



Penrith Town Council

Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR
Tel: 01768 899 773 Email: office@penrithtowncouncil.gov.uk

DATE: 02 December 2025

NOTICE IS HEREBY GIVEN that an **ORDINARY MEETING** of **THE FINANCE COMMITTEE** will be held on **Monday 08 December 2025**, at **5.15pm** 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 the Penrith Town Council Office, Boardroom, Unit 1, Church House, 19-24 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 the day of the meeting.

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

COMMITTEE MEMBERSHIP

Cllr. Burgin	South Ward	Cllr. Lawson	Carleton Ward
Cllr. Jackson	North Ward	Cllr. Rudhall	East Ward
Cllr. D. Jayson	North Ward	Cllr. Shepherd	East Ward
Cllr. Kenyon	North Ward		

Mrs V. Tunnadine, Town Clerk, PSLCC

Public Participation

Members of the public are welcome to attend. Details about 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 resolved from 15 May 2023, until the next relevant Annual Meeting of the Council, that having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence)(Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

AGENDA FOR THE MEETING OF FINANCE COMMITTEE MONDAY 08 DECEMBER 2025

PART I

1. Apologies for Absence

Receive apologies from Members.

2. Minutes

Authorise the Chair to sign, as a correct record, the minutes of the meeting of the Finance Committee held on Monday 10 November 2025.

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/their 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. A period of up to 15 minutes for members of the public to ask questions or submit comments.

ADVICE NOTE:

Members of the public may make representations, ask questions, and give evidence at a meeting which they are entitled to attend in respect of the business on the agenda. It is helpful if a member of the public who wishes to speak at a meeting makes a request to speak in writing to the Town Clerk **PRIOR** to the meeting. 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. Where the Council is unable to provide a response to the question at the meeting, they will do so in writing within seven days and the response will be attached to the minutes as an appendix.

5. EXCLUDED ITEM: Public Bodies (Admissions to Meetings) Act 1960

Determine whether item 17 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. Resolutions Report

Note the written report.

7. Payments for Approval

- a) Note that Cllr. Kenyon and Cllr. Rudhall 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.

Payments for Approval, continued

- b) Agree two Members to undertake the Payments for Approval reconciliation for the meeting of Finance Committee on the 23 February 2026.
- c) Approve the monthly report of payments for November 2025.

8. Bank Reconciliation

Approve and sign the bank reconciliation as of 30 November 2025 as a correct record.

9. Budgetary Control Statement 2025/26: 30 November 2025

Review and approve the Budgetary Control Statement for the period 30 November 2025 and recommend the statement be ratified by Full Council.

10. Reserves Policy

Consider the reviewed Reserves Policy and recommend that the policy with any amendments go forward to Full Council for ratification.

11. Investment Strategy

Consider the reviewed Investment Strategy 2026/27 and recommend that the Strategy with any amendments go forward to Full Council for ratification.

12. Proposed Budget 2026/27

Consider the proposed budget 2026/27 and recommend the proposals go forward to Full Council to be considered and approved.

13. Financial Regulations

Consider the reviewed Financial Regulations and recommend they go forward to Full Council for ratification, noting that this is the only policy with any substantive changes as a result of the annual policies and procedures review.

14. Banking Operations

Note the intention to withdraw £150,000 from the CCLA Public Sector Deposit Fund to be deposited in the HSBC account. The balance in the CCLA after the withdrawal will be £630,000.

15. Request to adopt and restore a commemorative bench

Consider a request from the Women's section of the Penrith Branch of the Royal British Legion to adopt and restore a commemorative bench.

16. Next Meeting

Note the next meeting is scheduled for **Monday 23 February 2026**, at **5.15pm** at the Board Room, Unit 1, Church House, 19-24 Friargate, Penrith, Cumbria, CA11 7XR.

PART II PRIVATE SECTION

The following is exempt information as items 17 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.

17. Proposed Budget 2026/27: Staff Salaries

Consider the salaries report for 2026/27.

**FOR THE ATTENTION OF ALL MEMBERS OF
THE FINANCE COMMITTEE
AND FOR ATTENTION 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 at <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 4.00 pm, Monday to Friday via office@penrithtowncouncil.gov.uk

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Penrith Town Council

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

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

DRAFT Minutes of the meeting of the

FINANCE COMMITTEE

Held on Monday 10 November 2025, at 5.15pm.

PRESENT

Cllr. Burgin	South Ward	Cllr. Kenyon	North Ward
Cllr. Jackson	North Ward	Cllr. Rudhall	East Ward
Cllr. D. Jayson	North Ward	Cllr. Shepherd	East Ward

Responsible Finance Officer
Services and Contracts Manager

The Town Council resolved from 15 May 2023, 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 10 NOVEMBER 2025

FIN25/37 Apologies for Absence

Apologies for absence were received from Cllr Lawson.

FIN25/38 Confirmation of the Minutes

Members authorised the Chair to sign the Minutes of the Meeting of the Finance Committee held on Monday 15 September 2025.

FIN25/39 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.

FIN25/40 Public Participation

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

FIN25/41 Excluded Item: Public Bodies (Admission to Meetings) Act 1960

Members considered whether any items on the agenda should be considered without the press and public, pursuant to Section 1 (2) of the Public Bodies (Admissions to Meetings) Act, 1960 and agreed that there were no items to be considered without the press or public.

FIN25/42 Payments for Approval

- a) Members noted that prior to the meeting, Cllr. Burgin and Cllr. Lawson verified and confirmed that the banking transaction history for September and October 2025 reconciled and agreed with the transactions circulated with the meeting documents.
- b) Members were asked to agree the two Councillors to undertake the payments for approval checking for the next meeting of the Finance Committee to be held on the 08 December 2025.

RESOLVED THAT:

Cllr Kenyon and Cllr Rudhall check the payments for approval prior to the meeting of the Finance Committee on the 08 December 2025.

FIN25/42 Payments for Approval, continued

c) Members considered the Monthly Report of Payments for September and October 2025.

RESOLVED THAT:

The Monthly Report of Payments for September and October 2025 be approved.

FIN25/43 Bank Reconciliation

Members considered the Bank Reconciliation for the HSBC Bank account for the period ending 30 September and 31 October 2025.

RESOLVED THAT:

The Bank Reconciliation for the HSBC Bank account for the period ending 30 September and 31 October 2025 be approved and signed by Cllr. Shepherd.

FIN25/44 Budgetary Control Statement 2025/26: 31 August 2025

Members considered the Budgetary Control Statement 2025/26 Expenditure for the period to 31 October 2025.

RESOLVED THAT:

The Budgetary Control Statement 2025/26 expenditure for the period to 31 October 2025 be approved and go forward for ratification by Full Council.

FIN25/45 Resolutions Report

Members received and noted the Resolutions Report.

FIN25/46 Work Plan

Members received and noted the progress on the Finance Committee Work Plan.

FIN25/47 CCLA Public Sector Deposit Fund

Members noted that £150,000 had been withdrawn from the CCLA Public Sector Deposit Fund account on the 01 September 2025 and had been deposited in the HSBC account. The balance in the CCLA Public Sector Deposit Fund account is £780,000 at the 31 October.

FIN25/48 IT Service Schedule

Members noted that the Council has renewed its IT Managed Support, Maintenance and Security Licensing Schedule for the period 27 October 2025 to 26 October 2026 and that the annual cost is £3,743 and is met from the IT budget.

FIN25/49 Tara Hill Bus Shelter

Members received an oral report on recent damage to the Tara Hill Bus Shelter and noted that a replacement shelter has been installed and that a claim has been settled with the Council's insurers.

FIN25/50 Cycle Parking Cornmarket

Members considered a request from Westmorland and Furness Council to receive consent to install cycle parking apparatus at the Cornmarket.

RESOLVED THAT:

The Council grants Westmorland and Furness Council consent to install cycling parking apparatus at the Cornmarket with rights to maintain the apparatus and to be responsible for all liabilities.

FIN25/51 Next Meeting

Members noted that the next meeting of the Finance Committee was scheduled for **Monday 08 December 2025, 5.15pm** at Penrith Town Council Office, Board Room, Unit 1, Church House.

PART II PRIVATE SECTION

There were no further items in this part of the agenda.

CHAIR:

DATE:

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

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Background Papers

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FINANCE COMMITTEE 08 DECEMBER 2025

ITEM: 06

RESOLUTIONS REPORT

This report shows the progress made against resolutions from the Council's Finance Committee this municipal year.

STATUS KEY:

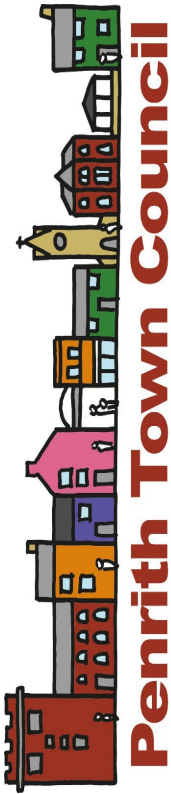
On hold - Not commenced

Completed

In progress - Started and ongoing

Reference	Activity	Status	Notes
Brought Forward from Previous Year			
FIN24/28	Bus Shelter Scaws enquiries with relevant landowners		Letter sent to landowner
FIN24/50	Noticeboard Upgrade and removal at Brentfield Way		Brentfield Way Removed Replacement noticeboard received.
FIN24/84a	Legal Services Position to be advertised		
FIN24/100	Amendments to Financial Regulations		Full Council in July
FIN24/101	Installation of new seat on Nicholson Lane		
FIN24/103	Investigate new HSBC bank account		Retain the one account
Finance Committee 23 June 2025			
FIN25/08	Budgetary Control Statement to 31 May 2025 to Full Council		Full Council in July
FIN25/12	Play Area reserve – progress schemes as set out in the report		Over term of the Council
FIN25/13	Allotment Development budget – progress schemes as set out in report		Orders placed for some of the work items.
FIN25/14	Plant new horse chestnut tree and install tree guard at Fairhill.		
Finance Committee 15 September 2025			
FIN25/23	Budgetary Control Statement to 31 August 2025 to Full Council		Full Council in September
FIN25/25	Risk Assessments to Full Council		Full Council in September
FIN25/26	Internal Audit Plan to Full Council		Full Council in September
FIN25/27	External Audit Certificate to Full Council and on website by 30/09/25		Full Council in September
FIN25/28	Budget Process for 2026/27 annual budget.		Full Council in December

Reference	Activity	Status	Notes
Finance Committee 15 September 2025			
FIN25/29	Responsibility for Benches confirmed with Industrial BID and Memorandum of Agreement with W&F Council completed.		
FIN25/30	Seats Budget – Progress the Sainsbury scheme and invite Councillors proposals for their wards.		
FIN25/31	Staff Annual Pay Increase implemented		September Council
FIN25/33	Thacka Beck Field arrange meeting with National Highways and Land Agent.		
FIN25/35	Signage and Wayfinding – item to Full Council for approval.		
FIN25/36	Banking administration completed and payments of invoices undertaken in house. Financial Regulations and Internal Control Framework to be brought to Finance Committee in December.		December meeting.
Finance Committee 10 November 2025			
FIN25/50	Cycle Parking Cornmarket – W&F consent, licence and works		W&F notified. Licence to prepare. Work planned spring 2026



Item 7c

Payments Schedule Nov 2025

Date	Ref	Details	Net £	VAT £	Total £	Budget
03/11/2025	DD	TV License	174.50	-	174.50	Licences
04/11/2025	CCR25-59	Post Office Ltd	3.15	-	3.15	Printing, Postage & Stationery
04/11/2025	CCR25-58	Legal costs	396.00	-	396.00	Legal & Professional Fees
05/11/2025	CCR25-55	Post Office Ltd	22.50	-	22.50	Printing, Postage & Stationery
05/11/2025	CCR25-56	Laptop Parts	22.99	-	22.99	IT
05/11/2025	CCR25-57	SLCC Enterprises Ltd - Charles Arnold Book	149.40	-	149.40	Printing, Postage & Stationery
05/11/2025	25-201	Inner Wheel Club of Penrith - Grant	233.50	-	233.50	Large Grants
05/11/2025	25-202	Penrith Rotary Club Charity Trust - Grant	485.00	-	485.00	Large Grants
05/11/2025	25-203	Penrith Posters - Business cards	28.33	5.67	34.00	Community Engagement
05/11/2025	25-204	Lamont Pridmore - Accountancy Fees	3,245.00	649.00	3,894.00	Accountancy Fees
05/11/2025	25-205	BlueJam - Cumbria	2,500.00	-	2,500.00	Large Grants
05/11/2025	25-206	National Allotment Society - Annual Membership	70.00	14.00	84.00	Allotments
05/11/2025	25-207	Turnstone HR - HR Services	125.00	25.00	150.00	Legal & Professional Fees
05/11/2025	25-208	Gale Little - Cleaning Services	60.00	-	60.00	Service Charges
05/11/2025	25-209	Aindale KTD - CSP Renewal	55.20	11.04	66.24	IT
05/11/2025	25-210	Aindale KTD - System Support Renewal	58.25	11.65	69.90	IT
05/11/2025	25-211	Aindale KTD - IT Services	77.00	15.40	92.40	IT
05/11/2025	25-212	Aindale KTD - Managed Print Use	222.90	44.58	267.48	Printing, Postage & Stationery
07/11/2025	CHQ 100028	Companies House re Penrith Partnership	44.00	-	44.00	Town Projects
08/11/2025	CHG	Bank Charges to 17 Oct	2.00	-	2.00	Bank Charges & Interest
12/11/2025	CCR25-60	Post Office Ltd	18.00	-	18.00	Printing, Postage & Stationery
12/11/2025	25-213	Lowther Forestry Group Ltd - Grounds Maintenance Services	404.00	80.80	484.80	Thacka Beck Field
12/11/2025	25-213	Lowther Forestry Group Ltd - Grounds Maintenance Services	856.00	171.20	1,027.20	Fairhill Park
12/11/2025	25-214	Barron Media Ltd - Advertorial	380.00	76.00	456.00	Community Engagement
12/11/2025	25-215	Barron Media Ltd - Advert Rememberance	65.10	13.02	78.12	Civic Functions
12/11/2025	25-216	Heatons Group - Stationery	66.50	13.30	79.80	Printing, Postage & Stationery
12/11/2025	25-217	Carlisle DBF Ltd - Room Hire	32.00	6.40	38.40	Room Hire/Meetings
12/11/2025	25-218	Penrith Mountain Rescue Team - Grant	2,600.00	-	2,600.00	Large Grants
12/11/2025	25-219	SRA Legal Fees	54.00	-	54.00	Legal & Professional Fees
12/11/2025	25-220	Heatons Group - Stationery	562.35	112.47	674.82	Printing, Postage & Stationery
12/11/2025	25-221	Eden Runners - Grant	2,750.00	-	2,750.00	Large Grants
17/11/2025	BP	LGPS - Pensions Oct 25	6,492.95	-	6,492.95	Staffing - Salaries
17/11/2025	BP	HMRC PAYE/NIC Oct 25	7,839.32	-	7,839.32	Staffing - Salaries
18/11/2025	DD	BrightHR	43.20	8.64	51.84	IT
18/11/2025	CCR25-63	Post Office Ltd	22.05	-	22.05	Printing, Postage & Stationery
18/11/2025	CCR25-61	Vodafone - Phones	75.00	15.00	90.00	IT
18/11/2025	CCR25-62	Vodafone - Phones	75.00	15.00	90.00	IT
19/11/2025	25-222	FCC Recycling (UK) Limited - Community Caretaker Oct 25	661.88	132.38	794.26	Community Caretaker
19/11/2025	25-223	FCC Recycling (UK) Limited - Removal of banners	140.35	28.07	168.42	Town Projects
19/11/2025	25-224	FCC Recycling (UK) Limited - Tara Hill Response	55.44	11.08	66.52	Bus Shelters
19/11/2025	25-225	Ace Shelters- Tara Hill Bus Shelter (ecapital commercial)	3,975.00	795.00	4,770.00	Bus Shelters
19/11/2025	25-226	Aindale KTD - System Support Renewal	935.75	187.15	1,122.90	IT
19/11/2025	25-227	Walton Goodland - Office Rent 25/12/25 - 24/03/26	2,062.50	-	2,062.50	Rent
24/11/2025	DD	British Gas	16.94	0.85	17.79	Bandstand
25/11/2025	25-228	Penrith Bid Co Ltd - Staff Fiest Aid trainin	35.00	7.00	42.00	Staff Training
25/11/2025	25-229	Fell View Electrical Ltd - install Xmas tree socket	54.50	10.90	65.40	Bandstand
25/11/2025	25-230	Aindale KTD Ltd - IT internet services	79.00	15.80	94.80	IT
25/11/2025	25-231	Aindale KTD Ltd - IT Services	132.00	26.40	158.40	IT
25/11/2025	25-132	Laurence Warburton T/A Land Train Hire	1,500.00	300.00	1,800.00	May Day 2026
27/11/2025	CCR25-65	Westmorland and Furness Council -Banner flags	275.00	-	275.00	Planning Consultancy
28/11/2025	BP	Adobe	101.10	20.22	121.32	Licences
28/11/2025	BP	Net Pay Nov 2025	18,763.66	-	18,763.66	Staffing - Salaries
28/11/2025	Vis	Amazon - IT	209.01	-	209.01	IT
Total			59,307.32	2,823.02	62,130.34	

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Bank Ref: 1205	Date To: 30/11/2025
Bank Name: HSBC	Statement Ref: 1205 2025-11-24 01
Currency: Pound Sterling	

Balance as per cash book at 30/11/2025: 37,218.40

Add: Unpresented Payments

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

Less: Outstanding Receipts

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

Reconciled balance : 37,218.40

Balance as per statement : 37,218.40

Difference : 0.00

Business c/a - Penrith tow
 GBP [redacted]
 GBP [redacted] available

Account information

Balance details	Recent transactions	Next working day transactions	Statements	Charges and interest
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All transactions for the last

7 days	14 days	1 month	3 months	6 months	12 months	28 Nov 2025 to 30 Nov 2025
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Advanced search Items posted may still be reversed, returned, or recalled.

Last updated 02 Dec 2025 12:29

Date	Type	Description	Paid out	Paid in	Balance
28 Nov 2025		Balance brought forward			56,312.39
28 Nov 2025	BP	[redacted]	[redacted]		52,661.44
28 Nov 2025	BP	[redacted]	[redacted]		50,991.96
28 Nov 2025	BP	[redacted]	[redacted]		49,190.60
28 Nov 2025	BP	[redacted]	[redacted]		45,882.47
28 Nov 2025	BP	[redacted]	[redacted]		44,316.72
28 Nov 2025	BP	[redacted]	[redacted]		41,464.25
28 Nov 2025	BP	[redacted]	[redacted]		38,260.54
28 Nov 2025	BP	[redacted]	[redacted]		37,548.73
28 Nov 2025	VIS	AMZNMktplace*ZR202amazon.co.uk	209.01		37,339.72
28 Nov 2025	VIS	INT'L 0091233332 ADOBE 8000289094	121.32		37,218.40
30 Nov 2025		Balance carried forward			37,218.40

FINANCE COMMITTEE

Date: 8 December 2025

Public Report

Matter: Budgetary Control Statement 2025-26, Expenditure to 30 November 2025

Item no: 09

Author: Responsible Finance Officer

Supporting Member: Cllr. Shepherd, Chair of Finance Committee

Purpose of Report:

To consider the budgetary control statement for the eight-month period to 30 November 2025.

Recommendations:

The Committee is recommended to approve the budgetary control statement and forward it, with any comments, to Council for ratification.

Law and Legal Implications

The Town Council resolved from 15 May 2023, until the next relevant Annual Meeting of the Council, that having met the conditions of eligibility as defined in the Localism Act 2011 and SI 965 The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, to adopt the General Power of Competence.

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

1. Report Details

A. 2025-26 Outturn Statement: Income and Expenditure Account (Appendix A)

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

- The actual outturn figures for the preceding financial year 2024-25, for reference only.
- The full year's Approved Revised Budget for 2025-26, which has been ratified by Council.
- Actual outturn income and expenditure to 30 November 2025, based on the matching principle, which means taking account of all income and expenditure which relates to the period, irrespective of when it is received/paid.

- The variance between the actual outturn income and expenditure and the profiled latest budget for the period. Variances are expressed as favourable (positive) where there was an underspending or increased income, and as adverse (negative and bracketed) where there was an overspending or reduced income.
- The position and transactions on the Council's reserves: its General, Devolution, Election and Playground Development.

B. Commentary

The statement shows underspendings on a number of budget headings, which is to be expected at this stage in the year. The following comments concentrate on unusual or unexpected variances.

B.1 Income

Overall income of £366,821 exceeds the profiled budget of £357,827 by £8,994.

- The investment income returns are higher than expected due to the higher than budgeted rates of interest.

B.2 Planning Committee

Planning expenditure is below budget so far this year, and there has been no expenditure for Public Realm as yet.

B.3 Communities Committee

Net spend of £58,941 is shown against the budget of £85,001, an underspending of £26,060.

This underspend should reduce later in the year due to anticipated increases in expenditure for items such as climate, marketing and grants.

B.4 Finance Committee

Net expenditure of £320,422 is shown against the budget of £327,132, an underspending of £6,710.

This underspend is expected to be reduced as the year progresses.

B.5 Total Expenditure & Increase/(Decrease) in General Reserve

- The individual variances result in an underspending of £50,912 against the profiled total expenditure budget of £419,133. As there is £8,994 more income, there is a net variation of £59,906 on the profiled amount transferrable to the General Reserve.

B.6 Reserves

- The General Reserve is profiled to decrease by £61,306 in the period, it has actually decreased by £1,400.
- The Devolution Reserve opened the year with a balance of £189,091, the amount of £9,841 transferrable into the Devolution Reserve is £2,469 higher than profile.

- The Election Reserve opened the year with a balance of £40,000, an amount of £5,000 is budgeted to be added at the end of the financial year.
- The Play Area Reserve opened the year with a balance of £82,000, £15,000 of which has been spent so far this year.

C. Balance Sheet (Appendix B)

Appendix B shows the Council's balance sheet as at 30 November 2025. The following points may be noted:

- Investments with two organisations total £870,992, with the majority being held in the CCLA Public Sector Deposit Fund.
- The VAT Debtor of £2,823 represents November's transactions and has been reclaimed from HMRC.
- Prepayments of £9,233 include adjustments for insurance, office rent, IT support agreements, and licences and subscriptions.
- The Cash at Bank balance of £37,218 is held at HSBC.
- Accruals of £10,680 comprise of goods and services received by 30 November, but unpaid at that date.
- The Receipts in Advance figure represents income for the period 1 December 2025 to 31 March 2026 already received from Westmorland and Furness Council as precept and grants, together with monies from United Utilities for planting maintenance.

D. Conclusion

The budgetary control statement shows that net spending to 30 November 2025 was around £51,000 below the Latest Budget for the period. Though increased expenditure is expected before the end of the financial year it is likely that there will be an underspend at the year end.

Finally, there are no issues arising from the Council's balance sheet at 30 November 2025.

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.

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.

6. Legal Implications

There are no legal implications arising from this report.

Appendices

Appendix A – Budgetary Control Statement Eight Months Ended 30 November 2025.

Appendix B – Balance Sheet as at 30 November 2025.

Background Papers

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



Penrith Town Council

BUDGETARY CONTROL STATEMENT EIGHT MONTHS ENDED 30 NOVEMBER 2025

Actual 2024-25	Approved Revised Budget 2025-26	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£	£		£	£	£
		INCOME			
		Precept:			
487,735	514,740	Council Tax	343,160	343,160	0
7,642	0	CTRS Grant	0	0	0
		Other Income:			
39,269	22,000	Investment Income	14,667	23,661	8,994
534,646	536,740	TOTAL INCOME	357,827	366,821	8,994
		EXPENDITURE			
		PLANNING COMMITTEE:			
		Planning:			
7,285	20,000	Planning	13,333	3,858	9,475
	20,000	Public Realm	6,667	0	6,667
7,285	40,000		20,000	3,858	16,142
7,285	40,000	Planning Committee Total	20,000	3,858	16,142
		COMMUNITIES COMMITTEE:			
		Climate Change:			
9,459	15,000	Climate Efficiency	10,000	500	9,500
9,459	15,000		10,000	500	9,500
		Town Projects:			
37,807	20,000	Town Projects	13,333	2,198	11,135
37,807	20,000		13,333	2,198	11,135
		Arts & Entertainment:			
4,135	10,000	Arts & Culture Development	6,667	7,256	(589)
	15,000	May Day	15,000	14,279	721
	15,000	May Day 2026	6,667	6,962	(295)
	5,000	Events Development	0	0	0
4,135	45,000		28,334	28,497	(163)
		Grants:			
30,000	30,000	Grants	20,000	16,467	3,533
10,000	10,000	Signature Grants	6,667	5,000	1,667
40,000	40,000		26,667	21,467	5,200
		Corporate Communications:			
16,000	10,000	Communications	6,667	6,279	388
16,000	10,000		6,667	6,279	388
107,401	130,000	Communities Committee Total	85,001	58,941	26,060

Actual 2024-25	Approved Revised Budget 2025-26	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£	£		£	£	£
		FINANCE COMMITTEE:			
		Staffing:			
231,646	263,034	Salaries	169,584	164,855	4,729
23,201	33,072	National Insurance	21,308	21,476	(168)
52,923	56,537	LG Pension Scheme	36,451	35,443	1,008
0	500	Recruitment Expenses	333	0	333
255	600	Staff Training	400	70	330
0	200	Conferences	133	299	(166)
16	300	Staff Expenses	200	55	145
308,041	354,243		228,409	222,198	6,211
		Accommodation:			
7,984	8,250	Rent	5,500	5,500	0
2,313	3,900	Heat, Light & Water	2,600	918	1,682
1,780	2,520	Service Charges	1,680	1,593	87
1,416	1,900	Room Hire & Meetings	1,267	548	719
390	390	Insurances	260	481	(221)
13,883	16,960		11,307	9,040	2,267
		Civic Functions:			
416	400	Civic Functions	267	445	(178)
700	700	Mayoral Expenses	467	0	467
300	300	Deputy Mayor's Expenses	200	0	200
0	200	Civic Regalia	133	2,584	(2,451)
1,416	1,600		1,067	3,029	(1,962)
		Cost of Democracy:			
65	100	Annual Meeting	100	50	50
0	0	Elections	0	0	0
377	1,000	Members' Training	667	195	472
0	100	Members' Expenses	67	0	67
0	200	Notice/Honours Board	133	0	133
442	1,400		967	245	722
22,930	22,000	IT	14,667	22,348	(7,681)
		Assets:			
(195)	10,200	Allotments	6,650	3,325	3,325
4,911	160	War Memorial	107	0	107
2,361	2,000	Benches	1,333	2,296	(963)
1,322	1,500	Bus Shelters	1,000	335	665
3,193	2,500	Bandstand	1,667	1,438	229
2,659	800	Musgrave Monument	533	243	290
4,666	5,500	Fairhill Park	3,667	4,799	(1,132)
3,896	2,500	Thacka Beck Field	1,667	1,616	51
86	150	Signage, etc	100	1,226	(1,126)
8,759	10,200	Community Caretaker	6,800	5,777	1,023
	5,000	Pump Track	0	0	0
14,686	5,834	Contribution to/(from) Devolution Reserve	7,372	9,841	(2,469)
46,344	46,344		30,896	30,896	0
	37,000	Play Area Development	15,000	15,000	0
	12,500	Benches and Bus Shelters	8,333	804	7,529
		Other Overheads:			
2,795	3,300	Printing, Postage & Stationery	2,200	3,450	(1,250)
1,789	1,850	Audit Fees	1,233	1,199	34
4,092	4,400	Insurance	2,933	3,292	(359)
9	180	Bank Charges & Interest	120	51	69
6,196	5,200	Accountancy Fees	3,467	3,477	(10)
2,347	2,500	Legal & Professional Fees	1,667	1,428	239
1,850	1,800	Licences	1,200	2,053	(853)
2,926	3,500	Subscriptions	2,333	1,826	507
87	2,000	Repairs & Renewals	1,333	86	1,247
22,091	24,730		16,486	16,862	(376)
415,147	516,777	Finance Committee Total	327,132	320,422	6,710

Actual 2024-25	Approved Revised Budget 2025-26	Heading	Budget to Date	Actual to Date	Favourable/ (Adverse) Variance
£ 2,953	£ 3,000	Contingency	£ 2,000	£ 0	£ 2,000
5,000	5,000	Transfer to/(from) Election Reserve	0	0	0
82,000	(37,000)	Transfer to/(from) Play Area Reserve	(15,000)	(15,000)	0
619,786	657,777	TOTAL EXPENDITURE	419,133	368,221	50,912
(85,140)	(121,037)	INCREASE/(DECR) IN GENERAL RESERVE	(61,306)	(1,400)	59,906
		RESERVES:			
		General Reserve:			
507,231	387,084	Balance brought forward 1 April 2025	387,084	422,090	35,006
(85,140)	(121,037)	Increase/(decrease) in year	(61,306)	(1,400)	59,906
422,091	266,047	Balance carried forward	325,778	420,690	94,912
		Asset Reserve:			
174,405	187,749	Balance brought forward 1 April 2025	187,749	189,091	1,342
14,686	5,834	Contribution from/(to) 2025-26 Budget	7,372	9,841	2,469
189,091	193,583	Balance carried forward	195,121	198,932	3,811
		Election Reserve:			
35,000	40,000	Balance brought forward 1 April 2025	40,000	40,000	0
5,000	5,000	Contribution from/(to) 2025-26 Budget	0	0	0
40,000	45,000	Balance carried forward	40,000	40,000	0
		Play Area Reserve:			
0	82,000	Balance brought forward 1 April 2025	82,000	82,000	0
82,000	(37,000)	Contribution from/(to) 2025-26 Budget	(15,000)	(15,000)	0
82,000	45,000	Balance carried forward	67,000	67,000	0
733,182	549,630	TOTAL RESERVES	627,899	726,622	98,723



Penrith Town Council

BALANCE SHEET AS AT 30 NOVEMBER 2025

	£	£
Investments		
Penrith Building Society	90,992	
CCLA Public Sector Deposit Account	<u>780,000</u>	
		870,992
Current Assets		
Debtors	3,950	
Debtor - VAT	2,823	
Prepayments	9,233	
HSBC Bank Account	<u>37,218</u>	
	53,224	
Current Liabilities		
Creditors	0	
Accruals	10,680	
Payroll Control	13,592	
Receipts in Advance	<u>173,322</u>	
	197,594	
Net Current Assets		(144,370)
		<u>726,622</u>
Represented by:		
Reserves		
General Reserve		420,690
Asset Reserve		198,932
Election Reserve		40,000
Play Area Reserve		67,000
		<u>726,622</u>

FINANCE COMMITTEE

Date: 08 December 2025

Public Report

Matter: Reserves Policy

Item no: 10

Author: Responsible Finance Officer

Supporting Member: Cllr. Shepherd, Chair of Finance Committee

Purpose of Report:

To consider the Reserves Policy.

Recommendations:

The Committee is recommended to consider the Reserves Policy and:

- i. Rename the Devolution Reserve to the Assets Reserve and recommend that contributions be capped at £200,000 by the end of the 2025/26 financial year.
- ii. recommend a transfer of £50,000 from the General Reserve to create a new Pump Track earmarked reserve, enabling the Council to make a future capital contribution to Westmorland and Furness Council towards a proposed new Pump Track facility in Penrith.
- iii. Forward the draft Reserves Policy, with any amendments, to Council for ratification.

Law and Legal Implications

The Town Council resolved from 15 May 2023, 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 reserve 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.

For best practice the Council has referred to the Joint Panel on Accountability and Governance Practitioners Guide March 2025.

Report Details

Legislation recognises that local councils require financial reserves and must take account of them in determining their precept, and as such the Council reviews its Reserves Policy annually.

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.

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 2025-26 Policy reduced the target balance for the General Reserve to 30% of net expenditure, to be achieved by 31 March 2027. 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 and Members previous views have been 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 £204,417 at the end of 2025-26; the Budgetary Control Statement 31 October 2025 was forecasting the balance to be £196,500. This money is set aside to include the risk of new or existing devolved assets requiring refurbishment or repair costs. Members are proposing that the title of the reserve is changed to Assets Reserve and that the reserve balance be capped at £200,000 by the end of this financial year, with Members stating that would be considered a sufficient balance to meet the costs of any future asset transfers from the principal authority.

The elections earmarked reserve will continue to have a £5,000 annual contribution to meet the costs of Parish Council elections scheduled for May 2027 and any one off by elections where Westmorland and Furness Council would recharge the Council.

The Play Area earmarked reserve is established for the term of this Council and allocates £90,000, being £15,000 per ward. In 2026/27 a balance of £45,000 will remain for Penrith North, South and East.

A new Pump Track earmarked reserve be created. The reserve is proposed to have an allocation of £50,000, which would be used as a capital contribution payable to Westmorland and Furness Council towards a proposed new pump track facility in Penrith. The reserve would be created by a transfer of funds from the General Reserve. Full Council, 21 May 2025, Minute PTC25/08 considered and supported a motion to progress with a Pump Track project in Penrith.

Options Analysis including risk assessment

a) Risk

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

b) Consequence

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

c) Controls Required

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

Financial and Resource Implications

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

Equalities Implications

There are no equalities implications associated with this report.

Climate Change and Environmental Implications

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

Appendices

Appendix A – Reserves Policy

Background Papers

JPAG Practitioners Guide



Penrith Town Council

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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 30% of net revenue expenditure by 31 March 2027 (Full Council, 13 January 2025. Minute PTC24/83i). 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.

Assets Reserve (formerly Devolution): 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. The reserve provides a cushion against the full cost of those assets being higher than expected renovation and/or improvements. The reserve be capped at £200,000 by 31 March 2026.

Elections Reserve: 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.

Play Area Reserve: This reserve has been established 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. A budget of £90,000 has been allocated including £15,000 for each ward.

Pump Track Reserve: This reserve would enable the Council to make a capital contribution towards the proposed Pump Track facility in Penrith which would be commissioned by Westmorland and Furness Council. A reserve of £50,000 be earmarked.

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.

LAST REVIEW: December 2024

Reserve	Purpose	Target level
General Reserves		
General Reserve (General Fund Working Balance)	<ul style="list-style-type: none"> • Provision of working capital. • Buffer against uneven cash flows, inflationary pressures, sharp budgetary changes, unexpected events or emergencies. • Ability to pursue opportunities when identified. 	<ul style="list-style-type: none"> • Assessed primarily on the basis of financial risks to the Council. • Medium-term target to be 30% of net revenue expenditure by 31 March 2027. • Minimum level: £150,000 • Range: £150,000 to £300,000
Earmarked Reserves		
Assets Reserve	<ul style="list-style-type: none"> • Accumulation of funds in the early years of devolved asset transfers. • Cushion against the longer-term full costs of devolved assets being higher than expected renovation and/or improvements. 	<ul style="list-style-type: none"> • Based on the allocation of the difference (while positive) between the income equivalent to the special expenses previously levied in Penrith via council tax and the net cost of devolved assets. • Typical Range: £50,000 to £200,000
Elections Reserve	<ul style="list-style-type: none"> • To meet the costs of Parish Council Elections in 2027 and any one off by elections and general election recharges. 	<ul style="list-style-type: none"> • £30,000 met from underspends in 2022-23 financial year. • A contribution of £5,000 per annum over the full term of the Medium-Term Financial Plan, 31 March 2030. • Range: £30,000 to £60,000
Play Area Reserve	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • £15,000 towards each Ward • Allocated for the remaining term of this Council to May 2027. • Range: £0.01 to £90,000

Reserve	Purpose	Target level
Pump Track	To make a capital contribution towards the proposed new Pump Track which Westmorland and Furness Council will be leading.	<ul style="list-style-type: none"> • Aim to be spent by May 2027 • Range: £0.01 to £50,000

FINANCE COMMITTEE

Date: 08 December 2025

Public Report

Matter: Draft Investment Strategy 2026-27

Item no: 11

Author: Responsible Finance Officer

Supporting Member: Cllr. Shepherd, Chair of Finance Committee

Purpose of Report:

To consider a draft strategy for the management of the Council's financial investments in 2026-27.

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 15 May 2023, 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.

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 2026-27, 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 2026-27

Members will realise that interest rates have slowly fallen this year, with the latest bank rate at 4%. Economic observers predict that rates will continue to slowly fall next year.

These interest rates reflect the level of inflation, which was 3.8% in September 2025. Observers suggest that inflation levels will fall back in 2026 working towards the Government's 2% target, albeit there is some uncertainty partly due to the effects of the measures taken in the recent budget.

The Council's income from investments has reduced this year and next year's budget expects this to reduce again from the present level.

1.7 Draft Strategy

The attached draft strategy is unchanged from the existing policy, other than the section relating to 2026-27 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 £130 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 £1.2 billion, 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. Risk and Mitigation

a) Risk

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

Non-compliance with legal requirements or statutory guidance.

b) Consequence

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

Criticism from internal/external audit; reputational damage.

c) Controls Required

Adherence to a robust and prudent investment strategy.

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

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.

Legal Implications

The draft Strategy is compliant with the relevant legislation.

Appendices

Appendix A - Draft Investment Strategy 2026-27

Background Papers

- Building Societies Association factsheet
- CCLA website

DRAFT INVESTMENT STRATEGY 2026-27

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 2026-27 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 new 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 2026-27

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.

REVIEW: ANNUAL

FINANCE COMMITTEE

Date: 08 December 2025

Public Report

Matter: Proposed Budget 2026-27

Item no: 12

Author: Responsible Finance Officer

Supporting Member: Cllr. Shepherd, Chair of Finance Committee

Purpose of Report:

Consider the Proposed Budget 2026/27, service development proposals and the proposed Medium Term Financial Plan.

Recommendations:

The Committee is recommended to consider:

- i) The Forecast Outturn expenditure for 2025/26 of £664,604.
- ii) The Proposed Budget 2026/27 which would, based on the Council Taxbase, require a precept of £526,749, resulting from a 1% increase in Council Tax.
- iii) The salaries paid to staff in 2026/27, 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

The Town Council resolved from 15 May 2023, 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.

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 2026/27 were considered by the Budget Working Group on 24 November 2025.

The Council Taxbase figure for next year has been provided by Westmorland and Furness Council. The final figure is 6214.60, which is a 1.32% increase on the previous year.

The Working Group confirmed that given the current budgetary circumstances and the number of proposed service development proposals that a Council Tax rise of 1% would be appropriate noting that the Medium-Term Financial Plan had been forecasting a 2% increase during this budget cycle.

This report presents the resulting Proposed Budget for 2026/27 and Medium-Term Financial Plan, which indicate that the Council will be able to set sustainable budgets for subsequent years with modest annual tax increases and the Council should be mindful that in the coming years that it needs to be working towards a balanced budget.

B. Proposed Budget 2026/27

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 2024/25, for comparison purposes.
- b) The Approved Budget for 2025/26.
- 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.
- d) The Proposed Budget for 2026/27, 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 2026/27 will be £526,749 the increase of £12,009 from the 2025/26 figure of £514,740 is due to a higher Council Taxbase and the proposed 1% Council Tax increase.

- e) The position on the Council's reserves.
- f) The resulting Council Tax based on the budgets representing a 1% increase in the Council Tax for 2026/27.

Appendix B shows a forecast of income and expenditure for the years 2026/27 to 2030/31, based on the figures in the 2026/27 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 2026 prices and future inflation have 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 2025 and updated as part of this budget review process:

- A 1% Council Tax increase for 2026/27 followed by 2.0% in each of the years 2027/28 to 2030/31.
- Pay inflation of 3.2% in 2026/27 and 3.2% thereafter.
- Average price inflation of 3% pa.
- Achievement of a General Reserve equivalent to 30% of net expenditure by 31 March 2027.
- Contributions to the Assets Reserve to be capped at £200k with no further contributions planned.

Based on these parameters, the Council can demonstrate that it has a sustainable financial plan for the next five years, however the Council should be mindful that during this term it needs to be working towards a balanced budget.

Committees

Planning Committee submitted no growth items.

Communities Committee proposed the following growth bids:

A budget of £4,000 to support Town Centre Greening. This budget generally supports the Penrith BIDs summer planting arrangements. This budget would primarily support the BID-led town centre greening initiative, while also enabling small-scale community group's environmental projects, such as local planting schemes and biodiversity improvements to apply for support. This budget request supports the approved Council Business Plan under the "Place" priority.

A budget of £20,000 for Town Dressing and events support in Penrith between 2026 – 2028. Town centre dressing is the temporary use of banners, planters, lighting, seasonal decorations, signage and other visual enhancements. The budget would be used to meet the costs of putting up and taking down the lamppost banners on Middlegate and applying for any consents, dressing for specific events and supporting with event costs. This budget request supports the approved Council Business Plan under the "Place" priority.

A budget of £5,000 for a new summer event to be held in Penrith Castle Park which will act as a showcase for many local summer activities. This budget request supports the approved Council Business Plan under the "Prosperity" priority.

Officers

Having reviewed the last May Day 2025 expenditure, the Events Officer has submitted a budget revision for a further £5,000 for the annual May Day event, taking the budget to £20,000.

The Economic Development Officer has submitted a growth bid of £4,500 for the ongoing annual maintenance of the Wayfinding signs which will be installed in 2026/27. The final annual cost will be known once the Wayfinding tenders are received. The maintenance period is for an initial 10 years and would be costed to the Assets budget lines.

Councillors

Individual Councillors submitted the following growth bids which were discussed at the previous meeting of the Budget Working Group:

Cllr Jackson proposes a budget of £10,000 to support improvements at Castle Park. A recent briefing from Westmorland and Furness Council on their plans for Castle Park improvements via the Borderlands project was well received but it was acknowledged that any progression will not occur in the next 12 months. As such it is the intention for Westmorland and Furness Council to approve their concept plan for the park and identify with partners small scale quick win improvements which this budget could support. This budget request supports the approved Council Business Plan under the "Place" priority.

Cllr D. Jayson had proposed a service development budget for the installation of new air pollution monitors. It was recommended by the Budget Working Group that as opposed to this being a new budget, a motion is taken to Communities Committee and if supported the cost be met from the Climate budget.

Cllr D. Jayson proposed a growth bid to identify areas where Artificial Intelligence could be used in the Council to improve business functions. A budget of £1,000 is proposed to be met from the IT budget.

For the benefit of this report the following service development proposals are tabled and included within the proposed budget:

Budget	(£)
Town Centre Greening	4,000
Town Dressing & Event Support	20,000
New Summer Event	5,000
Wayfinding Maintenance	4,500
Castle Park	10,000
IT Artificial Intelligence	1,000
	49,500

If these are approved as proposed it is anticipated that £38,500 will be recurring over the term of the period of the Medium Term financial plan.

Recurring Service Development Budgets

There are two recurring development proposals that were approved last year.

The allotment budget be revised from £10,000 to £5,000 for 2026/27.

The seats and shelters budget be revised from £12,500 to £6,500 for 2026/7.

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 2026/27 is based on a 1% increase in Council Tax and an increased Taxbase of 1.32%. 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 decreased due to the reduction in the balance of the CCLA account.

b) Planning Committee

Planning Services budgets are to reduce from £10,000 to £5,000 based on previous years underspending. This budget includes the removal of the one off £20,000 public realm budget.

c) Communities Committee

Based on budget monitoring in the current year and having reviewed their budgets the Communities Committee proposes a reduction in its budgets to £93,500 in 2026/27.

Climate Change

The Climate Change budget is proposed to be reduced from £15,000 in the current year to £7,500 in 2026/27. It is proposed that should the Communities Committee support Cllr D Jayson's motion for the installation of an air pollution monitor, the costs be met from this budget line.

Town Projects

The proposed budget for 2026/27 is reverts to its base budget of £10,000 and will include expenditure of £1,500 for Armed Forces schemes.

Arts & Entertainment

The proposed budget for 2026/27 is £26,000 which includes a continued £10,000 budget for Arts and Cultural Development, £15,000 for May Day and £1,000 for Events Development. Members are minded noting a service development proposal for a further £5,000 to support the May Day event; and a further £5,000 as a new summer event which if approved would be costed to this budget heading.

Grants

The budget for 2026/27 retains £30,000 for Grants and £10,000 for Signature Event Grants as per the current year.

Corporate Communications

The Corporate Communications budget is be retained at £10,000.

d) Finance Committee

Staffing

The 2026/27 Draft Budget allows for the costs of the existing approved staff establishment. There is a reduction in planned expenditure for superannuation costs from £56,255 to £35,345 following the Triennial Valuation undertaken by the Cumbria Pension Fund which will see the Council's contributions reducing from 21.5% to 18.4%, with a further £18,700 repayment of the surplus that the Council has on its overall fund. An allowance of 3.2% has been applied for staff pay inflation, with this figure based on the current year's settlement.

Accommodation

The principal changes in the accommodation budgets for 2026/27 is a reduction in heat, light and water charges budget from £3,900 to £2,400. This adjustment is based largely on actuals in the current year.

Cost of Democracy

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

IT

The expenditure for IT in the current year is in excess of the approved budget, mainly relating to expenditure incurred on one off items of work including a replacement photocopier and updated website. The 2026/7 proposed budget is increased to £28,000 to meet the costs of additional expenditure including The Wayfinding Digital Trail which will be hosted on a new web platform costing in the region of £600 per annum for the 10-year life of the Wayfinding agreement, and the proposed Artificial Intelligence work.

Assets

The Draft Budget 2026/27 has been reviewed in the light of operating experience. 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.

The Play Area Development budget includes £45,000 provision for schemes in Penrith North, East and South (£15,000 for each ward).

The Benches and Bus Shelters budget has been reduced to £6,500 due to schemes of work not coming forward in the current year however a resolution is in place to progress an installation of a new bus shelter at Sainsbury.

Other Overheads

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

e) Contingency

The contingency budget line has been removed on the basis that in previous years the budget has largely been unspent.

f) Inflation

Anticipated pay (3.2%) and price inflation (3%) has been included in the detailed budgets for 2026/27. For 2027/28 onwards, the MTFP allows for compound pay inflation of 3.2% pa and price inflation at an average rate of 3% pa as a global figure.

F. Reserves

The Draft Budget and Medium-Term Plan assume a continuation of existing plans for reserves, albeit with a new Pump Track earmarked reserve.

General Reserve

The Council has a policy of reaching a target balance in the Reserve equivalent to 30% of its forecast net expenditure by 31 March 2027.

Assets Reserve (formerly Devolution)

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. Recent years has evidenced that the total cost of services has been lower than the agreed marker figure of £46,344 and the difference has been contributed to the Devolution Reserve. During this budget process Members propose that the contributions to the reserve cease at the 31 March 2026 and the budget is capped at £200,000 and renamed Assets Reserve.

Elections Reserve

The Elections Reserve will have a balance of £45,000 at the end of 2025/26, this will increase by £5,000 per annum in 2026/27. This budget is available to meet the costs of one off by elections and ensure the Council has funds to meet election costs in 2027.

Earmarked Reserve (Play Areas)

Full Council, 18 November 2024 approved an earmarked reserve of £90,000 for the provision of improved play areas and multi-use games areas in Penrith across the remaining term of this Council and equated to £15,000 per ward. Three schemes have been completed resulting in a balance of £45,000 remaining for Penrith North, South and East wards for 2026/27.

Earmarked Reserve (Pump Track)

This budget process proposes a new £50,000 earmarked reserve towards the capital cost of a new Pump Track in Penrith, that Westmorland and Furness Council will be leading with.

G. Council Tax

The current years Band D Council Tax is £83.92 per property. Adoption of the Draft Budget for 2026/27 proposes a 1% Council Tax increase resulting in an increase to £84.76, which also includes the Council Taxbase calculation showing a 1.32% increase.

The Ministry of Housing, Communities and Local Government has circulated data via NALC that the average Band D parish precept in England in 2025/26 is £92.22.

The Medium-Term Plan at Appendix B forecasts a 2.0% increase in Council Tax in each of the following four years.

H. Points to Note

- i) The latest rate of inflation as measured by the Consumer Price Index is 3.6% (October 2025, which is higher than the Bank of England's 2.0% target).
- ii) The Medium-Term Financial Plan assumes average inflationary price increases of 3% 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 2026 staff pay round. The Draft Budget allows for 3.2% wage inflation and MTFP assumes 3.2% from 2027/28 thereafter and appears reasonable and in line with the last pay settlement.
- iv) Superannuation contributions are assessed triennially; and are to decrease from 21.5% to 18.4%. 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 review will be for April 2029.
- v) Setting a precept is dependent on knowledge of the actual Council Taxbase determined by Westmorland and Furness Council. The previous year's Tax base increased by 5.5%. Westmorland and Furness Council have provided the Council with an actual taxbase figure of 6214.60 which is an increase of 1.32% on the previous year allowing the Council to set its proposed budget.

2. Risk assessment & Mitigation

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.

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.

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 change and environmental implications associated with this report.

Appendices

2026/27 Draft Budget:

- Budget Summary
- Summary Medium Term Financial Plan

Background Papers

2026/27 Budget Working Group Papers



Penrith Town Council

BUDGET 2026/27 - DRAFT

ACTUAL OUTTURN 2024/25	APPROVED BUDGET 2025/26		BUDGET HEADING	FORECAST OUTTURN 2025/26		DRAFT BUDGET 2026/27	
£	£	£		£	£	£	£
			INCOME				
487,735		514,740	Precept: Council Tax		514,740		526,749
7,642		0	CTRS Grant		0		0
39,269		22,000	Other Income: Investment Income		30,000		27,000
534,646		536,740	TOTAL INCOME		544,740		553,749
			EXPENDITURE				
			PLANNING COMMITTEE:				
			Planning:				
7,285	20,000		Planning	5,000		5,000	
	20,000		Public Realm	0		0	
7,285		40,000	Planning Committee Total		5,000		5,000
			COMMUNITIES COMMITTEE:				
9,459	15,000		Climate Change	11,000		7,500	
9,459		15,000	Sub-Total		11,000		7,500
37,807	20,000		Town Projects:				
37,807		20,000	Town Projects	10,000		10,000	
			Sub-Total		10,000		10,000
4,135	10,000		Arts & Entertainment:				
	15,000		Arts & Culture Development	10,000		10,000	
	15,000		May Day	14,279		15,000	
	5,000		MayDay 2026	14,900		0	
4,135		45,000	Events Development	2,000		1,000	
			Sub-Total		41,179		26,000
30,000	30,000		Grants:				
10,000	10,000		Grants	30,000		30,000	
40,000		40,000	Signature Grants	10,000		10,000	
			Sub-Total		40,000		40,000
16,000	10,000		Corporate Communications:				
16,000		10,000	Communications	10,000		10,000	
			Sub-Total		10,000		10,000
107,401		130,000	Communities Committee Total		112,179		93,500



Penrith Town Council

BUDGET 2026/27 - DRAFT

ACTUAL OUTTURN 2024/25	APPROVED BUDGET 2025/26		BUDGET HEADING	FORECAST OUTTURN 2025/26		DRAFT BUDGET 2026/27	
£	£	£		£	£	£	£
			FINANCE COMMITTEE:				
			Staffing:				
231,646	263,034		Salaries	261,650		292,220	
23,201	33,072		National Insurance	33,896		37,785	
52,923	56,537		Superannuation	56,255		35,130	
0	500		Recruitment Expenses	0		300	
255	600		Staff Training	300		600	
0	200		Conferences	2,500		200	
16	300		Staff Expenses	100		200	
308,041		354,243	Sub-Total		354,701		366,435
			Accommodation:				
7,984	8,250		Rent	8,250		8,250	
2,313	3,900		Heat, Light & Water	2,000		2,400	
1,780	2,520		Service Charges	2,500		2,520	
1,416	1,900		Room Hire/Meetings	1,400		1,400	
390	390		Insurances	480		480	
13,883		16,960	Sub-Total		14,630		15,050
			Civic Functions:				
416	400		Civic Functions	500		400	
700	700		Mayoral Expenses	700		700	
300	300		Deputy Mayor's Expenses	300		300	
0	200		Civic Regalia	2,600		200	
1,416		1,600	Sub-Total		4,100		1,600
			Cost of Democracy:				
65	100		Annual Meeting	100		100	
0	0		Elections	0		0	
377	1,000		Members' Training	400		500	
0	100		Members' Expenses	100		100	
0	200		Notice/Honours Board	100		200	
442		1,400	Sub-Total		700		900
22,930		22,000	IT		36,000		28,000
			Assets:				
(195)	10,200		Allotments	15,435		5,200	
4,911	160		War Memorial	0		160	
2,361	2,000		Benches	2,500		2,500	
1,322	1,500		Bus Shelters	3,975		1,500	
3,193	2,500		Bandstand	3,500		2,000	
2,659	800		Musgrave Monument	700		700	
4,666	5,500		Fairhill Park	5,500		5,500	
3,896	2,500		Thacka Beck Field	1,750		2,000	
86	150		Signage	1,500		200	
8,759	10,200		Community Caretaker	10,000		8,000	
	5,000		Pump Track	2,500		52,500	
14,686	5,834		Contribution to Asset Reserve	10,909		0	
46,344		46,344	Sub-Total		58,269		80,260
0		37,000	Play Area Development		37,000		45,000
0		12,500	Benches and Bus Shelters		3,000		6,500
			Other Overheads:				
2,795	3,300		Printing, Postage & Stationery	3,200		3,300	
1,789	1,850		Audit Fees	1,805		1,850	
4,092	4,400		Insurance	4,400		4,400	
9	180		Bank Charges & Interest	120		180	
6,196	5,200		Accountancy Fees	3,500		2,300	
2,347	2,500		Legal & Professional Fees	2,000		2,500	
1,850	1,800		Licences	1,700		1,800	
2,926	3,500		Subscriptions	3,500		4,500	
87	2,000		Repairs & Renewals	300		2,000	
22,091		24,730	Sub-Total		20,525		22,830
415,147		516,777	Finance Committee Total		528,925		566,575
2,953		3,000	Contingency		500		0
n/a		0	Allowance for Growth Items		0		49,500
5,000		5,000	Transfer to/(from) Election Cost Reserve		5,000		5,000
82,000		(37,000)	Transfer to/(from) Play Area Development Reserve		(37,000)		(45,000)
0		0	Transfer to/(from) Pump Track Reserve		50,000		(50,000)
619,786		657,777	TOTAL EXPENDITURE		664,604		624,575
					6,827		
(85,140)		(121,037)	INCREASE/(DECREASE) IN GENERAL RESERVE		(119,864)		(70,826)



Penrith Town Council

BUDGET 2026/27 - DRAFT

ACTUAL OUTTURN 2024/25	APPROVED BUDGET 2025/26		BUDGET HEADING	FORECAST OUTTURN 2025/26		DRAFT BUDGET 2026/27	
£	£	£		£	£	£	£
507,231		387,084	General Reserve:				
(85,140)		(121,037)	Balance brought forward 1 April		422,091		302,227
			Increase/(decrease) in year		(119,864)		(70,826)
422,091		266,047	Balance carried forward 31 March		302,227		231,401
			Asset Reserve:				
174,405		187,749	Balance brought forward 1 April		189,091		200,000
14,686		5,834	Contribution from Annual Budget		10,909		0
189,091		193,583	Balance carried forward 31 March		200,000		200,000
			Election Cost Reserve				
35,000		40,000	Balance brought forward 1 April		40,000		45,000
5,000		5,000	Increase/(decrease) in year		5,000		5,000
40,000		45,000	Balance carried forward 31 March		45,000		50,000
			Play Area Reserve				
0		82,000	Balance brought forward 1 April		82,000		45,000
82,000		(37,000)	Increase/(decrease) in year		(37,000)		(45,000)
82,000		45,000	Balance carried forward 31 March		45,000		0
			Pump Track Reserve				
0		0	Balance brought forward 1 April		0		50,000
0		0	Increase/(decrease) in year		50,000		(50,000)
0		0	Balance carried forward 31 March		50,000		0
733,182		549,630	TOTAL RESERVES AT 31 MARCH		592,227		481,401

ACTUAL OUTTURN 2024/25	APPROVED BUDGET 2025/26		COUNCIL TAX	FORECAST OUTTURN 2025/26		DRAFT BUDGET 2026/27	
£487,735		£514,740	Precept		£514,740		£526,749
5,811.91		6,133.70	Taxbase (Band D properties)		6,133.70		6,214.60
£83.92		£83.92	Council Tax (Band D)		£83.92		£84.76
1.00%		0.00%	Increase (%)		0.00%		1.00%



Penrith Town Council

APPROVED MEDIUM TERM FINANCIAL PLAN 2026/27 TO 2030/31

BUDGET HEADING	2026/27	2027/28	2028/29	2029/30	2030/31
	£	£	£	£	£
INCOME					
Council Tax	526,749	545,374	564,631	584,538	605,179
All Other Income	27,000	24,000	23,000	22,000	21,000
TOTAL INCOME	553,749	569,374	587,631	606,538	626,179
EXPENDITURE					
Staff Costs	366,435	367,130	369,130	371,690	372,260
All Other Expenditure	298,640	239,640	188,140	184,140	184,140
Inflation: Staff Costs:3.2% pa	0	11,750	24,380	38,020	52,520
Inflation: Other Expenditure: Average 3.0% pa	0	7,190	11,290	16,570	22,100
Contribution to Devolution Reserve	0	0	0	0	0
Transfer to/(from) Election Reserve	5,000	(50,000)	5,000	5,000	5,000
Transfer to/(from) Play Area Development Reserve	(45,000)	0	0	0	0
Transfer to/(from) Pump Track Reserve	(50,000)	0	0	0	0
Allowance for Growth Items (Illustrative)	49,500	38,500	38,500	38,500	38,500
TOTAL EXPENDITURE	624,575	614,210	636,440	653,920	674,520
INCREASE/(DECR) IN GENERAL RESERVE	(70,826)	(44,836)	(48,809)	(47,382)	(48,341)

RESERVES:	2026/27	2027/28	2028/29	2029/30	2030/31
	£	£	£	£	£
General Reserve:					
Balance brought forward 1 April	302,227	231,401	186,564	137,755	90,372
Increase/(decrease) in year	(70,826)	(44,836)	(48,809)	(47,382)	(48,341)
Balance carried forward 31 March	231,401	186,564	137,755	90,372	42,031
<i>Target General Reserve: 30% of Expenditure</i>	184,500	187,700	177,900	183,100	189,300
Asset Reserve:					
Balance brought forward 1 April	200,000	200,000	200,000	200,000	200,000
Contribution from Annual Budget	0	0	0	0	0
Balance carried forward 31 March	200,000	200,000	200,000	200,000	200,000
Election Cost Reserve:					
Balance brought forward 1 April	45,000	50,000	0	5,000	10,000
Contribution from Annual Budget	5,000	(50,000)	5,000	5,000	5,000
Balance carried forward 31 March	50,000	0	5,000	10,000	15,000
Play Area Reserve:					
Balance brought forward 1 April	45,000	0	0	0	0
Contribution from Annual Budget	(45,000)	0	0	0	0
Balance carried forward 31 March	0	0	0	0	0
Pump Track Reserve:					
Balance brought forward 1 April	50,000	0	0	0	0
Contribution from Annual Budget	(50,000)	0	0	0	0
Balance carried forward 31 March	0	0	0	0	0
TOTAL RESERVES AT 31 MARCH	481,401	386,564	342,755	300,372	257,031

COUNCIL TAX:	2026/27	2027/28	2028/29	2029/30	2030/31
Precept	£526,749	£545,374	£564,631	£584,538	£605,179
Taxbase (Band D properties)	6,214.60	6,307.82	6,402.44	6,498.48	6,595.96
Council Tax (2025/26 £83.92)	£84.76	£86.46	£88.19	£89.95	£91.75
Increase (%)	1.00%	2.0%	2.00%	2.0%	2.00%

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Penrith Town Council

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FINANCIAL REGULATIONS

1. General

- 1.1 These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial Regulations are one of the Council's governing policy documents providing procedural guidance for Councillors and officers. Financial Regulations must be observed in conjunction with the Council's Standing Orders.
- 1.2 Councillors are expected to follow these Regulations and not to entice employees to breach them. Failure to follow these Regulations brings the office of Councillor into disrepute.
- 1.3 Wilful breach of these Regulations by an employee may result in disciplinary proceedings.
- 1.4 In these Financial Regulations :

"Accounts and Audit Regulations " means the Regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.

- a. "Authorise" refers to an online action, allowing an electronic transaction to take place.
- b. "Approve," or "ratify" refers to a decision by the Council, or a committee or an officer, to allow something to happen.
- c. "Proper practices" means those set out in The Practitioners' Guide Practitioners' Guide refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
- d. "Must" and bold text refer to a statutory obligation the Council cannot change.
- e. "Shall" refers to a non-statutory instruction by the Council to its Members and staff.

- 1.5 The Responsible Financial Officer (RFO) holds a statutory office, appointed by the Council who:
 - a. Acts under the policy direction of the Council.
 - b. Administers the Council's financial affairs in accordance with all Acts, Regulations , and proper practices.
 - c. Determines on behalf of the Council its accounting records and control systems.
 - d. Ensures the accounting control systems are observed.
 - e. Ensures the accounting records are kept up to date.
 - f. Seeks economy, efficiency, and effectiveness in the use of Council resources.
 - g. Produces financial management information as required by the Council.
- 1.6 **The Council must not delegate any decision regarding:**
 - a. **Setting the final budget or the precept (Council tax requirement).**
 - b. **The outcome of a review of the effectiveness of its internal controls.**
 - c. **Approving accounting statements.**
 - d. **Approving an annual governance statement.**
 - e. **Borrowing.**
 - f. **Declaring eligibility for the General Power of Competence.**
 - g. **Addressing recommendations from the internal or external auditors.**
- 1.7 In addition, the Council shall:
 - a. Determine and regularly review the bank mandate for all Council bank accounts.
 - b. Authorise any grant or single commitment in excess of £15,000.
2. **Risk management and internal control.**
 - 2.1 **The Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
 - 2.2 The Services and Contracts Manager with the RFO shall prepare, for approval by the Council, a risk management policy covering all activities of the Council. This policy and consequential risk management arrangements shall be reviewed by the Council at least annually.
 - 2.3 When considering any new activity, the Clerk, and/or the Services and Contracts Manager with the RFO shall prepare a draft risk assessment including risk management proposals for consideration by the Council.
 - 2.4 **At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**

2.5 The accounting control systems determined by the RFO must include measures to:

- a. Ensure that risk is appropriately managed.**
- b. Ensure the prompt, accurate recording of financial transactions.**
- c. Prevent and detect inaccuracy or fraud.**
- d. Allow the reconstitution of any lost records.**
- e. Identifying the duties of officers dealing with transactions.**
- f. Ensure division of responsibilities.**

These Financial Regulations demonstrate how the Council meets these responsibilities and requirements.

- 2.6 At least once in each quarter, and at each financial year end, a Member other than the Council Chair shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The Member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to, and noted by the Finance Committee and ratified by Full Council. The approval of the reconciliations shall be recorded in the minutes of the meeting.
- 2.7 Regular back-up copies shall be made of the records on any Council computer and stored either online or in a separate location from the computer. The Council shall put measures in place to ensure that the ability to access any Council computer is not lost if an employee leaves or is incapacitated for any reason.

3. Accounts and audit

- 3.1 The Responsible Financial Officer (RFO) holds a statutory office and is appointed by the Council. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations . The Council employs external payroll services who are responsible for the administration and processing payroll, pensions, and HMRC, providing information for associated payments for the Council.
- 3.2 **The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:**
- a. Day-to-day entries of all sums of money received and expended by the Council and the matters to which they relate.**
 - b. A record of the assets and liabilities of the Council.**
- 3.3 The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.

- 3.4 The RFO shall complete and certify the annual Accounting Statements of the Council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the Council, within the timescales required by the Accounts and Audit Regulations .
- 3.5 **The Council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practice.**
- 3.6 **Any officer or member of the Council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit** and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary.
- 3.7 The Internal Auditor shall be appointed by the Council and shall conduct their work to evaluate the effectiveness of the Council's risk management, control, and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8 The Council shall ensure that the Internal Auditor:
- a. Is competent and independent of the financial operations of the Council.
 - b. Reports to Council in writing, or in person, on a regular basis with a minimum of one written report during each financial year.
 - c. Can demonstrate competence, objectivity, and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships.
 - d. Is not involved in the management or control of the Council.
- 3.9 Internal or external auditors may not under any circumstances:
- a. Perform any operational duties for the Council.
 - b. Initiate or approve accounting transactions.
 - c. Provide financial, legal, or other advice including in relation to any future transactions.
 - d. Direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 3.10 For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.

- 3.11 The RFO shall plan for the exercise of electors' rights in relation to the accounts, including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations .
- 3.12 The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

4. Budget and precept

- 4.1 Before setting a precept, the Council shall calculate its Council Tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.
- 4.2 Budgets for salaries and wages, including employer contributions shall be reviewed by the Council at least annually for the following financial year and the final version shall be evidenced by a hard copy schedule signed the Chair of the Council. The RFO will inform committees of any salary implications before they consider their draft their budgets.
- 4.3 No later than December each year, the RFO shall prepare a draft budget with detailed estimates of all receipts and payments/income and expenditure for the following financial year along with a forecast for the following four financial years, taking account of the lifespan of assets and cost implications of repair or replacement.
- 4.4 Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of the Town Clerk. Transfers to and from earmarked reserves shall be approved by Council in accordance with its Reserves Policy.
- 4.5 Each Committee shall review its medium-term financial forecast of income and expenditure. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of December each year, including any proposals for revising the forecast.
- 4.6 The draft budget with any committee proposals and three-year forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the Finance Committee and a recommendation made to Full Council. The Council shall consider annual budget proposals in the context of the Council's medium-term financial forecast, including recommendations for the use of reserves and sources of funding, and update the forecast accordingly.
- 4.7 Having considered the proposed budget and three-year forecast, the Council shall determine its Council tax budget requirement by setting a budget. The Council shall set a precept for this amount no later than the end of December for the ensuing financial year.

- 4.8 **Any member with Council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.9 The RFO shall issue the precept to the billing authority no later than the end of December and supply each member with a copy of the agreed annual budget.
- 4.10 The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned. As part of the budget process, the Council shall approve a Reserves Policy which sets out the purpose and financial limits for each of its financial reserves.
- 4.11 Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the Council.
- 4.12 In setting the budget, the Council shall have regard to the opinion of the RFO concerning the robustness of estimates and the adequacy of reserves.
- 4.13 The approved annual budget shall form the basis of financial control for the ensuing year, subject to any amendments authorised by Council.

5. Procurement

- 5.1 **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.
- 5.2 The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.
- 5.3 Every contract shall comply with these the Council's Standing Orders and these Financial Regulations , and no exceptions shall be made, except in an emergency.
- 5.4 **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Public Contracts Regulations 2015 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award, and notification of that contract.**

- 5.5 Where the estimated value is below the Government threshold, the Council shall (with the exception of items listed in paragraph 5.12) obtain prices as follows:
- a. For contracts estimated to exceed £15,001 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the Council OR advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with the Councils Procurement Policy.
 - b. For contracts estimated to be over £30,000 including VAT, the Council must comply with any requirements of the Legislation regarding the advertising of contract opportunities and the publication of notices about the award of contracts.
 - c. For contracts greater than £3,000 excluding VAT officers shall seek at least three fixed-price quotes.
 - d. Where the value is between £500 and £3,000 excluding VAT, officers shall try to obtain three estimates or quotes which might include evidence of online prices, or recent prices from regular suppliers.
 - e. For smaller purchases, officers shall seek to achieve value for money.
- 5.6 **Contracts must not be split into smaller lots to avoid compliance with these rules.**
- 5.7 The requirement to obtain competitive prices in these Regulations need not apply to contracts that relate to items (a) to (d) below:
- a. Specialist services, such as legal professionals acting in disputes.
 - b. Repairs to, or parts for, existing machinery or equipment.
 - c. Works, goods, or services that constitute an extension of an existing contract.
 - d. Goods or services that are only available from one supplier or are sold at a fixed price.
- 5.8 When applications are made to waive this Financial Regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the Council or relevant committee. Avoidance of competition is not a valid reason.
- 5.9 The Council shall not be obliged to accept the lowest or any tender, quote, or estimate.
- 5.10 Individual purchases within an agreed budget for that type of expenditure are appended at A: Scheme of Delegation - Responsibility for Spending & Signatories and Budget Holders.
- 5.11 No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of the Council or make any contract on behalf of the Council

- 5.12 No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the Council or a duly delegated committee acting within its terms of reference except in an emergency. Any report or proposal to a Committee or Council that would result in expenditure exceeding the appropriate budget shall not be considered until it has been reviewed by the RFO and their comments considered in making the decision on the proposal.
- 5.13 In cases of serious risk to the delivery of Council services or to public safety on Council premises, the Clerk may authorise expenditure of up to £25,000 excluding VAT on repair, replacement, or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Town Clerk may authorise revenue expenditure on behalf of the Council which, in the Clerk's judgement, is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. For the purposes of this paragraph, the circumstances invoked to justify extreme urgency must not in any event be attributable to the Council. The Clerk shall report such action to the Chair as soon as possible and to the Council as soon as practicable thereafter. The Town Clerk shall record such expenditure within the payments schedule and, where there is no budgetary provision for the expenditure, report the expenditure and its purpose in writing to the Council as soon as practicable thereafter.
- 5.14 No expenditure shall be authorised, no contract entered into, or tender accepted in relation to any major project, unless the Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.
- 5.15 A Purchase Order shall be issued for all work, goods, and services above £1000 excluding VAT unless a formal contract is to be prepared, or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.
- 5.16 During the budget year, the RFO, having considered fully the implications, a supplementary estimate may be allocated from any unspent and available budgets which may be transferred to other budget headings ('virement'); however, no virement shall be permitted from salaries budgets. All proposed budget virements to or from reserves will be reported to Finance Committee for approval and ratified by Full Council.
- 5.17 Any ordering system can be misused and access to them shall be controlled by the Services and Contracts Manager.
- 5.18 The RFO shall regularly provide the Council and Committees with a statement of expenditure and income for the financial year to date against each head of the budget, comparing actual expenditure to the appropriate date against the expected proportion of the budget. Statements are to be prepared at least quarterly and shall show explanations of material variances from budget.

6. Banking and payments

- 6.1 The Council's banking arrangements, including the bank mandate, shall be made by the RFO, and approved by the Council. Banking arrangements may not be delegated to a committee. The arrangements shall be regularly reviewed for security and efficiency.
- 6.2 Council will make safe and efficient arrangements for the making of its payments. The Council Officers shall have delegated authority to process electronic payments in respect of all authorised items of expenditure as and when, and on a timely basis, to ensure that all invoices are paid in accordance with terms as far as is practicable. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation/dual control or dual payment checking. Even where a purchase has been authorised, the payment must also be authorised, and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.
- 6.3 All invoices for payment shall be examined, verified, and certified for arithmetical accuracy by the relevant budget holder in accordance with the Scheme of Delegation of Financial Responsibility to Spending Officers, or the RFO as appropriate, and to confirm that the work, goods or services to which each invoice relates has been received.
- 6.4 Personal payments (including salaries, wages, expenses, and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
- 6.5 All payments shall be made by online banking/cheque, in accordance with a resolution of the Council or duly delegated committee or a delegated decision by an officer, unless the Council resolves to use a different payment method.
- 6.6 Invoices shall be posted to the appropriate expenditure heading in the general ledger following approval by the RFO or Town Clerk. The RFO shall present a summary schedule of payments, which have been verified by two councillors prior to payments being made, forming part of the agenda for the meeting of the Finance Committee. The committee shall review the schedule for card payments and direct debit and standing order payments for compliance. The approved schedules shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments is published on the Councils website.
- 6.7 For each financial year the RFO may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items), which the Council or a duly delegated committee may authorise in advance for the year. Direct debits and Standing Orders are reviewed at each meeting of the Finance Committee.

- 6.8 The RFO, Services and Contracts Manager, Community Services Officer and Town Clerk shall:
- a. Have delegated authority to process all payments in respect of all authorised items of expenditure as and when, and on a timely basis, to ensure that all invoices are paid in accordance with terms as far as is practicable.
 - b. In exceptional circumstances where payment is required by cheque, these shall be signed by two approved signatories these being the RFO, Services and Contracts Manager, Community Services Officer, two named councillors and the Town Clerk.
 - c. Any transfer of monies between bank accounts shall be made by any combination of two officers of the Council: the RFO, Services and Contracts Manager, the Town Clerk, the Services and Contracts Officer.

7. Electronic payments

- 7.1 For HSBC internet business banking the Town Clerk shall be appointed as the Primary User. The bank mandate agreed by the Council shall identify three officers who will be Secondary Users. Any of the four officers will have authority to upload and confirm payments on the account. A minimum of two people will be involved in any online payment process. All Secondary Users have access to view the council's bank accounts online.
- 7.2 The online users are also the account signatories along with two Members of the Finance Committee. As signatories the Councillors do not have online access to view the account. Councillors are provided with a copy of the transactions made from the HSBC after the payments are made and/or can view the online bank account with a Secondary User by appointment.
- 7.3 HSBC Users are required to use the HSBC app that provides security codes. No employee or Councillor shall disclose any PIN or password, relevant to the Council or its banking, to anyone not authorised in writing by the Council or a duly delegated committee.
- 7.4 The Secondary User shall set up all items due for payment online. A list of authorised payments authored by the Services and Contracts Manager and verified by the RFO, together with copies of the relevant invoices, shall be sent by email to the two Members of the Finance Committee.
- 7.5 In the prolonged absence of the Primary User, the Secondary Users will arrange business continuity to ensure payments paid on time.
- 7.6 Two members of the Finance Committee will verify payment details against the invoices before the payments are made by the Secondary Users.

- 7.7 Evidence shall be retained showing which Members reviewed the payments and a printout of the transaction confirming that the payments had been made shall be appended to the payment schedule for audit purposes.
- 7.8 A full list of all payments made in a month shall be provided to the next Finance Committee meeting and appended to the minutes.
- 7.9 With the approval of the Finance Committee in each case, regular payments (such as rent, Non-Domestic Rates, pension contributions, and HMRC payments) may be made by variable direct debit, provided that the instructions are signed/approved online by two authorised signatories. The approval of the use of each variable direct debit shall be reviewed by the Finance Committee at least every two years.
- 7.10 Payment may be made by BACS or CHAPS by resolution of the Council provided that each payment is approved by two authorised bank signatories, evidence is retained, and any payments are reported to the Finance Committee at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Council as required.
- 7.11 Regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed by two authorised signatories' evidence of this is retained and any payments are reported to Council when made. The approval of the use of a banker's standing order shall be reviewed by the Finance Committee at least every two years.
- 7.12 Account details for suppliers may only be changed upon written notification by the supplier verified by the Clerk and the RFO. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years.
- 7.13 Members and officers shall ensure that any computer or mobile phone used for the Council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.

8. Cheque payments

- 8.1 Cheques for payment made in accordance with a resolution or delegated decision shall be signed by two signatories.
- 8.2 A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.
- 8.3 To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.
- 8.4 Cheques shall not normally be presented for signature other than at, or immediately before or after a Council or committee meeting. Any

signatures obtained away from Council meetings shall be reported to the Finance Committee at the next convenient meeting.

9. Payment cards

- 9.1 Any Debit Card issued for use will be specifically restricted to the Councils senior officers and will also be restricted to an agreed single transaction maximum value of £250.
- 9.2 A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council. Transactions and purchases made will be reported to the Council and authority for topping-up shall be at the discretion of the Council.
- 9.3 Any corporate credit card or trade card account opened by the Council will be specifically restricted to use by the Councils senior officers and any balance shall be paid in full each month.
- 9.4 Personal credit or debit cards of members or staff shall not be used except for expenses of up to £250 including VAT, incurred in accordance with Council policy.
- 9.5 The use of payment cards is appended to this policy at B.

10. Petty Cash

- 10.1 The Council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash, for example for postage or minor stationery items shall be refunded on a regular basis, at least quarterly.

11. Payment of salaries and allowances

- 11.1 **As an employer, the Council must plan to comply with the statutory requirements of PAYE legislation.**
- 11.2 **Councillors' allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 11.3 Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as authority thinks fit".
- 11.4 In determining the pay and remuneration of all of its employees, the Council will comply with legislation such as, but not exclusively, the:
- Equality Act 2010.
 - Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000.
 - Transfer of Undertakings (Protection of Employment) Regulations .
- 11.5 The Council aims to pay the Real Living Wage as a minimum.

- 11.6 The Council adheres to the national pay bargaining for local government employees, and staff pay is determined by the National Joint Council (NJC) for Local Government Services and national pay awards are effective from 1 April each year (NJC Green Book) which are agreed by national negotiation between the employers and the trade unions.
- 11.7 Following the annual National Joint Council's pay agreement the Council's Finance Committee will consider the change to staff hourly pay rates. This is not a review of pay scale point or grade. The agreement is a national recommendation that should be applied, and the matter is progressed forward to Full Council for ratification.
- 11.8 No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the Council or Finance Committee.
- 11.9 Pay grades are determined in line with the job description of the post. In determining its pay and grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to be able to recruit and retain employees who are able to meet the requirements of providing high quality services to the community.
- 11.10 New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate, and to recognise continuous service. From time to time, it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills, and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
- 11.11 Council is responsible for recruiting and agreeing the terms of the Town Clerk position. The Finance Committee are responsible for decision making in relation to the recruitment, terms, and conditions in relation to all other employees of the Council. The Scheme of Delegation sets out the various delegations.
- 11.12 Employees can progress to the salary range maximum of their grade subject to satisfactory work performance or completing sector specific qualifications.
- 11.13 Subject to qualifying conditions, all employees have a right to join the Local Government Pension Scheme. In addition, the Council operates pensions 'Auto Enrolment' as required by the Pensions Act 2008
- 11.14 All salaries shall be calculated in accordance with payroll records and the rules of PAYE and National Insurance currently operating.
- 11.15 Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment

contracts provided that each payment is reported to the next available Finance Committee meeting.

- 11.16 Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these Regulations above.
- 11.17 Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a confidential record, with the total of such payments each calendar month reported in the cashbook. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a. By any Councillor who can demonstrate a need to know.
 - b. By the internal auditor.
 - c. By the external auditor or
 - d. By any person authorised under the Local Audit and Accountability Act 2014 or any superseding legislation.
- 11.18 The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations , to ensure that only payments due for the period have been paid.
- 11.19 The Council's payroll service shall, on instructions from the RFO, calculate, and provide records for all salaries and related costs for Council Officers. The payroll service shall deal with all relevant correspondence and complete all required forms relating to the Council's payroll and pensions. Payroll reports will be reviewed by the Finance Committee to ensure that the correct payments have been made.
- 11.20 Any termination payments shall be supported by a report to the Council, setting out a clear business case. Termination payments shall only be authorised by the full Council.
- 11.21 Before employing interim staff, the Council must consider a full business case.

12. Loans and investments

- 12.1 Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council, after obtaining any necessary approval.
- 12.2 Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the Full Council, following a written report on the value for money of the proposed transaction.

- 12.3 The Council shall consider the requirement for an investment strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must be written in accordance with relevant Regulations , proper practices, and guidance. Any strategy and policy shall be reviewed by the council at least annually.
- 12.4 All investment of money under the control of the council shall be in the name of the Council.
- 12.5 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 12.6 Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these Regulations.

13. Income

- 13.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.
- 13.2 The Council will review all fees and charges at least annually. Fees and charges to be made for work done, services rendered, or goods supplied shall be reviewed and agreed annually by Full Council, following a report by the Services and Contracts Manager. Charges shall be notified to the RFO and the RFO shall be responsible for the collection of accounts due to the Council.
- 13.3 Any sums found to be irrecoverable, and any bad debts shall be reported to the Council by the RFO and shall be written off in the year. The Council's approval shall be shown in the accounting records.
- 13.4 All sums received on behalf of the Council shall be deposited intact with the Council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.
- 13.5 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 13.6 The RFO shall ensure that VAT is correctly recorded in the Council's accounting software promptly and complete any claim for the refund of VAT that is required. Such repayment claims, due in accordance with VAT Act 1994 section 33, shall be made at least quarterly, including the financial year end.
- 13.7 Particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed annually by the Council, notified to the RFO, who shall be responsible for the collection of all accounts due to the Council.
- 13.8 The Council shall not accept the receipt of sums of cash more than £250, nor smaller amounts which have been disaggregated to avoid this limit.

14. Payments under contracts for building or other construction works.

- 14.1 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.
- 14.2 Any variation of addition to or omission from a contract must be authorised by the Clerk or Services and Contracts Manager to the contractor in writing, with the Council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.
- 14.3 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to the retention of any percentage withheld as may be agreed in the particular contract).

15. Stores and equipment

- 15.1 The officer in charge of each section shall be responsible for the care and custody of stores and equipment appropriate to their section.
- 15.2 Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 15.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 15.4 The Services and Contracts Manager shall be responsible for periodic checks of stocks and stores at least annually.

16. Assets, properties, and estates

- 16.1 The Councils solicitor shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council.
- 16.2 The Councils solicitor and RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date of all properties held by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations .
- 16.3 The continued existence of tangible assets shown in the Register shall be verified at least annually, in conjunction with a health and safety inspection of assets.

- 16.4 No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a Report in writing shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate where required by law).
- 16.5 No tangible moveable property shall be purchased or otherwise acquired, sold, leased, or otherwise disposed of, without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £25,000.

17. Insurance

- 17.1 The RFO shall keep a record of all insurances effected by the Council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the Council's review of risk management. The Town Clerk/Services & Contracts Manager/RFO shall ensure that all assets for which they are responsible are protected against loss or damaged, maintained appropriately and subject to periodic safety inspections.
- 17.2 The Clerk and officers shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 17.3 The RFO shall be notified of any loss, liability, damage, or event likely to lead to a claim, and shall report these to the Council at the next available meeting. The RFO/Services and Contracts Manager shall negotiate all claims on the Council's insurers in consultation with the Clerk.
- 17.4 All appropriate members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council, following advice from the RFO.

18. Suspension and revision of Financial Regulations

- 18.1 The Council shall review these Financial Regulations annually and following any change of clerk or RFO. The Clerk and RFO shall monitor changes in legislation or proper practices and advise the Council of any need to amend these Financial Regulations .
- 18.2 The Council may, by resolution duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations , provided that reasons for the suspension are recorded and that an assessment of the risks arising has been presented to all members. Suspension does not disapply any legislation or permit the Council to act unlawfully.
- 18.3 The Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions, or other exceptional circumstances.

APPENDICES: Policies of financial governance

- A. Scheme of Delegation – Authority to spend and signatories
- B. Budget Holders
- C. Debit and Credit Card Policy

ADOPTED: 2015

Version Control Table

Title	Financial Regulations V1.052015			
Description	Governance Policy – requires annual review			
Created By	Town Clerk			
Date Created	May 2015			
Maintained By	Town Clerk/Legal/RFO/SCM			
Version Number	Modified By	Modifications Made	Date Modified	Status
V2	T/C, RFO & SCM	Changes to banking operations and electronic payments	25/11/25	Live



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APPENDIX A

Scheme of Delegation of Financial Responsibility for Spending & Signatories/Secondary Users

This Council delegates spending responsibilities to certain officers, and with certain limits. This list has recently been reviewed and is as follows:

Officer	Limit
Town Clerk Signatory/SU/Card holder	Any expenditure that is within the budgets approved by Full Council
Responsible Finance Officer Signatory/SU	Any expenditure that is within the budgets approved by Full Council
Services & Contracts Manager Signatory/SU/card holder	Any expenditure that is within the budgets approved by Full Council
Solicitor	Any expenditure that is within the budgets approved by Full Council
Deputy Town Clerk Card holder	Any expenditure that is within the budgets approved by Full Council
Community Services Officer Signatory/SU/Card holder	Any expenditure that is within the budgets approved by Full Council
Economic Development Officer	Any expenditure that is within the budgets approved by Full Council
Events Officer	Any expenditure that is within the budgets approved by Full Council

Where an authorisation would result in an individual budget being overspent then the necessary virement should be approved and actioned before authorisation takes place by the RFO and Town Clerk.

1. It is an expressed requirement of this Protocol that all Officers abide by the following:
 - a) Standing Orders
 - b) Financial Regulations .
 - c) Procurement Strategy particularly in respect of the threshold figures for seeking quotations.
 - d) Any expenditure must be authorised from an approved budget.
 - e) Any leasing of equipment can only be entered into with the specific approval of the Responsible Financial Officer or the Town Clerk.
2. Any breach of any aspect of this Protocol will lead to action under the Disciplinary Procedure.



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APPENDIX B

Budget Holders

ASSETS SERVICES	Services & Contracts Manager
FINANCE COMMITTEE <ul style="list-style-type: none"> • Legal matters 	Town Clerk Solicitor
PLANNING COMMITTEE <ul style="list-style-type: none"> • Regeneration 	Deputy Town Clerk Economic Development Officer
COMMUNITIES COMMITTEE: <ul style="list-style-type: none"> • Town Project • Climate Change • Corporate Communications • Grants • Town Projects 	Community Services Officer
<ul style="list-style-type: none"> • Arts, Culture & leisure 	Events Officer



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APPENDIX C

Debit And Credit Card Policy

Wherever possible an order should be made and paid for with an invoice. However, it is recognised that this may not always be the most efficient option in relation to low value spend and so, the use of debit and cards is permitted but must only be used to acquire goods and services for approved Council business.

This policy is intended to provide detailed guidance and assistance in obtaining and using Penrith Town Council debit and credit cards and describes the responsibilities and restrictions which cardholders must accept before being provided with any such card.

Any attempt by the cardholder to make changes to the Council's terms and conditions of the card or the associated bank account will be treated as a disciplinary offence.

1. Obtaining Cards

- a) All cards are issued for the sole purpose of facilitating the conducting of Council business that cannot be paid for by invoice.
- b) Debit and credit cards must only be used by the authorised signatory named on the card and must not be used by any other person.

2. Use of Cards

- a) Cards can be used for on-line and point of sale transactions in accordance with this policy document, within the pre-defined limits of the accounts.
- b) A receipt must be obtained and provided, together with an expense sheet, to the Town Clerk.
- c) The cardholder must ensure that the correct amount is received at the point of receipt and register any discrepancies with the bank/store immediately, or the following working day if out of normal business hours.
- d) If any purchase contains any charges for VAT, a proper VAT receipt or invoice should be obtained.
- e) Transactions and supporting documents (such as receipts) must be kept for a period of six years plus the current financial year by the relevant department for audit and HMRC purposes.

- f) Payments made via debit card are limited to the cleared funds available in the pre-paid account.

3. Reconciliation and Inspection

- a) All debit card transactions will appear on the bank account's bank statement, the receipts/invoices obtained must be reconciled to the statement, monthly as a minimum.
- b) All credit card transactions will appear on the credit card account statement, the receipts/invoices obtained must be reconciled to the statement, on a monthly basis as a minimum.
- c) All receipts and the reconciliation schedule must be checked and authorised by the RFO, Services and Contracts Manager, and Town Clerk. A segregation of duties by a minimum of two persons must be maintained at all times.

4. Restrictions

- a) Debit and credit cards must not be used for any non-Council business or personal expenses.
- b) Only secure sites should be used to make purchases via the internet with a web address beginning HTTPS.
- c) The only person authorised to use the card is the cardholder. Card details are NOT to be retained by an online website.
- d) The cardholder shall not make any attempt to change the terms and conditions on which the card is held.
- e) The cardholder must not share any account details or passwords in respect of transactions with anyone else.

5. Security

- a) The card will only ever be used by the person named on the card.
- b) It is the personal responsibility of the card holder to ensure the card is kept secure at all times and cannot be accessed by any other persons. Reasonable steps should be taken to ensure the card details cannot be viewed or overheard by any other persons.
- c) Passwords or other details relating to the debit card or cardholder must not be written down.
- d) Debit cards details must not be stored where others may have access to them.
- e) It is recommended for security reasons that wherever possible transactions are processed by the cardholder being physically present at the point of sale.
- f) The card's Security PIN number must be kept secure and not disclosed to anyone else, under any circumstances.
- g) The bank must be notified immediately if the card is lost or stolen, or fraudulent use is suspected.
- h) The cardholder will surrender their card to the Town Clerk when the cardholder leaves the employment of the Council, or if circumstances change so that a card is no longer required. The card should then be destroyed by the Town Clerk and the provider notified.
- i) Staff will be held personally liable for any transactions processed through the card until the time when the card is physically surrendered.

- j) If the cardholder misuses the card or fraudulently uses the card or knowingly permits any other person to use the card, this will result in disciplinary action being taken against the cardholder.

Version Control Table Template

Title	Financial Regulations			
Description	Financial Governance Policy – requires annual review			
Created By	Town Clerk			
Date Created	May 2015			
Maintained By	Town Clerk/RFO/SCM			
Version Number	Modified By	Modifications Made	Date Modified	Status
V2.0052015	TC/RFO/SCM	Payments process and banking procedures	November 2025	Live

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FINANCE COMMITTEE

Date: 08 December 2025

Public Report

Matter: Royal British Legion Commemorative Bench

Item no: 15

Author: Services and Contracts Manager

Supporting Member: Cllr. Shepherd, Chair of Finance Committee

Purpose of Report:

Consider a request from the former President of the Women's section of the Penrith branch of the Royal British Legion to adopt a commemorative bench.

Recommendations:

To adopt and restore the commemorative bench which is located at the old Royal British Legion building, and to meet the costs of the restoration from the seats and shelters budget.

Law and Legal Implications

The Town Council resolved from 15 May 2023, 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.

1. Report Details

- 1.1 The former President of the Women's section of the Penrith Branch of the Royal British Legion has written to the Council and requested that consideration be given to the adoption and restoration of a commemorative bench that is located outside the old Royal British Legion building.
- 1.2 Following the sale of the British Legion building and a reducing membership the decision has been taken to close the women's branch.
- 1.3 Outside the former premises stands a commemorative bench which has long served as a place of rest for the community. The bench is now in need of some care and attention, and the former president has requested whether the Town Council would take on the future ownership and restoration.
- 1.4 The costs of the restoration are not known but may cost in the region of £750 and if supported could be met from the seats and shelters budget. The applicant has stated that their remaining funds have been returned to their headquarters so would be unable to make any financial contribution.

2. Risk assessment & Mitigation

Risk

Should the Council adopt the seat they will be responsible for the upkeep and repair and all associated costs.

Mitigation

Adopt the seat and meet the costs from an established budget to ensure the seat has a sustainable future.

3. Financial and Resource Implications

There will be a cost to refurbish the seat which may be in the region of £750 which can be met from the seats and shelters budget.

4. Equalities Implications

There are no equalities implications associated with this report.

5. Climate Change and Environmental Implications

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

Appendices

None

Background Papers

Letter submitted by the former President of the Women's section of the Penrith Branch of the Royal British Legion.