



# Penrith Town Council

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**DRAFT** Minutes of the Ordinary Meeting of Penrith Town Council held on Monday 13 January 2025, at 6.00pm, Unit 2, Church House, Friargate, Penrith, CA11 7XR.

## **PRESENT**

Cllr. Burgin	South Ward	Cllr. Rudhall	East Ward
Cllr. Davies	West Ward	Cllr. Shepherd	East Ward
Cllr. Holden	Carleton Ward	Cllr. Smith	South Ward
Cllr. Jackson	North Ward	Cllr. Snell	West Ward
Cllr. B. Jayson	West Ward	Cllr. D. Jayson	North Ward

Responsible Finance Officer

Services & Contracts Manager

Community Services Manager

## **Public Participation**

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

## **Filming**

**Please note that this meeting may be filmed for live or subsequent broadcast via the internet or social media.**

**Please be advised that the Town Council does not record or live stream meetings.**

Penrith Town Council fully supports the principle of openness and transparency and has no objection to filming and reporting at its Full Council, and Committee meetings that are open to the public. It also welcomes the use of social networking websites, such as Twitter and Facebook, to communicate with people about what is happening, as it happens. Filming will only commence at the beginning of a meeting when the Chair opens the meeting with apologies and will finish when the meeting is closed or when the public may be excluded from an exempt item. The Council, members of the public and the press may record/film/photograph or broadcast this meeting when the public and the press are not lawfully excluded.

## **General Power of Competence**

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

**DRAFT MINUTES FOR THE  
ORDINARY MEETING OF FULL COUNCIL  
13 JANUARY 2025**

**PART I**

**PTC24/73 Apologies**

Apologies for absence were received from Cllrs Kenyon, Bowen, Lawson, and Donald. In the absence of the Council Chair, Cllr. Lawson the Council's Vice Chair, Cllr. Smith assumed the role of chairing the meeting.

**PTC24/74 Minutes**

**a) Committee Minutes**

Members noted that the minutes from the following committees had been circulated and published on the Council website since the previous ordinary meeting:

- i. Planning Committee: 2 December 2024 and 11 December 2024.
- ii. Communities Committee: 9 December 2024.
- iii. Finance Committee: 16 December 2024.

**b) Confirmation of Full Council Minutes**

Members were asked to authorise the Chair to sign, as a correct record, the minutes of the Full Council meeting held on Monday 18 November 2024 and agree they be signed as such by the Chair.

**RESOLVED THAT:**

The minutes be approved, and the Chair be authorised to sign, as a correct record, the minutes of the Full Council meeting held on Monday 18 November 2024.

**PTC24/75 Declarations of Interest and Requests for Dispensations**

Members were invited to provide declarations 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.

There were no declarations of interest and requests for dispensations.

## **PTC24/76 Public Participation**

### **a) Public Representations**

There were no representations from members of the public.

## **PTC24/76 Public Participation**

### **b) Reports from Westmorland and Furness Councillors**

Members received the following reports:

**Cllr. Bell:** Informed the meeting that:

She was looking forward to working closely with Penrith Town Council and to working collaboratively on key projects to strengthen the relationship between the two authorities including 20mph speed zones, a review of parking zones and parking in Penrith, plans for how Carleton Meadows village hall will work, footway lighting, continuing work to improve Castle Park, and to further work on Penrith Town Centre projects to secure the potential of £3 million of government Borderlands funding.

**Cllr Taylor:** Informed the meeting that:

The Penrith Neighbourhood Development Plan will be adopted at Westmorland & Furness Council's meeting of Cabinet on Tuesday 21 January 2025. Recent changes to the National Planning Policy Framework (NPPF) may result in fewer applications being considered at committee. Cllr. Taylor proposed that Councillors from both Penrith Town Council and Westmorland & Furness Council attend joint training sessions regarding Planning for recent changes to the NPPF and informed the meeting that Westmorland & Furness Council had received government funding from the Local Nutrient Mitigation Fund.

### **PTC24/77 Excluded Item: Public Bodies (Admissions to Meetings) Act 1960**

Members considered whether item 17 Staff Pay 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. Members noted that matter 17 may be considered as part of item 11c providing salary scale grades and values were not discussed in the public domain. Members noted that salaries were set nationally by the National Joint Council for Local Government Services.

### **RESOLVED THAT:**

Item 17 Proposed Budget Staff Salaries Report be considered in Part Two, private session without the presence of the press and public as this item of business related to financial and personal affairs of a particular person, in this instance members of staff, however the matter may be considered in Part 1 as part of the budget and precept discussion item 11c with the caveat that salary scales and job roles were not orally disclosed within the public part of the meeting.

### **PTC24/78 Neighbourhood Plan Update**

Members noted the report.

### **PTC24/79 Report from the Council Chair**

Members noted the apologies given by Councillor Lawson and noted that this matter would be deferred to the next meeting of the Full Council.

### **PTC24/80 Reports from Members**

Members received and noted the following oral reports from Councillors:

Cllr D. Smith reported that he and Cllr Lawson had agreed to award their annual Mayor and Deputy Mayor's allowance to Team Autism CIC.

Cllrs B Jayson, Davies and Snell reported that they had been talking with residents in Penrith West about ward issues.

### **PTC24/81 Resolutions**

#### **a) Resolutions Report**

Members noted the report.

#### **b) Full Council Resolution Review**

Members noted the Full Council Resolution Review.

**c)** Members considered if any matters should go forward to the next Full Council meeting.

#### **RESOLVED THAT:**

Matters relating to Carleton Village Hall and May Day be brought forward to the next meeting of Full Council.

### **PTC24/82 Grants**

Members noted the report.

### **PTC24/83 Matters from the Finance Committee**

Members were asked to ratify the following approved matters a), b) and d) and consider item c) from the Council's Finance Committee from their meeting held on Monday 16 December 2024 which had been considered and approved by the members of the Council's Finance Committee. The Committee Chair requested that these matters be brought to the Full Council for ratification:

#### **a) Budgetary Control Statement**

Members were asked to ratify the Budgetary Control Statement for the period 30 November 2024.

#### **RESOLVED THAT:**

The budgetary control statement for the period 30 November 2024 be ratified.

## **PTC24/83 Matters from the Finance Committee Continued**

### **b) Council Business Plan**

Members were asked to ratify the draft Council Business Plan 2024-2028 that aligns with the proposed Budget.

#### **RESOLVED THAT:**

The Council Business Plan 2024-2028 be ratified.

### **c) Proposed Budget 2025/26**

Members noted that the 2025/26 proposed budget and precept application was developed and considered by Council's Finance Committee. Members were asked to consider the 2025/26 Budget and Precept application. On behalf of Cllr. Lawson, Councillor D. Smith read out a supporting statement as appended at Appendix A. The Chair recommended that Council noted the position on service development proposals and that Council approves:

- i. The Forecast Outturn expenditure for 2024/25 of £649,524.
- ii. The Proposed Budget 2025/26 which would, based on the Council Taxbase, require a precept of £514,740, resulting from a 0% increase in Council Tax.
- iii. The salaries paid to staff in 2025/26, as detailed in the supporting confidential report.
- iv. The proposed level of financial reserves.
- v. The parameters and forecasts in the Proposed Medium Term Financial Plan.

#### **RESOLVED THAT:**

The following be approved as recorded in the supporting report 11c Proposed Budget 2025/26 as appended at Appendix B:

- i. The Forecast Outturn expenditure for 2024/25 of £649,524.
- ii. The Proposed Budget 2025/26 of £594,519 which would, based on the Council Taxbase, require a precept of £514,740, resulting from a 0% increase in the Town Councils portion of the Penrith household Council Tax bill, and that a formal written request be made to Westmorland and Furness Council to pay the sum of £514.740 as its precept for 2025/26.
- iii. The salaries paid to staff in 2025/26, as detailed in the supporting confidential report.
- iv. The proposed level of financial reserves.
- v. The parameters and forecasts in the Proposed Medium Term Financial Plan.

## **PTC24/83 Matters from the Finance Committee Continued**

### **d) Policy Review by Finance Committee**

Members were asked to ratify the Reserves Policy and Reserves Level Risk Assessment and Investment Strategy.

#### **RESOLVED THAT:**

The following policies be ratified to operate during the 2025/26 financial year:

- i. Reserves Policy and Reserves Level Risk Assessment.
- ii. Investment Strategy.

### **PTC24/84 Policy Review by Communities Committee**

Members were asked to ratify the following approved policies from the Council's Communities Committee from their meeting held on Monday 14 October 2024 which had been considered and approved by the members of the Committee. The Committee Chair had requested that these matters be brought to the Full Council for ratification:

- i. Consultations Policy.
- ii. Electronic Communications Policy.

#### **RESOLVED THAT:**

The following policies be ratified:

- i. Consultations Policy.
- ii. Electronic Communications Policy.

### **PTC24/85 Policy Review**

a) Members noted that the following policies had been reviewed and there were no changes:

- i. Code of Conduct.
- ii. Filming, Recording & Broadcasting of Meetings.
- iii. Internal Control Framework.

b) Policy Frequency Review Report

Members considered the report.

#### **RESOLVED THAT:**

- i. All policies be considered by Council officers at the prescribed intervals.
- ii. Only policies that have been materially amended be considered by Council at the following intervals:
  - a. Statutory and legal policies be reviewed annually and considered by the Finance Committee in December and go forward to Full Council for ratification in January.
  - b. Data protection policies be reviewed annually in September by Full Council.

### **PTC24/85 Policy Review continued**

- c. Public policies will be reviewed every four years at the commencement of a new Council at the July Full Council Meeting and be reviewed thereafter every four years.
  - d. Policies relating to employees will be reviewed every four years at the commencement of a new Council in June, having first been considered by Finance Committee.
  - e. Administrative and service policies will be considered every four years at the commencement of a new Council in November, having first been considered by Finance Committee.
- iii. The Town Clerk will make minor amendments to the wording of policies and procedures provided that such amendments do not materially affect the substance of the procedures.
  - iv. It was noted that Councillors had the authority to request a review of policies at any time.

### **PTC24/86 Levelling Up**

Members considered the draft letter to Westmorland and Furness Council regarding the Levelling Up funds for Penrith.

#### **RESOLVED THAT:**

That the letter be approved and submitted to Westmorland & Furness Council regarding the use of Levelling Up funds for Penrith.

### **PTC24/87 Councillor Resignation**

Members noted that Councillor Knaggs, East Ward had resigned from the Council and Councillor Lawson had accepted his resignation. Members noted that Westmorland and Furness Council had been informed and the notice of vacancy for a parish councillor for East Ward would be posted in due course. Members considered appointing Councillors to replace Councillor Knaggs on the following committees and groups:

- i. Communities Committee
- ii. Planning Committee
- iii. Borderlands Team
- iv. PACT
- v. Penrith BiD

#### **RESOLVED THAT:**

- a) The vacancies were filled as follows:
  - i. Communities Committee – Cllr. Donald
  - ii. Planning Committee – Cllr Davies
  - iii. Borderlands Team – Cllr Rudhall
  - iv. PACT – Cllr Holden
  - v. Penrith BiD – None
- b) A report outlining the implications and responsibilities of Penrith BID membership be taken to the next meeting of Full Council on Monday 24 March 2025.

### **PTC24/88 Next Meeting**

Members noted the next meeting of Council was scheduled for Monday 24 March 2025 at 6.00pm, Unit 2, Church House, Friargate, Penrith.

### **PART II – PRIVATE SECTION**

The following matters were considered exempt information as they relate 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.

### **PTC24/89 Proposed Budget: Staff Salaries Information**

Members received and considered this report in Part 1 of the meeting at Agenda item 11c, Proposed Budget 2025/26.

### **FOR THE ATTENTION OF ALL 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 between the hours of 9.00am and 3.00pm, Monday to Wednesday via [office@penrithtowncouncil.gov.uk](mailto:office@penrithtowncouncil.gov.uk)

## **2025-26 Proposed Budget**

I am pleased to present this budget report to the Town Council.

The 2025/26 proposed budget has a total expenditure of £594,519 which requires a precept of £514,740 and represents a 0% increase in the Penrith Town Council element of the Council Tax.

A typical household in Penrith, with a property valued in Band D, will see the Town Council's full Council Tax element remain at £83.92 per annum, which is the same as the previous year. This equates to a household paying £1.61 per week.

Accompanying the budget is a robust and sustainable financial plan, based on forecasted modest future rises in Council Tax, which will continue to maintain our services ensuring reserves are in line with the Council approved Reserves Policy.

The proposed budget for 2025-26 provides the framework for the Council to continue the progress it has made since its inception and enables it to plan for a sustainable financial future.

The main adjustments to the Council's budget are the proposed service development proposals which total £22,500. These include a budget of £12,500 towards the provision of new seats and bus shelters, with a recurring £12,500 the following year. A sum £10,000 is included in the budget to develop a regeneration document, which will include for a phased identification, review, and re-tasking empty buildings document.

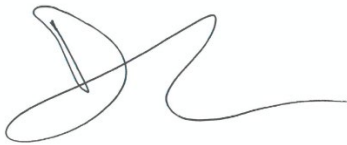
The Council has maintained its current level of budgets to deliver on the priorities contained within its refreshed Business Plan and other strategies including the Council's Climate and Environment Strategy. A sum of £10,000 has been included in the budget for any identified improvements to the Allotments by working in partnership with the Penrith Allotment Association. Following the successful uptake of grants awarded to local community organisations in the current year, this budget includes an increase in the Grants budget from £20,000 to £30,000. The Signature Grant fund is being maintained to support Eden Arts and Penrith BID for the Winter Droving and Penrith Sparkle.

The Council looks forward to continued liaison and partnership working with Westmorland and Furness Council. The Council has recently submitted an expression of interest in relation to Surplus Assets in Penrith and we look forward to future working with them on the potential for assets and services to be transferred to the Town Council.

The Council has positive financial reserves and has an agreed policy to work towards a General Reserve equivalent to 30% of next expenditure by 31 March 2027. The Council has during the current year undertaken work to address its level of General Reserve and has resolved to establish an earmarked reserve of £67,000 to supply play area improvements over the term of this Council and supported two community projects expected to be delivered during this year. This proposed budget is evidence of the Council working towards its target by contributing from the General Reserve to deliver its 2025/26 budget.

In closing, I would like to thank Councillor Shepherd, the members of the Finance Committee and Council Committees and officers for their contributions in developing the budget, which will enable the Council to continue providing quality services for the Town and for it to deliver its Business Plan priorities from a sound financial footing.

I therefore propose all three recommendations in the budget report and commend them to you.

A handwritten signature in black ink, consisting of a stylized 'L' followed by a long, sweeping horizontal line that ends in a small hook.

Councillor Lawson, Chair of Council

**Matter: Proposed Budget 2025-26**

**Item no: 11c**

**Author:** Responsible Finance Officer

**Supporting Member:** Cllr. Shepherd, Chair of Finance Committee

**Purpose of Report:**

To consider the Proposed Budget 2025/26, service development proposals and the proposed Medium Term Financial Plan.

**Recommendations:**

Council is recommended to consider and approve:

- i) The Forecast Outturn expenditure for 2024/25 of £649,524.
- ii) The Proposed Budget 2025/26 which would, based on the Council Taxbase, require a precept of £514,740, resulting from a 0% increase in Council Tax.
- iii) The salaries paid to staff in 2025/26, as detailed in the supporting confidential report.
- iv) Note the position on service development proposals.
- v) The proposed level of financial reserves.
- vi) 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, Westmorland and Furness Council, to collect the income on behalf of the Town Council.

**1. Report Details**

**A. Introduction**

Draft estimates for 2025/26 were considered by the Budget Working Group on 03 December 2024.

The Council Taxbase figure for next year has been provided by Westmorland and Furness Council. The final figure is 6133, which is a 5.5% increase on the previous year.

The Working Group confirmed that a 0% 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 2025/26 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 2025/26**

## **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 2023/24, for comparison purposes.
- b) The Approved Budget for 2024/25.
- 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 2024/25 of £649,524 is forecast to decrease by £22,408 from the Approved Budget of £671,932. (albeit revised during the year)
- d) The Proposed Budget for 2025/26, 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 2025/26 will be £514,740 the increase of £27,005 from the 2024/25 figure of £487,735 is due to a higher Council Taxbase.
- e) The position on the Council's three reserves.
- f) The resulting Council Tax based on the budgets representing a 0% increase in the Council Tax for 2025/26.

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

## **APPENDIX B**

**Appendix B** shows a forecast of income and expenditure for the years 2025/26 to 2029/30, based on the figures in the 2025/26 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 2025 prices and future inflation has been allowed for as a global figure on staffing and running costs. The parameters adopted in the Plan are largely those in the current MTFP approved in January 2024 and updated as part of this budget review process:

- A 0% Council Tax increase for 2025/26 followed by 2.0% in each of the years 2026/27 to 2029/30.

- Pay inflation of 2.5% in 2025/26 and 2.5% thereafter.
- Average price inflation of 2.5% pa
- Achievement of a General Reserve equivalent to 30% of net expenditure by 31 March 2030.
- 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 submitted no growth items.

Communities Committee proposed an initial growth bid of £10,000 to develop a regeneration document. Further to the Budget Working Group meeting of the 03 December it was recommended that a service development proposal of £10,000 be included in the Planning Services budget for a phased identification, review, and re-tasking empty buildings document.

Finance Committee proposed a Growth Bid for 2025/26 towards the provision of 4No new bus shelters in Penrith and 6No new seats. The expenditure would be split over 2025/26 and 2026/27 at £12,500 per annum.

Service Development Proposals (Growth Bids) for 2025/26 = £22,500.

Councillors have been considering service development proposals as part of their review of the General Reserve. Support for Play Areas forms part of an earmarked reserve referred to elsewhere in this paper. Funding for community led projects at Carleton and Pategill, £23,000 has been approved to be met from the current year. Future projects relating to IT, Community Transport and support for Cold Springs Nature Reserve can be met from existing budgets.

#### **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 2025/26 is based on a 0% increase in Council Tax but an increase in the Council Taxbase from 5812 to 6133. 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. Whilst no growth items were proposed, the Committee resolved that a report be brought back to future meetings about the possibility of SIDs in other areas of the town or purchasing a moveable SID.

### **c) Communities Committee**

Based on budget monitoring in the current year, an underspending of £16,000 is forecast for the Committee's budget lines overall in 2024/25 expenditure.

#### Town Projects

The proposed budget for 2025/26 is £20,000 for Town Projects, this reduces it to the previous level of £10,000 and accommodates £10,000 for work associated with the new Interpretation and Wayfinding scheme arising from the Borderlands Programme. This sum of £10,000 was allocated in the current year's budget but has not been able to progress.

#### Arts & Entertainment

The proposed budget for 2025/26 includes £10,000 for Arts and Cultural Development and enabling the delivery of the actions contained within the Priorities Plan.

#### Corporate Communications

The Corporate Communications budget is proposed at £10,000 which is a reduction of £5,000 on the 2024/25 budget and is considered more accurate based on officer expenditure projections.

#### Grants

The forecast outturn for the current year is £40,000. The budget for 2024/25 was initially £20,000 for grants and £20,000 for Signature Grants, however over the course of the current year £10,000 was vired from Signature Grants to the Grants budget. Communities Committee has proposed to retain the £40,000 budget for 2025/26 being £30,000 for grants and £10,000 for Signature Grants.

#### Climate Change

The Climate Change budget for 2025/26 remains unchanged at £15,000 and will be used to meet the actions contained within the Climate Change and Environmental Strategy documents.

### **d) Finance Committee**

#### Staffing

The 2024/25 Forecast Outturn and 2025/26 Proposed Budget estimate the costs of the existing approved staff establishment. The 2025/26 Draft Budget allows for the costs of the existing approved staff establishment. There is the removal of the one off £10,000 capacity budget which was included in the current year's budget to assist with staff sickness cover. The budget allows for 2.5% pay inflation and the recent employers national insurance contribution increase which will cost approx. £6,000 from 01 April 2025.

The 2025/26 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 2025.

### Accommodation

The are no major changes in accommodation budgets for 2025/26.

### Cost of Democracy

The budget is similar to last years. The Elections reserve would be expected to be used to meet the costs of one-off by-elections.

### IT

The expenditure for IT is in line with budget. The same budget is proposed in 2025/26.

### Devolved Services

The Forecast Outturn for 2024/25 and the Draft Budget 2025/26 include the latest estimated costs and income for assets already transferred. Service expenditure forecasts have been reviewed in the light of operating experience and are continued into future years. The Council will continue to liaise with Westmorland and Furness Council about future asset transfers which would be subject to further reports resolutions including budget implications.

### 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 the Councils continued interest in asset transfer and the recent surplus assets lists issued by W&F Council 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

This budget is being retained at £2,000 and is used to fund repairs and one-off expenditure that does not align with another budget.

## **e) Contingency**

The general contingency provision is set at £3,000.

## **f) Inflation**

Anticipated pay and price inflation has been included in the detailed budgets for 2025/26 at 2.5%. For 2026/27 onwards, the MTFP allows for compound pay inflation of 2.5% pa and price inflation at an average rate of 2.5% pa as a global figure.

## **F. Reserves**

Councillors have been reviewing the Council's Reserves and in particular the level of the General Reserve following the External Auditors report from financial year ending 31 March 2024. The Draft Budget and Medium-Term Plan sets out the plans for reserves.

### General Reserve

The Council has a current 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 in the current financial year, mean that this target is not yet met. Members are reviewing the Reserves Policy as part of the budget process, and it proposed in the revised policy to work towards to reducing to 30% of net expenditure by 31 March 2027. This revised date being considered to be more achievable.

is anticipated that there will be resources in the Reserve which can be used to fund future service growth.

### 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 £14,834 in 2027/28, leading to a balance of £248,919 on 31 March 2030. 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.

### Elections Reserve

The Elections Reserve will have a balance of £45,000 at the end of 2025/26. 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.

### Play Area Reserve

This new earmarked reserve of £67,000 is intended to fund the improvement and enhancement of new or existing play areas and multi-use games areas in Penrith over the remaining term of this Council. An allocation of £15,000 per ward at Penrith North, South, East, West and £7,000 for Pategill Ward. (Carleton Ward having received its allocation as set out above and Pategill in part).

## **G. Council Tax**

The current year's Band D Council Tax is £83.92 per property. Adoption of the Draft Budget for 2025/26 would result in a zero increase. The proposed budget is based on a confirmed Council Taxbase of 6133.70. The Medium-Term Plan at Appendix B indicates that a 2.0% increase in Council Tax in each of the following four years would fund sustainable base budgets with an allowance for growth and meet the Council's target reserve.

## **H. Observations**

- i) The latest rate of inflation as measured by the Consumer Price Index is 2.3% (October 2024), slightly higher than the Bank of England's 2.0% target. The main reason is higher energy and fuel costs, which are not a large component of the Council's expenditure.
- ii) The Medium-Term Financial Plan assumes average inflationary price increases of 2.5% pa. 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.
- iii) We do not know the likely outcome of the negotiations for the April 2025 staff pay round. The Draft Budget allows for 2.5% wage inflation and MTFP assumes 2.5% from 2026/27 thereafter and appears reasonable.
- iv) Superannuation contributions are assessed triennially; and increased from 19.9% to 21.5% in 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 next change will therefore be April 2026.
- v) 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 Westmorland and Furness Council. We have been informed of an increase in the taxbase from 5812 to 6133, which will increase the total precept by £27,005 in 2025/26. The Draft Budget and MTFP assume that Council Tax will be increased by 0% in 2025/26 and then 2.0% pa rises thereafter. Standstill Taxbases and Council tax rates throughout the five years of the Plan would result in £103,000 less income, demonstrating how spending plans are dependent on regular healthy increases in the Taxbase.
- vi) By far the biggest unknown in the Medium-Term Plan is the implication of Asset Transfer. The Plan assumes business as usual, with no increased responsibilities taken over by the Council. This assumption may be unlikely, with the Council having expressed an interest in the transfer of assets at Carleton Park and agreeing to express a potential interest in Westmorland and Furness Council Surplus Assets. It will be important to revise the medium-term projections should new responsibilities be 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 13 January 2025.

## **2. Options Analysis including risk assessment**

### **a) Risk**

The Council sets an invalid or inadequate budget.

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

### **b) Consequence**

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.

### **c) 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.

## **4. Equalities Implications**

There are no equalities implications associated with this report.

## **5. Climate Change and Environmental Implications**

There are no climate and environmental implications associated with this report.


### **Appendices**

2025/26 Draft Budget:

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

### **Background Papers**

2025/26 Budget Working Papers

 <b>Penrith Town Council</b> BUDGET 2025/26 - DRAFT							
ACTUAL OUTTURN 2023/24	APPROVED BUDGET 2024/25		BUDGET HEADING	FORECAST OUTTURN 2024/25		DRAFT BUDGET 2025/26	
£	£	£		£	£	£	£
			<b>INCOME</b>				
			<b>Precept:</b>				
468,295		487,735	Council Tax		487,735		514,740
7,642		7,642	<b>CTRS Grant</b>		7,642		0
			<b>Other Income:</b>				
36,126		23,000	Investment Income		34,000		22,000
<b>512,063</b>		<b>518,377</b>	<b>TOTAL INCOME</b>		<b>529,377</b>		<b>536,740</b>
			<b>EXPENDITURE</b>				
			<b>PLANNING COMMITTEE:</b>				
			<b>Planning:</b>				
324	15,000		Planning Consultancy	11,000		10,000	
<b>324</b>		<b>15,000</b>	<b>Planning Committee Total</b>		<b>11,000</b>		<b>10,000</b>
			<b>COMMUNITIES COMMITTEE:</b>				
			Climate Change	10,000		15,000	
3,000	15,000		Sub-Total		10,000		15,000
<del>3,000</del>		15,000					
			<b>Town Projects:</b>				
			Town Projects	43,000		20,000	
20,259	53,000		May Day			15,000	
<del>20,259</del>		53,000	Sub-Total		43,000		35,000
			<b>Arts &amp; Entertainment:</b>				
			Arts & Culture Development	10,000		10,000	
4,327	10,000		Sub-Total		10,000		10,000
<del>4,327</del>		10,000					
			<b>Grants:</b>				
			Grants	30,000		30,000	
12,853	30,000		Signature Grants	10,000		10,000	
<del>14,965</del>	10,000	40,000	Sub-Total		40,000		40,000
<del>27,818</del>							
			<b>Corporate Communications:</b>				
			Communications	14,000		10,000	
8,551	15,000		Sub-Total		14,000		10,000
<del>8,551</del>	0	15,000					
<b>63,955</b>		<b>133,000</b>	<b>Communities Committee Total</b>		<b>117,000</b>		<b>110,000</b>



## Penrith Town Council

### BUDGET 2025/26 - DRAFT

ACTUAL OUTTURN 2023/24	APPROVED BUDGET 2024/25		BUDGET HEADING	FORECAST OUTTURN 2024/25		DRAFT BUDGET 2025/26	
	£	£		£	£	£	£
			<b>FINANCE COMMITTEE:</b>				
			<b>Staffing:</b>				
250,733	252,873		Salaries	239,137		245,720	
24,583	24,760		National Insurance	24,242		30,850	
52,474	54,365		Superannuation	54,502		52,815	
567	500		Recruitment Expenses	300		500	
735	600		Staff Training	200		600	
0	200		Conferences	0		200	
64	500		Staff Expenses	100		300	
329,156		333,798	Sub-Total		318,481		330,985
			<b>Accommodation:</b>				
7,500	7,500		Rent	7,984		8,250	
3,009	4,500		Heat, Light & Water	3,000		3,900	
2,232	2,520		Service Charges	2,300		2,520	
1,415	1,730		Room Hire/Meetings	1,900		1,900	
390	380		Insurances	390		390	
14,546		16,630	Sub-Total		15,574		16,960
			<b>Civic Functions:</b>				
20	400		Civic Functions	500		400	
700	700		Mayoral Expenses	700		700	
300	300		Deputy Mayor's Expenses	300		300	
486	200		Civic Regalia	100		200	
706		1,600	Sub-Total		1,600		1,600
			<b>Cost of Democracy:</b>				
30	100		Annual Meeting	100		100	
0	0		Elections	0		0	
536	1,000		Members' Training	800		1,000	
0	100		Members' Expenses	100		100	
102	200		Notice/Honours Board	100		200	
668		1,400	Sub-Total		1,100		1,400
22,375		22,000	<b>IT</b>		22,000		22,000
			<b>Devolved Services:</b>				
2,577	1,200		Allotments	200		10,200	
1,290	100		War Memorial	4,500		160	
2,968	2,000		Benches	7,200		2,000	
1,161	3,500		Bus Shelters	500		1,500	
884	1,750		Bandstand	2,500		2,500	
434	800		Musgrave Monument	500		800	
8,425	6,000		Fairhill Park	5,500		5,500	
1,914	3,700		Thacka Beck Field	2,500		2,500	
178	300		Signage	100		150	
8,902	10,000		Community Caretaker	9,500		10,200	
17,611	16,994		Contribution to Devolution Reserve	13,344		10,834	
46,544		46,344	Sub-Total		46,344		46,344
		0	Play Area Development		23,000		37,000
		0	Benches and Bus Shelters		0		0
			<b>Other Overheads:</b>				
3,169	3,700		Printing, Postage & Stationery	3,200		3,300	
1,781	1,450		Audit Fees	1,805		1,850	
3,418	4,680		Insurance	4,100		4,400	
285	180		Bank Charges & Interest	120		180	
4,310	4,100		Accountancy Fees	4,500		5,200	
2,116	6,150		Legal & Professional Fees	2,000		2,500	
1,488	1,400		Licences	1,700		1,800	
3,171	3,500		Subscriptions	3,200		3,500	
106	2,000		Repairs & Renewals	300		2,000	
19,844		27,160	Sub-Total		20,925		24,730
434,439		448,932	<b>Finance Committee Total</b>		449,024		481,019
0		3,000	<b>Contingency</b>		500		3,000
0		0	<b>Allowance for Growth Items</b>		0		22,500
5,000		5,000	<b>Transfer to/(from) Election Cost Reserve</b>		5,000		5,000
		67,000	<b>Transfer to/(from) Play Area Development Reserve</b>		67,000		(37,000)
503,718		671,932	<b>TOTAL EXPENDITURE</b>		649,524		594,519
					(22,408)		
8,345		(153,555)	<b>INCREASE/(DECREASE) IN GENERAL RESERVE</b>		(120,147)		(57,779)



## Penrith Town Council

### BUDGET 2025/26 - DRAFT

ACTUAL OUTTURN 2023/24	APPROVED BUDGET 2024/25		BUDGET HEADING	FORECAST OUTTURN 2024/25		DRAFT BUDGET 2025/26	
£	£	£		£	£	£	£
498,886		479,530	<b>General Reserve:</b>		507,231		387,084
8,345	27,701	(153,555)	Balance brought forward 1 April				(57,779)
			Increase/(decrease) In year		(120,147)		
<b>507,231</b>		<b>325,975</b>	<b>Balance carried forward 31 March</b>		<b>387,084</b>		<b>329,305</b>
			<b>Devolution Reserve:</b>				
156,794		175,288	Balance brought forward 1 April		174,405		187,749
17,611	(883)	16,994	Contribution from Annual Budget		13,344		10,834
<b>174,405</b>		<b>192,282</b>	<b>Balance carried forward 31 March</b>		<b>187,749</b>		<b>198,583</b>
			<b>Election Cost Reserve</b>				
30,000		35,000	Balance brought forward 1 April		35,000		40,000
5,000		5,000	Increase/(decrease) In year		5,000		5,000
<b>35,000</b>		<b>40,000</b>	<b>Balance carried forward 31 March</b>		<b>40,000</b>		<b>45,000</b>
			<b>Play Area Reserve</b>				
0		0	Balance brought forward 1 April		0		67,000
0		0	Increase/(decrease) In year		67,000		(37,000)
<b>0</b>		<b>0</b>	<b>Balance carried forward 31 March</b>		<b>67,000</b>		<b>30,000</b>
<b>716,636</b>		<b>558,257</b>	<b>TOTAL RESERVES AT 31 MARCH</b>		<b>681,833</b>		<b>602,888</b>
ACTUAL OUTTURN 2023/24	APPROVED BUDGET 2024/25		COUNCIL TAX	FORECAST OUTTURN 2024/25		DRAFT BUDGET 2025/26	
£468,295		£487,735	Precept		£487,735		£514,740
5,636.00		5,811.91	Taxbase (Band D properties)		5,811.91		6,133.70
£83.09		£83.92	Council Tax (Band D)		£83.92		£83.92
0.00%		1.00%	Increase (%)		0.00%		0.00%



## Penrith Town Council

### APPROVED MEDIUM TERM FINANCIAL PLAN 2025/26 TO 2029/30

BUDGET HEADING	2025/26	2026/27	2027/28	2028/29	2029/30
	£	£	£	£	£
<b>INCOME</b>					
Council Tax	514,740	532,921	551,721	571,221	591,377
All Other Income	22,000	18,000	17,000	16,000	15,000
<b>TOTAL INCOME</b>	<b>536,740</b>	<b>550,921</b>	<b>568,721</b>	<b>587,221</b>	<b>606,377</b>
<b>EXPENDITURE</b>					
Staff Costs	330,985	330,985	330,985	330,985	330,985
All Other Expenditure	262,200	250,200	261,200	211,200	211,200
Inflation: Staff Costs: 2.5% pa	0	8,270	16,960	26,100	35,710
Inflation: Other Expenditure: Average 2.5% pa	0	6,260	13,060	15,840	21,120
Contribution to Devolution Reserve	10,834	5,834	14,834	14,834	14,834
Transfer to/(from) Election Reserve	5,000	5,000	(50,000)	5,000	5,000
Transfer to/(from) Play Area Development Reser	(37,000)	(30,000)	0	0	0
Allowance for Growth Items (Illustrative)	22,500	57,500	40,000	10,000	5,000
<b>TOTAL EXPENDITURE</b>	<b>594,519</b>	<b>634,049</b>	<b>627,039</b>	<b>613,959</b>	<b>623,849</b>
<b>INCREASE/(DECR) IN GENERAL RESERVE</b>	<b>(57,779)</b>	<b>(83,128)</b>	<b>(58,318)</b>	<b>(26,738)</b>	<b>(17,472)</b>

RESERVES:	2025/26	2026/27	2027/28	2028/29	2029/30
	£	£	£	£	£
<b>General Reserve:</b>					
Balance brought forward 1 April	387,084	329,305	246,177	187,859	161,121
Increase/(decrease) in year	(57,779)	(83,128)	(58,318)	(26,738)	(17,472)
<b>Balance carried forward 31 March</b>	<b>329,305</b>	<b>246,177</b>	<b>187,859</b>	<b>161,121</b>	<b>143,649</b>
<i>Target General Reserve: 30% of Expenditure</i>	166,900	169,700	186,700	175,200	179,700
<b>Devolution Reserve:</b>					
Balance brought forward 1 April	187,749	198,583	204,417	219,251	234,085
Contribution from Annual Budget	10,834	5,834	14,834	14,834	14,834
<b>Balance carried forward 31 March</b>	<b>198,583</b>	<b>204,417</b>	<b>219,251</b>	<b>234,085</b>	<b>248,919</b>
<b>Election Cost Reserve:</b>					
Balance brought forward 1 April	40,000	45,000	50,000	0	5,000
Contribution from Annual Budget	5,000	5,000	(50,000)	5,000	5,000
<b>Balance carried forward 31 March</b>	<b>45,000</b>	<b>50,000</b>	<b>0</b>	<b>5,000</b>	<b>10,000</b>
<b>Play Area Reserve:</b>					
Balance brought forward 1 April	67,000	30,000	0	0	0
Contribution from Annual Budget	(37,000)	(30,000)	0	0	0
<b>Balance carried forward 31 March</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RESERVES AT 31 MARCH</b>	<b>602,888</b>	<b>500,594</b>	<b>407,110</b>	<b>400,206</b>	<b>402,568</b>

COUNCIL TAX:	2025/26	2026/27	2027/28	2028/29	2029/30
Precept	£514,740	£532,921	£551,721	£571,221	£591,377
Taxbase (Band D properties)	6,133.70	6,225.71	6,319.10	6,413.89	6,510.10
Council Tax (2024/25 £83.92)	£83.92	£85.60	£87.31	£89.06	£90.84
Increase (%)	0.00%	2.00%	2.00%	2.0%	2.00%



## Penrith Town Council

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

REF	PROPOSAL	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
		£	£	£	£	£	£
	<b>Planning</b> - Empty Properties regeneration	10,000					10,000
	<b>Communities</b>						
	<b>Finance</b> -Bus Shelters and Benches	12,500	12,500				25,000
	<b>Allowance for New Growth in Future Years (Illustrative)</b>		45,000	40,000	10,000	5,000	100,000
	<b>TOTAL GROWTH ITEMS</b>	<b>22,500</b>	<b>57,500</b>	<b>40,000</b>	<b>10,000</b>	<b>5,000</b>	<b>135,000</b>