-184	Urbaser Ltd - Adhoc Works Fairhill	297.65	59.53	357.18	Fairhill Park
01/12/2022	22-185	Colourmedia Solutions Ltd - Social Media Services	450.00	90.00	540.00	IT
01/12/2022	22-186	KTD Ltd - Managed Print Use 31/10 - 30/11/2022	175.34	35.07	210.41	Printing, Postage & Stationery
07/12/2022	22-187	Heatons Ltd - Warm Space Supplies	149.68	-	149.68	Town Projects
07/12/2022	22-188	Cumbria Association of Local Councils - VAT Training Staff	30.00	-	30.00	Staff Training
07/12/2022	22-189	Glasdon Ltd - Bench	846.77	169.35	1,016.12	Thacka Beck
07/12/2022	22-190	GeoXphere Ltd - Parish Online Subscription	500.00	100.00	600.00	Planning Consultancy
07/12/2022	22-191	Cumbria Association of Local Councils - Carbon Literacy Cllr	35.00	-	35.00	Members' Training
14/12/2022	22-192	Tyne and Wear Play Ltd - Annual Play Area Inspection	275.00	-	275.00	Fairhill Park
14/12/2022	22-193	Rosalyn Richardson (Staff) - Reimbursement USB Link Cord	49.86	9.97	59.83	IT
14/12/2022	22-194	Eden FM - Small Grant	1,000.00	-	1,000.00	Small Grants
14/12/2022	22-195	Urbaser Ltd - Community Caretaker Contract November 2022	647.34	129.47	776.81	Community Caretaker
14/12/2022	22-196	Urbaser Ltd - Grounds Maintenance Contract	300.67	60.13	360.80	Fairhill Park
20/12/2022	22-196	Urbaser Ltd - Grounds Maintenance Contract	56.00	11.20	67.20	Thacka Beck
14/12/2022	22-197	Cumbria Association of Local Councils - Finance Training	20.00	-	20.00	Members' Training
21/12/2022	22-198	Urbaser Ltd - Grounds, Seat Refurb, Play Area Repair	780.00	156.00	936.00	Thacka Beck
21/12/2022	22-198	Urbaser Ltd - Grounds, Seat Refurb, Play Area Repair	402.16	80.44	482.60	Community Caretaker
21/12/2022	22-198	Urbaser Ltd - Grounds, Seat Refurb, Play Area Repair	95.12	19.02	114.14	Fairhill Park
21/12/2022	22-199	Carlisle DBF Ltd - Meeting Room Hire	112.00	22.40	134.40	Room Hire/Meetings
21/12/2022	22-200	Gail Little - Office Cleaning	80.00	-	80.00	Service Charges
05/12/2022	CC22-77	Zoom	83.93	16.79	100.72	IT
14/12/2022	CC22-78	B&M	118.32	-	118.32	Town Projects
09/12/2022	CHG	Bank Charges to 17 Nov	8.00	-	8.00	Bank Charges & Interest
19/12/2022	BP	HMRC PAYE/NI/Student loan Nov 22	5,276.01	-	5,276.01	Staffing - Salaries
16/12/2022	BP	LGPS Nov 22	5,138.37	-	5,138.37	Staffing - Salaries
28/12/2022	BP	Net Pay Dec 22	16,387.72	-	16,387.72	Staffing - Salaries
22/12/2022	DD	British Gas	13.74	0.69	14.43	Bandstand
22/12/2022	DD	New Star Networks	291.44	58.29	349.73	IT
<b>Total</b>			<b>52,031.13</b>	<b>4,197.55</b>	<b>56,228.68</b>	

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Bank Ref:	1205	Date To:	30/11/2022
Bank Name:	HSBC	Statement Ref:	1205 2022-12-13 01
Currency:	Pound Sterling		

Balance as per cash book at 30/11/2022:

154,709.85

Add: Unpresented Payments

Tran No	Date	Ref	Details	£
				0.00

Less: Outstanding Receipts

Tran No	Date	Ref	Details	£
				0.00

Reconciled balance :

154,709.85

Balance as per statement :

154,709.85

Difference :

0.00





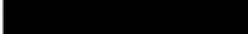
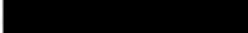
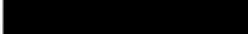
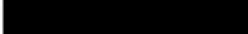
3 November to 2 December 2022

## Your Statement

Account Name  
Penrith Town Council

Sortcode Account Number Sheet Number  
177

### Your BUSINESS CURRENT ACCOUNT details

Date	Payment type and details	Paid out	Paid in	Balance
	<b>BALANCE BROUGHT FORWARD</b>			<b>166,082.50</b>
	BP 			
	BP IAN PARKER			
	PENRITH TOWN COUNC	31.95		
	BP HEATONS OFFICE SOL			
	SINV10553985	22.09		
	BP HEATONS OFFICE SOL			
	SINV10553984	31.08		
	BP HEATONS OFFICE SOL			
	SINV10553983	761.37		164,614.36
28 Nov 22	BP 			
	BP 			
	BP 			
	BP 			
	BP 			
	VIS INT'L 0070226938			
	ADOBE ACROPRO SUBS			
	ADOBE.LY/BILL	75.84		155,058.57
29 Nov 22	DD NEW STAR NETWORKS	348.72		154,709.85
02 Dec 22	CR PUBLIC SECTOR DEPO		1,389.77	
	BP KTD			
	K145984	476.40		
	BP SLCC Enterprises			
	BK208417-1	144.00		
	BP CUMBRIA LOCAL GOVT			
	EL 2289	560.00		
	BP WALTON GOODLAND			
	PE01 26266	1,875.00		
	BP Gail Little			
	Penrith Town Counc	80.00		
	BP Urbaser Ltd			
	PTC INV 6782	776.81		
	BP Urbaser Ltd			
	PTC INV 6784	428.00		
	BP Urbaser Ltd			
	PTC INV 6785	357.18		
	BP Colourmedia			
	SI-8480	540.00		
	<b>BALANCE CARRIED FORWARD</b>			<b>150,862.23</b>

Bank Ref:	1205	Date To:	31/12/2022
Bank Name:	HSBC	Statement Ref:	1205 2023-01-03 02
Currency:	Pound Sterling		

Balance as per cash book at 31/12/2022:

102,264.27

Add: Unpresented Payments

Tran No	Date	Ref	Details	£
				0.00

Less: Outstanding Receipts

Tran No	Date	Ref	Details	£
				0.00

Reconciled balance :

102,264.27

Balance as per statement :

102,264.27

Difference :

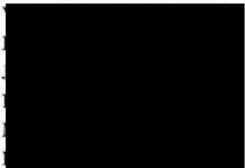
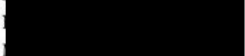


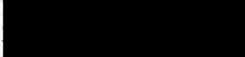
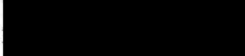
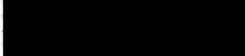
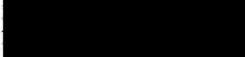
0.00

3 December 2022 to 2 January 2023

## Your Statement

Account Name  
Penrith Town Council

Sortcode Account Number Sheet Number  
180

Your BUSINESS CURRENT ACCOUNT details				
Date	Payment type and details	Paid out	Paid in	Balance
	BP BALANCE BROUGHT FORWARD			125,943.61
	TYNE & WEAR PLAY L			
	PTC/111222	275.00		
	BP ROSALYN RICHARDSON			
	PENRITH TOWN COUN	59.83		
	BP Eden FM			
	Penrith Town Counc	1,000.00		
	BP Urbaser Ltd			
	PTC INV 6854	776.81		
	BP Urbaser Ltd			
	PTC INV 6855	428.00		
	BP CUMBRIA ASSOCIATIO			
	TR2740	20.00		123,383.97
19 Dec 22	CR CUMBRIA COUNTY CO		560.00	
	BP HMRC PAYE/NIC CUMB			
	475PK00871578	5,276.01		118,667.96
21 Dec 22	CR HMRC VTR		2,095.33	120,763.29
22 Dec 22	DD BRITISH GAS TRADIN	14.43		
	DD NEW STAR NETWORKS	349.73		120,399.13
23 Dec 22	BP 			
	BP 			
	BP 			
	BP Urbaser Ltd			
	PTC INV 6856	1,532.74		
	BP Carlisle DBF Ltd			
	ZP108 Inv 8818	134.40		
	BP Gail Little			
	Penrith Town Counc	80.00		112,111.80
28 Dec 22	BP 			
	BP 			
	BP 			
	BP 			
	BP 			
02 Jan 23	BALANCE CARRIED FORWARD			102,264.27
				102,264.27

# **FINANCE COMMITTEE**

**16 January 2023**

## **COUNCIL**

**23 January 2023**

**Matter: Budgetary Control Statement 2022-23:  
Expenditure to 31 December 2022**

### **Purpose of Report:**

To consider the budgetary control statement for the nine-month period to 31 December 2022.

**Item no: 08**

**Author:** RFO

**Supporting Member:** Cllr Dave Knaggs, Finance Committee Chair

**This is a public report**

### **Recommendations**

Finance Committee is recommended to review the budgetary control statement and forward it, with any comments, to Council for approval.

Council is recommended to receive and approve the report.

### **Law and legal implications**

The Town Council resolved from 20 May 2019, until the next relevant Annual Meeting of the Council, who 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 2022-23, which was ratified by Council on 24 January 2022.

- The Latest Budget for the full year; no changes have been made to the Revised Budget which was approved in July this year.
- The budget to date, based on the latest budget for the year. This proportion is the anticipated budget for the first seven 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 (i.e., 9/12ths for the current period), however more detailed profiles have been used for several budget headings.
- Actual income and expenditure to 31 December 2022, 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 committed 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 December 2022. 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. The transfer of balance on the Acquisitions Reserve is planned for 31 March 2023.

## **B. Commentary**

The statement shows underspending on most budget headings, continuing the trend from the October statement. The following comments concentrate on unusual or unexpected variances.

### **B.1 Income**

Overall income of £354,245 exceeds the profiled budget of £348,458 by £5,787.

- The approved budget set a very modest amount for investment income, which was increased in the revised budget. Returns have continued to improve, and income is well above profile.

### **B.2 Planning Committee**

Expenditure of £3,743 is shown against the profiled budget of £17,725, an underspending of £13,982.

- The only notable expenditure is on Carbon Literacy Training, where £2,910 has been spent against the full annual budget of £1,000. The excess can be offset against underspending elsewhere in the Climate Change budget.

### **B.3 CCEG Committee**

Net spend of £39,471 is shown against the profiled budget of £91,375, an underspending of £51,904.

- The Revised Budget transferred £7,000 from Large Grants to Arts & Culture Development to meet an expected overspending due to events earlier in the year. The anticipated overspend has been reduced to £937, which can be set against substantial underspending elsewhere, notably Town Projects £8,063, Greening £5,000, Grants £23,679 and Participatory Budgeting £7,500.

### **B.4 Finance Committee**

Net expenditure of £258,441 is shown against the budget to date of £289,036, an underspending of £30,595

. The main variances are as follows:

- The Staffing budget is currently underspent by £14,011. The new posts of Community Services Officer and RFO were taken up later than anticipated in the Revised Budget and sickness absence continues. An overspend of £1,004 on Recruitment Expenses reflects the need to re-advertise vacancies.
- Heat, Light and Water expenditure includes estimates of costs since the last invoices from the Council's landlord. Since those invoices are received sporadically, the latest trends may not be forecast accurately, however an overspend of £903 suggests that the Council's costs are increasing, similar to the national picture.
- The IT budget is currently underspent by £992, although there will be new expenditure on equipment for the incoming posts.
- The £25,500 initial contribution to the Thacka Beck development was budgeted for December, the actual cost to date is £14,375 for the path and £846 for a bench.
- The various Devolved Services headings show an underspend totalling £12,181, which is assumed to be an additional transfer to the Devolution Reserve.
- There has been no expenditure to date on Local Government Re-organisation, budget £11,250, nor on Officer Support to projects, budget £2,250.

### **B.5 Total Expenditure & Increase/Decrease in General Reserve**

- The individual variances result in an underspending of £102,331 against the profiled total expenditure budget of £403,986. As there is £5,550 more income, there is a net variation of £108,118 on the profiled amount transferrable to the General Reserve.

### **B.6 Reserves**

- The Actual to date column includes the General Reserve balance at 1 April 2022 of £428,090 which is now included in the Revised Budget.

The profiled budget assumes that the Reserve should decrease by £55,528 in the period, resulting in a balance of £372,562 at 31 December 2022. The actual balance on the reserve at the month end is £480,680, which is £108,118 higher than expected.

- The Devolution Reserve opened the year with a balance of £149,855, again included in the Revised Budget. The actual amount of £2,483 transferrable into the Devolution Reserve is £12,181 higher than profile.

## **C. Balance Sheet (Appendix B)**

Appendix B shows the Council's balance sheet as at 31 December 2022. The following points may be noted:

- The total invested of £716,113 includes £630,000 placed with CCLA.
- The main debtor balance is £4,198 VAT reclaimed from HMRC.
- Prepayments of £5,773 include adjustments for insurance, office rental, licences, subscriptions and maintenance agreements.
- The HSBC Bank balance stands at £102,264, to provide cash flow for the next few months.
- Accruals of £10,820 represent goods and services received before 31 December 2022, where the payment was not made by that date. Individual items include grounds maintenance, caretaking and audit and accountancy fees.
- The Payroll Control balance of £13,531 relates to deductions calculated in the December 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 represents income for the period 1 April 2022 to March 2023, already received from Eden DC as precept and grants.

## **D. Conclusion**

The budgetary control statement shows that net spending to 31 December 2022 was around £102,000 below the Latest Budget for the period.

Finally, there are no issues arising from the Council's balance sheet at 31 December 2022.

## **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: NINE MONTHS ENDED 31 DECEMBER 2022

Approved Budget 2022-23	Latest (Revised) Budget 2022-23	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£	£		£	£	£
		<b>INCOME</b>			
		<b>Precept:</b>			
455,209	455,209	Council Tax	341,407	341,407	0
7,390	7,390	<b>CTRS Grant</b>	5,543	5,542	(1)
		<b>Other Income:</b>			
250	2,000	Investment Income	1,500	7,296	5,796
10	10	Miscellaneous Income	8	0	(8)
<b>462,859</b>	<b>464,609</b>	<b>TOTAL INCOME</b>	<b>348,458</b>	<b>354,245</b>	<b>5,787</b>
		<b>EXPENDITURE</b>			
		<b>PLANNING COMMITTEE:</b>			
		<b>Planning:</b>			
}	}	Officer Support	0	0	}
10,000	10,000	Planning Consultancy	7,500	833	6,667
}	}	Consultation	0	0	}
10,000	10,000		7,500	833	6,667
		<b>Climate Change:</b>			
5,000	5,000	Community Consultation	3,750	0	3,750
2,000	2,000	Internal Business Plan	1,500	0	1,500
1,000	1,000	Carbon Footprinting: High level baseline	750	0	750
500	500	Carbon Footprinting: Calculator licence	375	0	375
3,000	3,000	BIG STEP	2,250	0	2,250
800	800	Staff Development/Exceptional Expenses	600	0	600
1,000	1,000	Carbon Literacy Training	1,000	2,910	(1,910)
13,300	13,300		10,225	2,910	7,315
<b>23,300</b>	<b>23,300</b>	<b>Planning Committee Total</b>	<b>17,725</b>	<b>3,743</b>	<b>13,982</b>
		<b>CCEG COMMITTEE:</b>			
		<b>Town Projects:</b>			
10,000	10,000	Town Projects	7,500	3,187	4,313
5,000	5,000	Marketing Penrith	3,750	0	3,750
15,000	15,000		11,250	3,187	8,063
		<b>Arts &amp; Entertainment:</b>			
7,500	7,500	Officer Support	5,625	757	4,868
10,000	17,000	Arts & Culture Development	17,000	17,937	(937)
17,500	24,500		22,625	18,694	3,931
		<b>Environment:</b>			
5,000	5,000	Greening	5,000	0	5,000
		<b>Grants:</b>			
15,000	15,000	Small Grants	11,250	1,000	10,250
15,500	15,500	Grow Nature Grants	11,625	1,460	10,165
26,500	19,500	Large Grants	14,625	11,361	3,264
57,000	50,000		37,500	13,821	23,679
		<b>Corporate Communications:</b>			
7,500	7,500	Community Engagement	5,625	2,249	3,376
2,500	2,500	Press Support	1,875	1,520	355
10,000	10,000		7,500	3,769	3,731
		<b>Participatory Budgeting</b>			
10,000	10,000		7,500	0	7,500
<b>114,500</b>	<b>114,500</b>	<b>CCEG Committee Total</b>	<b>91,375</b>	<b>39,471</b>	<b>51,904</b>

Approved Budget 2022-23	Latest (Revised) Budget 2022-23	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£	£		£	£	£
		<b>FINANCE COMMITTEE:</b>			
		<b>Staffing:</b>			
196,850	204,850	Salaries	148,356	136,685	11,671
19,960	21,470	National Insurance	15,511	13,662	1,849
39,170	42,200	Superannuation	30,964	30,328	636
500	1,750	Recruitment Expenses	1,750	2,754	(1,004)
950	950	Staff Training	713	775	(62)
1,000	1,000	Conferences	750	0	750
500	500	Staff Expenses	375	204	171
258,930	272,720		198,419	184,408	14,011
		<b>Accommodation:</b>			
7,500	7,500	Rent	5,625	5,625	0
1,800	1,800	Heat, Light & Water	1,350	2,253	(903)
920	920	Service Charges	690	1,016	(326)
1,730	1,730	Room Hire & Meetings	1,298	1,391	(93)
380	380	Insurances	285	293	(8)
(10)	(10)	Letting Income	(8)	0	(8)
12,320	12,320		9,240	10,578	(1,338)
		<b>Civic Functions:</b>			
400	400	Civic Functions	300	76	224
700	700	Mayoral Expenses	525	0	525
300	300	Deputy Mayor's Expenses	225	0	225
100	100	Civic Regalia	75	102	(27)
1,500	1,500		1,125	178	947
		<b>Cost of Democracy:</b>			
200	200	Annual Meeting	200	225	(25)
1,000	1,000	Members' Training	750	160	590
200	200	Members' Expenses	150	0	150
200	200	Notice/Honours Board	150	0	150
1,600	1,600		1,250	385	865
20,000	20,000	<b>IT</b>	15,000	14,008	992
2,050	2,050	<b>Website</b>	1,538	316	1,222
		<b>Devolved Services:</b>			
800	800	Allotments	488	(450)	938
400	400	War Memorial	300	0	300
1,500	1,500	Benches	1,125	0	1,125
5,780	8,750	Bus Shelters	3,555	3,330	225
1,750	1,750	Bandstand	1,313	429	884
800	800	Musgrave Monument	600	220	380
3,300	3,300	Fairhill Park	2,475	6,024	(3,549)
	0	Fairhill United Utilities Planting Maintenance	0	0	0
3,700	28,700	Thacka Beck	27,775	16,746	11,029
300	300	Signage, etc	225	0	225
8,800	8,800	Community Caretaker	6,600	5,976	624
19,214	(8,756)	Contribution to/(from) Devolution Reserve	(9,698)	2,483	(12,181)
46,344	46,344		34,758	34,758	0
15,000	15,000	<b>Local Government Re-organisation</b>	11,250	0	11,250
3,000	3,000	<b>Council Projects: Officer Support</b>	2,250	0	2,250
		<b>Other Overheads:</b>			
1,800	1,800	Printing, Postage & Stationery	1,350	2,206	(856)
1,450	1,450	Audit Fees	1,088	798	290
3,800	3,800	Insurance	2,850	2,432	418
130	130	Bank Charges & Interest	98	99	(1)
2,600	2,600	Accountancy Fees	1,950	1,263	687
1,500	1,500	Legal Fees	1,125	2,135	(1,010)
500	500	Licences	375	669	(294)
4,160	4,160	Subscriptions	3,120	2,627	493
15,940	15,940		11,956	12,229	(273)
3,000	3,000	<b>Repairs &amp; Renewals</b>	2,250	1,581	669
379,684	393,474	<b>Finance Committee Total</b>	289,036	258,441	30,595

Approved Budget 2022-23	Latest (Revised) Budget 2022-23	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£ 12,000	£ 7,800	Contingency	£ 5,850	£ 0	£ 5,850
0	(50,000)	Transfer to/(from) Acquisitions Reserve	0	0	0
529,484	489,074	<b>TOTAL EXPENDITURE</b>	403,986	301,655	102,331
(66,625)	(24,465)	<b>INCREASE/(DECR) IN GENERAL RESERVE</b>	(55,528)	52,590	108,118
		<b>RESERVES:</b>			
		<b>General Reserve:</b>			
358,758	428,090	Balance brought forward 1 April 2022	428,090	428,090	0
(66,625)	(24,465)	Increase/(decrease) in year	(55,528)	52,590	108,118
292,133	403,625	<b>Balance carried forward</b>	372,562	480,680	108,118
		<b>Devolution Reserve:</b>			
147,402	149,855	Balance brought forward 1 April 2022	149,855	149,855	0
19,214	(8,756)	Contribution from/(to) 2022-23 Budget	(9,698)	2,483	12,181
166,616	141,099	<b>Balance carried forward</b>	140,157	152,338	12,181
		<b>Acquisitions Reserve:</b>			
50,000	50,000	Balance brought forward 1 April 2022	50,000	50,000	0
0	(50,000)	Contribution from/(to) 2022-23 Budget	0	0	0
50,000	0	<b>Balance carried forward</b>	50,000	50,000	0
508,749	544,724	<b>TOTAL RESERVES</b>	562,719	683,018	120,299



## Penrith Town Council

### BALANCE SHEET AS AT 31 DECEMBER 2022

	£	£
<b>Investments</b>		
Penrith Building Society	86,113	
Cumberland Building Society	0	
CCLA Public Sector Deposit Account	<u>630,000</u>	
		716,113
<b>Current Assets</b>		
Debtors	1,799	
Debtor - VAT	4,198	
Prepayments	5,773	
HSBC Bank Account	<u>102,264</u>	
	114,034	
<b>Current Liabilities</b>		
Creditors	0	
Accruals	10,820	
Payroll Control	13,531	
Receipts in Advance	<u>122,778</u>	
	147,129	
<b>Net Current Assets</b>		(33,095 )
		<u><b>683,018</b></u>
<b>Represented by:</b>		
<b>Reserves</b>		
General Reserve		480,680
Devolution Reserve		152,338
Acquisitions Reserve		50,000
		<u><b>683,018</b></u>

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# **FINANCE COMMITTEE**

**16 January 2023**

## **Matter: Proposed Budget 2023-24**

### **Purpose of Report:**

Consider the Proposed Budget 2023/24, service development proposals and the proposed Medium Term Financial Plan.

### **Item no: 09**

**Author:** John Kemp, RFO

**Supporting Member:** Cllr David Knaggs, Committee Chair

### **Recommendations**

The Committee is recommended to consider:

- i) The Forecast Outturn expenditure for 2022/23 of £417,092.
- ii) The Proposed Budget 2023/24 which would, based on the estimated Council Taxbase, provisionally require a precept of £459,761, resulting from a nil increase in Council Tax.
- iii) The salaries paid to staff in 2023/24, as detailed in the supporting confidential report.
- iv) Note the position on service development proposals and approve the Council inclusion of Christmas lighting, Town Greening and Town Dressing into the schedule of work for 2023/24 and that the costs are met from the Town Projects Budget.
- v) The creation of an Elections Reserve of £30,000 be met from underspending from the current year budget and thereafter a contribution of £5,000 per annum is made over the full term of the Medium-Term Financial Plan.
- vi) The maximum grant for the Signature Events Grant Fund be £5,000 per event per annum and the Policy be updated accordingly with an annual budget of £20,000 be established for 2023/24.
- vii) The proposed level of financial reserves.
- viii) 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 2023/24 were considered by the Budget Working Group on 13 December 2022.

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, the cost of living 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 2023/24 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 2023/24**

#### **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 2021/22, for comparison purposes.
- b) The Approved Budget for 2022/23.
- 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.

Total outturn expenditure for 2022/23 of £417,092 is forecast to decrease by £112,392 from the Approved Budget of £529,484.

- d) The Proposed Budget for 2023/24, 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.

Based on these estimates, the proposed precept for 2023/24 will be £459,761; the increase of £4,552 from the 2022/23 figure of £455,209 is due to a higher estimated Council Taxbase.

- e) The position on the Council's three reserves over the two financial years.
- f) The resulting Council Tax based on the budgets representing a nil increase in the Council Tax for 2023/24.

### **C. Proposed Medium Term Financial Plan (MTFP)**

### **Appendix B**

**Appendix B** shows a forecast of income and expenditure for the years 2023/24 to 2027/28, based on the figures in the 2023/24 Draft 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 2023 prices and future inflation has been allowed for as a global figure on staffing and running costs.

Except for a standstill Council Tax and allowance for a 4% pay award for 2023/24, the parameters adopted in the Plan are largely those in the current MTFP approved in January 2022 and updated as part of this budget review process:

- A nil Council Tax increase for 2023/24 followed by 3.0% in each of the years 2024/25 to 2027/28.
- Pay inflation of 4% in 2023/24 and 2.0% thereafter.
- Average price inflation of 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 and reducing to 30% from 01 April 2026 onwards.
- 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**

Planning Committee proposed no Growth bids be considered for 2023/24, following their meeting in November.

Finance Committee proposed no Growth Bids be considered for 2023/24 following their meeting in November.

It has been confirmed to the Council that the Penrith BID revote returned a no vote and the organisation will cease as of 31 March 2023. This change in Town circumstances means that it is anticipated that there be an expectation that some of the BID'S schemes of work may fall to the Council. This budget review has taken such factors in to account and proposes an amendment to established budgets to allow the Council to meet the costs of Greening, Xmas Lights and Town Dressing under the Town Projects budget line.

As some of these schemes of work are new the narrative is included within the Service Development section of the report, although strictly the items are being budgeted for by an adjustment in existing budget lines as follows:

Town Projects is being increased from £10,000 to £47,000 by the following means:

- i. £10,000 retained as per the current year
- ii. A virement of £10,000 from the Participatory Budget to Town Projects.
- iii. A virement of £5,000 from the Town Greening Budget to Town Projects.
- iv. A virement of £22,000 from Grants Budget to Town Projects.

Each of the budgets from where the virement is being proposed is underspent in the current year.

Going Paperless is considered to be unaffordable at this moment, allowing budget to be available to meet schemes of work which Penrith BID would have been responsible for. It is proposed that the Council considers efficiency measures to reduce its use of paper and printing costs and that other measures such as the provision of Committee administration software and the purchase of tablet devices is reviewed at a later time.

## **E. Detailed Budgets**

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

### **a) Income**

The precept income for 2023/24 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 reducing the General Reserve towards its target level. The investment income budget has been increased due 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 majority of the programme by a further year, so as to start in 2023/24. The proposed budget includes the removal of the Climate Community Consultation budget of £5,000 which has been added to the Corporate

Communications budget allowing a more varied range of uses on a Council wide level.

### **c) CCEG Committee**

This report is written on the understanding that Members are in the future going to consider whether the CCEG Committee is reinstated.

Based on budget monitoring in the current year, a significant underspending of £58,100 is forecast for the Committee's budget lines overall in 2022/23 expenditure.

#### Town Projects

The budget for 2022/23 is £10,000 for Town Projects and £5,000 for Marketing Penrith. The proposed budget for 2023/24 removes in full the Marketing Penrith budget as this was a one-off external grant. The Town Projects budget is proposed to be increased from £10,000 to £47,000 to support the cost of initiatives arising from the demise of Penrith BID. This includes the virements as set out in Section D to support the costs for the provision of Greening, Xmas Lights and Town Dressing.

#### Arts & Entertainment

The proposed budget for 2023/24 includes £10,000 for Arts and Cultural Development and enabling the delivery of the actions contained within the Priorities Plan.

#### Environment

Town Greening is an area of work that the Penrith BID progressed. The budget in 2022/23 is underspent. The budget for 2023/24 proposes the virement of the Greening Budget (£5k) to Town Projects.

#### Corporate Communications

The Corporate Communications budget is proposed to increase to £15,000 which includes the £10,000 budgeted in the current year and supplemented by a £5,000 virement from the Climate Community Consultation budget allowing a more varied range of uses on a Council wide level.

#### Participatory Budget

The Participatory Budget of £10,000 is to be reallocated in full to the Town Projects budget to assist with the delivery of schemes of work arising from the demise of Penrith BID. The Forecast Outturn shows no expenditure in the current year. Whilst a Participatory Budget Policy is scheduled to be developed in the new year any budgetary implications can be considered at the time of considering the draft policy.

## **d) Council**

### Grants

The forecast outturn for the current year is £19,000. The budget for 2022/23 was £57,000. Grants have historically been underspent. A review of the Grants Budget has been undertaken as part of the budget preparation.

The proposed budget 2023/24 allows for £15,000 to be retained in the Grants budget and replaces the current separate Grow Nature, Small Grants and Large Grants scheme in to one single budget. The grant schemes will still operate under the current Grant Scheme Policy.

Council approved the Signature Grants Scheme Policy 10 October 2022, however resolved that the maximum grant and budget be recommended for approval as part of the budget setting process. Members are recommended to approve a maximum grant of £5,000 per Signature Fund event per annum and the budget for 2023/24 is £20,000 and is met from a revision to the existing grants budget.

The difference of £22,000 between the current year (£57,000) and proposed budget in 2023/24 (£35,000) is to be vired to the Town Projects budget.

## **e) Finance Committee**

### Staffing

The 2022/23 Forecast Outturn and 2023/24 Proposed Budget estimate the costs of the existing approved staff establishment. After adjusting for pay awards and recruiting for the RFO and CSO post the overall staff cost budget is £67,000 higher than in the previous budget year. Future years' forecast pay awards are provided as a global sum alongside price inflation.

The 2023/24 Draft Budget assumes a full establishment. The supporting Part 2 confidential report shows the recommended salary points for each member of staff, effective from 01 April 2023. Future years' forecast pay awards are provided as 4% in 2023/24 and 2.0% thereafter.

### Accommodation

The principal changes in accommodation budgets for 2023/24 relates to heat, lighting and water to reflect the increase in utility charges.

### Civic Functions

There are no proposed changes to these budgets.

### Cost of Democracy

The Forecast Outturn for 2022/23 is in line with the approved budget. Members are advised that the Council has been notified that Election costs for May 2023 elections are going to be met by the new Westmorland and Furness Council on a one-off arrangement. This implies that future election costs will be recharged to the Council. As such it is recommended as part of the budget process to consider

an Election Reserve. It is proposed that this be in the form of £30,000 met from underspends from the current year's budget, and thereafter a contribution of £5,000 per annum over the full term of the Medium-Term Financial Plan. This budget would also be available to meet the costs of one off by elections and ensure the Council has funds to meet election costs in 2027.

## IT

The expenditure for IT is in line with budget. The same budget is proposed in 2023/24.

## Website

The expenditure for Website is in line with budget. The same budget is proposed in 2023/24.

## Devolved Services

The Forecast Outturn for 2022/23 and the Draft Budget 2023/24 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 (LGR). Service expenditure forecasts have been reviewed in the light of operating experience and are continued into future years.

### ○ Allotments

The ongoing budget includes the cost of asset maintenance, boundary repairs and hedge cutting. The 2023/24 Budget is £800.

### ○ Benches & Bus Shelters

There is the need for some minor refurbishment of the bus shelter on Bridge Lane which can be met from the proposed budget of £3,000. Should a new scheme come forward for a new bus shelter on the Scaws Estate the costs may be met from the Devolution Reserve once the scheme is further developed. The budget of £1,500 for benches is intended to meet the costs of refurbishment or replacement of existing benches as required.

### ○ Bandstand

The 2022/23 Forecast Outturn includes income of £750 from the Board & Elbow public house for use of the area; in 2023/24, income of £825 has been agreed.

### ○ Musgrave Monument:

The 2023/24 budget of £800 meets the costs of clock inspection and survey and the maintenance inspection of the latchway inspection.

- Fairhill Park

The 2023/24 budget provides for £5,500 expenditure including costs in relation to grounds maintenance, play area inspection, tree works and other adhoc expense.

- 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 £475 expenditure.

- Thacka Beck

The Council approved an additional budget of £25,500 from the Devolution Reserve to implement enhancements during 2022/23. The approved enhancements have been implemented in full during the current year. The ongoing budget is £3,700.

- Local Government Review

The 2023/24 budget proposes a £5,000 budget for the initial costs any works associated with LGR.

#### 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. It is forecast that the total cost of services will be permanently lower than £46,344 so the difference is contributed to the Devolution Reserve, which will accumulate until decisions are made on its use. In the light of LGR it is recommended as prudent to continue the contribution to the Devolution Reserve in line with current arrangements.

#### Other Overheads

A review of expenditure on these budgets has resulted in several minor variations.

#### Repairs & Renewals

For 2023/24 the budget is being reduced from £3,000 to £2,000.

### **f) Contingency**

The general contingency provision is set at £3,000. It is considered that the main unforeseen areas of expenditure have been adjusted for as part of the proposed budget i.e., salaries.

### **g) Inflation**

Anticipated pay and price inflation has been included in the detailed budgets for 2023/24. For 2024/25 onwards, the MTFP allows for compound pay inflation of 2.0% pa and price inflation at an average rate of 5% pa as a global figure.

## **F. Reserves**

The Draft Budget and Medium-Term Plan assume a continuation of existing plans for reserves but with the introduction of a new Elections Reserve.

### **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, reducing to 30% from 01 April 2026. Underspending in previous years, and a forecasted underspend of £112,000 this financial year, mean that this target is not yet met. As a result, there are resources in the Reserve which can be used to fund service delivery over the life of the Plan.

### **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 £17,944 in 2025/26, leading to a balance of £255,369 on 31 March 2028. 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 and any expectations arising from LGR.

### **Acquisitions Reserve**

This reserve will be removed in March 2023.

### **Elections Reserve**

This report proposes as part of the budget process to consider the creation of an Election Reserve. It is proposed that this be in the form of £30,000 met from underspends from the current year's budget, and thereafter a contribution of £5,000 per annum over the full term of the Medium-Term Financial Plan. This budget would also be available to meet the costs of one off by elections and ensure the Council has funds to meet election costs in 2027.

## **G. Council Tax**

The current year's Band D Council Tax is £83.09 per property. Adoption of the Draft Budget for 2023/24 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 is expected to be notified by Eden DC imminently and will require some adjustment to the budget.

The Medium-Term Plan at Appendix B indicates that a 3.0% 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**

- i) This will be the third 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 3.0% 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 2023/24 would represent around £24,000 additional income over the five years of the Plan.
- ii) The latest rate of inflation as measured by the Consumer Price Index is 11.1% (October 2022), much higher than the Bank of England's 2.0% target and the highest in a long time. The main reason is higher energy and fuel costs, which are not a large component of the Council's expenditure.
- iii) The Medium-Term Financial Plan assumes average inflationary price increases of 5% pa. This may appear to be low, particularly when CPI is expected to be above this until well into 2023. In reality, the Council has not automatically inflated budgets each year recently, only where contractually committed, yet there has been no pressure on budgets and significant overall underspending. At the present time, while acknowledging that a 5% increase may suggest real terms cut in budgets, this is not considered to be a problem.
- iv) We do not know the outcome of the negotiations for the April 2023 staff pay round. The trade unions are suggesting inflation linked pay rises; however, this is considered unlikely given the settlement this year and examples in the media of other public sector pay disputes. The Draft Budget allows for 4% wage inflation and MTFP assumes 2% from 2024/25 thereafter and appears reasonable.
- v) Superannuation contributions are assessed triennially; and will increase from 19.9% this year to 21.5% from April 2023. 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 the increase in contributions from April 2023 will be £3,960 next year (£19,300 over the next 5 years).
- vi) 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 expected to be received imminently. Some (hopefully small) adjustment may therefore be needed to the proposed budget before it is presented to full Council. The Draft Budget and MTFP assume that this will be increased by 1% in 2023/24 and then 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.

- vii) 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 £17,944. By 31 March 2028, the Reserve will have a balance of £255,369, 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 may need to reconsider the purpose of the Reserve, its accumulation of resources and its potential use. It would be appropriate to conduct this review over the next twelve months when LGR has been implemented.
- viii) 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. This assumption may be unlikely, with the Council potentially 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 Devolution Reserve. 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 23 January 2023.

## **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.

An expectation to undertake schemes of work previously undertaken by others.

### **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**

2023/24 Draft Budget:

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

## **Background Papers**

2023/24 Budget Working Papers



# Penrith Town Council

## PROPOSED BUDGET 2023/24

ACTUAL OUTTURN 2021/22	APPROVED BUDGET 2022/23		BUDGET HEADING	FORECAST OUTTURN 2022/23		PROPOSED BUDGET 2023/24	
£	£	£		£	£	£	£
			<b>INCOME</b>				
450,069		455,209	<b>Precept:</b> Council Tax		455,209		459,761
7,551		7,390	<b>CTRS Grant</b>		7,388		7,190
641		250	<b>Other Income:</b> Investment Income		9,000		15,750
0		10	Miscellaneous Income		10		10
<b>458,261</b>		<b>462,859</b>	<b>TOTAL INCOME</b>		<b>471,607</b>		<b>482,711</b>
			<b>EXPENDITURE</b>				
			<b>PLANNING COMMITTEE:</b>				
			<b>Planning:</b>				
1,692	0		Officer Support	0		0	
5,788	10,000		Planning Consultancy	1,000		10,000	
7,480		10,000	Sub-Total		1,000		10,000
			<b>Climate Change:</b>				
0	1,000		Carbon Literacy Training	2,910		0	
0	12,300		Climate Efficiency	0		8,300	
0		13,300	Sub-Total		2,910		8,300
<b>7,480</b>		<b>23,300</b>	<b>Planning Committee Total</b>		<b>3,910</b>		<b>18,300</b>
			<b>CCEG COMMITTEE:</b>				
			<b>Town Projects:</b>				
4,458	10,000		Town Projects	3,200		47,000	
0	5,000		Marketing Penrith	0		0	
1,081	0		Covid-19 Response	0		0	
5,539		15,000	Sub-Total		3,200		47,000
			<b>Arts &amp; Entertainment:</b>				
1,807	7,500		Officer Support	1,500		0	
1,986	0		Arts & Cultural Strategy	1,200		0	
215	10,000		Arts & Culture Development	18,000		10,000	
4,008		17,500	Sub-Total		20,700		10,000
			<b>Environment:</b>				
7,844		5,000	Greening		1,000		0
			<b>Grants:</b>				
9,500	57,000		Grants	19,000		15,000	
9,500		57,000	Signature Grants	0		20,000	
			Sub-Total		19,000		35,000
			<b>Corporate Communications:</b>				
5,264	7,500		Communications	0		15,000	
3,760	2,500		Community Engagement	2,000		0	
9,024		10,000	Press Support	3,000		0	
0		10,000	Sub-Total		5,000		15,000
<b>35,915</b>		<b>114,500</b>	<b>Participatory Budgeting</b>		0		0
			<b>CCEG Committee Total</b>		<b>48,900</b>		<b>107,000</b>
			<b>FINANCE COMMITTEE:</b>				
			<b>Staffing:</b>				
175,242	196,850		Salaries	197,771		247,200	
15,982	19,960		National Insurance	20,406		23,780	
35,824	39,170		Superannuation	42,418		53,150	
58	500		Recruitment Expenses	2,800		500	
348	950		Staff Training	950		600	
420	1,000		Conferences	500		500	
139	500		Staff Expenses	500		500	
<b>228,013</b>		<b>258,930</b>	Sub-Total		265,345		326,230

ACTUAL OUTTURN 2021/22	APPROVED BUDGET 2022/23		BUDGET HEADING	FORECAST OUTTURN 2022/23		PROPOSED BUDGET 2023/24	
£	£	£		£	£	£	£
7,500	7,500		<b>Accommodation:</b>	7,500		7,500	
1,233	1,800		Rent	4,000		4,000	
1,181	920		Heat, Light & Water	1,200		1,020	
923	1,730		Service Charges	1,500		1,730	
390	380		Room Hire/Meetings	380		380	
0	(10)		Insurances	0		0	
11,227		12,320	Letting Income		14,580		14,630
			Sub-Total				
68	400		<b>Civic Functions:</b>	400		400	
700	700		Civic Functions	700		700	
300	300		Mayoral Expenses	300		300	
784	100		Deputy Mayor's Expenses	100		100	
1,852		1,500	Civic Regalia		1,500		1,500
			Sub-Total				
302	200		<b>Cost of Democracy:</b>	300		200	
0	0		Annual Meeting	1,000		5,000	
84	1,000		Elections	1,000		1,000	
0	200		Members' Training	200		200	
197	200		Members' Expenses	200		1,200	
583		1,600	Notice/Honours Board		2,700		7,600
14,526		20,000	Sub-Total		20,000		20,000
533		2,050	<b>IT</b>		2,050		2,050
			<b>Website</b>				
(1,400)	0		<b>Devolved Services:</b>	0		0	
9,142	800		Bring Site	(450)		800	
838	400		Allotments			400	
395	1,500		War Memorial	1,500		1,500	
1,227	5,780		Benches	5,780		3,000	
287	1,750		Bus Shelters	1,750		1,750	
278	800		Bandstand	800		800	
3,628	3,300		Musgrave Monument	3,800		5,500	
8,319	3,700		Fairhill Park	8,700		3,700	
0	300		Thacka Beck	300		300	
9,723	8,800		Signage	8,800		10,000	
0	0		Community Caretaker	0		0	
13,907	19,214		Local Government Re-organisation: Plan	14,964		18,594	
46,344		46,344	Contribution to Devolution Reserve		46,344		46,344
0		15,000	Sub-Total		0		5,000
0	3,000		<b>Local Government Re-organisation</b>				
8,000	0		<b>Council Projects:</b>	1,000		0	
8,000		3,000	Officer Support	0		0	
			Project Budget		1,000		0
			Sub-Total				
1,827	1,800		<b>Other Overheads:</b>	3,000		3,000	
1,990	1,450		Printing, Postage & Stationery	1,450		1,450	
3,366	3,800		Audit Fees	3,800		4,180	
139	130		Insurance	130		130	
1,685	2,600		Bank Charges & Interest	2,600		2,900	
77	1,500		Accountancy Fees	1,500		1,650	
430	500		Legal Fees	600		500	
3,978	4,160		Licences	4,160		3,201	
13,492		15,940	Subscriptions		17,240		17,011
			Sub-Total				
2,638		3,000	<b>Repairs &amp; Renewals</b>		3,000		2,000
327,208		379,684	<b>Finance Committee Total</b>		373,759		442,365
0		12,000	<b>Contingency</b>		10,523		3,000
n/a		0	<b>Allowance for Growth Items</b>		0		0
0		0	<b>Transfer to/(from) Acquisitions Reserve</b>		(50,000)		0
			<b>Transfer to/(from) Election Cost Reserve</b>		30,000		5,000
370,603		529,484	<b>TOTAL EXPENDITURE</b>		417,092		575,665
87,658		(66,625)	<b>INCREASE/(DECREASE) IN GENERAL RESERVE</b>		54,515		(87,954)

ACTUAL OUTTURN 2021/22	APPROVED BUDGET 2022/23		BUDGET HEADING	FORECAST OUTTURN 2022/23		PROPOSED BUDGET 2023/24	
£	£	£		£	£	£	£
340,432	69,332	358,758	<b>General Reserve:</b>				
87,658		(66,625)	Balance brought forward 1 April		428,090		482,605
<b>428,090</b>		<b>292,133</b>	Increase/(decrease) in year		54,515		(87,954)
	2,453		<b>Balance carried forward 31 March</b>		<b>482,605</b>		<b>394,651</b>
135,948		147,402	<b>Devolution Reserve:</b>				
13,907		19,214	Balance brought forward 1 April		149,855		164,819
<b>149,855</b>		<b>166,616</b>	Contribution from Annual Budget		14,964		18,594
			<b>Balance carried forward 31 March</b>		<b>164,819</b>		<b>183,413</b>
50,000		50,000	<b>Acquisitions Reserve:</b>				
0		0	Balance brought forward 1 April		50,000		0
<b>50,000</b>		<b>50,000</b>	Increase/(decrease) in year		(50,000)		0
			<b>Balance carried forward 31 March</b>		<b>0</b>		<b>0</b>
0		0	<b>Election Cost Reserve</b>				
0		0	Balance brought forward 1 April		0		30,000
<b>0</b>		<b>0</b>	Increase/(decrease) in year		30,000		5,000
<b>627,945</b>		<b>508,749</b>	<b>Balance carried forward 31 March</b>		<b>30,000</b>		<b>35,000</b>
			<b>TOTAL RESERVES AT 31 MARCH</b>		<b>677,424</b>		<b>613,064</b>

ACTUAL OUTTURN 2021/22	APPROVED BUDGET 2022/23		COUNCIL TAX	FORECAST OUTTURN 2022/23		PROPOSED BUDGET 2023/24	
£450,069		£455,209	Precept		£455,209		£459,761
5,466.76		5,478.50	Taxbase (Band D properties)		5,478.50		5,533.29
£82.33		£83.09	Council Tax (Band D)		£83.09		£83.09
-0.91%		0.92%	Increase (%)		0.00%		0.00%



## Penrith Town Council

### PROPOSED MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2027/28

BUDGET HEADING	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£
<b>INCOME</b>					
Council Tax	459,761	480,642	502,502	525,315	549,168
All Other Income	22,950	22,750	22,550	22,350	22,150
<b>TOTAL INCOME</b>	<b>482,711</b>	<b>503,392</b>	<b>525,052</b>	<b>547,665</b>	<b>571,318</b>
<b>EXPENDITURE</b>					
Staff Costs	326,230	328,970	331,700	309,323	301,790
All Other Expenditure	225,841	213,311	213,491	209,491	216,191
Inflation: Staff Costs: 2.0% pa	0	6,640	13,530	19,370	25,690
Inflation: Other Expenditure: Average 5% pa	0	10,670	21,350	31,420	43,240
Contribution to Devolution Reserve	18,594	18,124	17,944	17,944	17,944
Transfer to/(from) Election Reserve	5,000	5,000	5,000	5,000	(40,000)
Allowance for Growth Items (Illustrative)	0	10,000	10,000	5,000	5,000
<b>TOTAL EXPENDITURE</b>	<b>575,665</b>	<b>592,715</b>	<b>613,015</b>	<b>597,548</b>	<b>569,855</b>
<b>INCREASE/(DECR) IN GENERAL RESERVE</b>	<b>(92,954)</b>	<b>(89,323)</b>	<b>(87,963)</b>	<b>(49,883)</b>	<b>1,463</b>

RESERVES:	2023/24	2024/25	2025/26	2026/27	2027/28
	£	£	£	£	£
<b>General Reserve:</b>					
Balance brought forward 1 April	482,605	394,651	305,328	217,365	167,483
Increase/(decrease) in year	(87,954)	(89,323)	(87,963)	(49,883)	1,463
<b>Balance carried forward 31 March</b>	<b>394,651</b>	<b>305,328</b>	<b>217,365</b>	<b>167,483</b>	<b>168,946</b>
<i>Target General Reserve: 35/30% of Expenditure</i>			206,700	172,600	164,300
<b>Devolution Reserve:</b>					
Balance brought forward 1 April	164,819	183,413	201,537	219,481	237,425
Contribution from Annual Budget	18,594	18,124	17,944	17,944	17,944
<b>Balance carried forward 31 March</b>	<b>183,413</b>	<b>201,537</b>	<b>219,481</b>	<b>237,425</b>	<b>255,369</b>
<b>Election Cost Reserve:</b>					
Balance brought forward 1 April	30,000	35,000	40,000	45,000	50,000
Contribution from Annual Budget	5,000	5,000	5,000	5,000	(40,000)
<b>Balance carried forward 31 March</b>	<b>35,000</b>	<b>40,000</b>	<b>45,000</b>	<b>50,000</b>	<b>10,000</b>
<b>TOTAL RESERVES AT 31 MARCH</b>	<b>613,064</b>	<b>546,865</b>	<b>481,846</b>	<b>454,908</b>	<b>434,315</b>

COUNCIL TAX:	2023/24	2024/25	2025/26	2026/27	2027/28
Precept	£459,761	£480,642	£502,502	£525,315	£549,168
Taxbase (Band D properties)	5,533.29	5,616.29	5,700.53	5,786.04	5,872.83
Council Tax (2021/22 £83.09)	£83.09	£85.58	£88.15	£90.79	£93.51
Increase (%)	0.00%	3.00%	3.00%	3.0%	3.00%



## Penrith Town Council

### PROPOSED MEDIUM TERM FINANCIAL PLAN SERVICE DEVELOPMENTS (GROWTH ITEMS)

REF	PROPOSAL		2023/24		2024/25		2025/26		2026/27		2027/28		TOTAL
			£		£		£		£		£		£
	Allowance for New Growth in Future Years (Illustrative)		-		10,000		10,000		5,000		5,000		30,000
	TOTAL GROWTH ITEMS		0		10,000		10,000		5,000		5,000		30,000

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# **FINANCE COMMITTEE**

**16 January 2023**

**Matter: Draft Reserves Policy 2023-24**

**Purpose of Report:**

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

**Item no: 10a**

**Author:** John Kemp, RFO

**Supporting Member:** Cllr David Knaggs, Committee Chair

**Recommendations**

The Committee is recommended to consider the draft policy and forward it, with any amendments, to Council for ratification noting the deletion of the Acquisition Reserve and the proposal for a new Elections Reserve.

**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 2022

## **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 provides an update on the Acquisitions Reserve and the proposed new Elections Reserve.

#### **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, i.e. 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 underspending 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 (i.e. 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. Council, 11 July 2022 resolved to reduce the General Reserve further to 30% of expenditure from 01 April 2026 onwards. 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 (i.e. 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 £183,413 at the end of 2023-24, rising by around £20,000 in each of the following years, to reach £255,369 at 31 March 2028. 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 prudent given the uncertainties or expectations of the Council arising from Local Government Reorganisation. However, a review of both the purpose and the target level of this reserve would best be carried out in a further year's time once local government reorganisation has occurred.

The Council's working capital has previously included £50,000 held in the Acquisitions Reserve which has been fully used to meet additional establishment costs, this being approved at Council 23 May 2022. This reserve will be removed in 2023.

The draft Budget 2023-24 proposes the creation of an Elections Reserve of £30,000 met from underspending from the current year budget and thereafter a contribution of £5,000 per annum over the full term of the Medium-Term Financial Plan. This budget would be available to meet the costs of one off by elections and ensure the Council has funds to meet election costs in 2027.

## **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**

Appendix A - Draft Reserves Policy.

### **Background Papers**

- Local Government Finance Act 1992
- CIPFA LAAP Bulletin 99 Reserves & Balances
- JPAG Practitioners Guide 2022
- 2023-24 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, i.e. the account which records all its financial transactions. Unless allocated for a specific purpose, revenue budget underspending 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 reducing to 30% of expenditure from 01 April 2026 onwards. 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.

- **Elections Reserve (proposed):** This reserve supports the costs in the future of Parish Council Elections and any one off by election costs and recharges. An allocation of £30,000 met from underspends in the 2022-23 financial year, and thereafter a contribution of £5,000 per annum over the full term of the MTFP.

### **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
<b>General Reserves</b>		
General Reserve (General Fund Working Balance)	<ul style="list-style-type: none"> <li>• Provision of working capital.</li> <li>• Buffer against uneven cash flows, inflationary pressures, sharp budgetary changes, unexpected events or emergencies.</li> <li>• Ability to pursue opportunities when identified.</li> </ul>	<ul style="list-style-type: none"> <li>• Assessed primarily on the basis of financial risks to the Council.</li> <li>• Medium-term target to be 35% of net revenue expenditure at 31 March 2025 and thereafter.</li> <li>• Minimum level: £150,000</li> <li>• Range: £150,000 to £300,000</li> </ul>
<b>Earmarked Reserves</b>		
Devolution Reserve	<ul style="list-style-type: none"> <li>• Accumulation of funds in the early years of devolved asset transfers from Eden DC when grant income from that council is available.</li> <li>• Cushion against the longer-term full costs of devolved assets being higher than expected, renovation and/or improvements.</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Typical Range: £50,000 to £260,000</li> </ul>
Elections Reserve (proposed)	<ul style="list-style-type: none"> <li>• To meet the costs of Parish Council Elections in 2027 and any one off by elections and general election recharges.</li> </ul>	<ul style="list-style-type: none"> <li>• £30,000 met from underspends in 2022-23 financial year.</li> <li>• A contribution of £5,000 per annum over the full term of the Medium Term Financial Plan, 31 March 2028.</li> <li>• Range: £30,000 to £60,000</li> </ul>

Reserve	Purpose	Target level
Acquisitions Reserve	<ul style="list-style-type: none"> <li>To support activities associated with buying, surveying, legal fees, investing and managing land and property.</li> </ul>	<p>Range £nil to £50,000</p> <p>The reserve has been reallocated in full (£50k) to meet the costs of new posts on the staff establishment. Approved Full Council 23 May 2022.</p> <p>The Acquisition Reserve be deleted at 31 March 2023.</p>

**DATE OF APPROVAL:**

**REVIEW: ANNUAL**

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# **FINANCE COMMITTEE**

**16 January 2023**

**Matter: Draft Investment Strategy 2023-24**

**Purpose of Report:**

To consider a draft strategy for the management of the Council's financial investments in 2023-24.

**Item no: 10b**

**Author:** John Kemp, RFO

**Supporting Member:** Cllr David Knaggs, Committee Chair

**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) 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.

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 2023-24, 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 2023-24**

Members will realise that interest rates have started to rise this year, after the latest increase to 3.5% rates are at their highest level for 14 years. Economic observers predict that rates will increase further next year, possibly to 4.5%, but will then start to decrease the following year.

These increases are in response to the higher levels of inflation, October 11.1% and November 10.7% which are the highest levels in 40 years. Some observers suggest this may be the peak and inflation levels may fall next year. The Bank of England has the difficult job of trying to stimulate an economy heading for recession whilst containing inflation at an acceptable level.

The Council's income from investments has increased this year and next years budget expects this to carry on at the present level. It will continue to be important 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 2023-24 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 with the Penrith Building Society. 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 £127 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.

(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 over £1,000 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**

Appendix A - Draft Investment Strategy 2023-24

## **Background Papers**

- Building Societies Association factsheet
- CCLA website

# DRAFT INVESTMENT STRATEGY 2023-24

## 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 2023-24 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 2023-24**

The Town Council plans to maintain its investments in the Penrith Building Society. 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**