



# Carnforth Town Council

## MEMBERS OF THE PUBLIC AND PRESS ARE WELCOME TO ATTEND

**Summons to attend the meeting of the Finance & Governance Committee at Carnforth Council Offices at 5:30pm on Wednesday 13<sup>th</sup> July 2022**

### **A G E N D A**

- 22070. Apologies:** To receive apologies
- 22071. Declarations of Interest:** To receive Declarations of Interest and Dispensations on items on the Agenda
- 22072. Urgent Business:** To consider any items of urgent business not on the agenda
- 22073. Minutes:** To consider Minutes of the meeting held on Wednesday 8<sup>th</sup> June 2022 and any updates on actions taken
- 22074. Budget Monitoring and Bank Reconciliation:** To consider the following:
- 1) Bank reconciliation as at 30<sup>th</sup> June 2022
  - 2) Summary report of transactions & net position as at 30<sup>th</sup> June 2022
- 22075. Payments List:** To consider payments list for authorisation (to follow)
- 22076. Community Benefit Fund:** To consider any applications received
- 22077. Council vehicle:** To consider options for the purchase/lease of a Council vehicle
- 22078. Capital Strategy & Access to Grants and Funds: Town Council Borrowing:** To consider draft paper on a Capital Strategy and outline borrowing requirements for Parish & Town Councils
- 22079. Governance matters:** To consider the following:
- 1) Review of Council Reserves for 2022/2023 (see Reserves Policy ver 0.02)
  - 2) Review of Standing Orders, Financial Regulations and Scheme of Delegation
- 22080. Items for next Agenda:** To consider any agenda items for next meeting
- 22081. Date & Time of next meeting:** To consider date and time of next meeting

A handwritten signature in black ink, appearing to read 'Robert Barker', with a long horizontal line extending from the end of the signature.

**Clerk and Proper Officer**

**07 July 2022**

**Tel: 07828254149**

**Email: [clerk@carnforthtowncouncil.org](mailto:clerk@carnforthtowncouncil.org)**

# FINANCE & GOVERNANCE COMMITTEE

## Draft Minutes of the meeting held on Wednesday 8<sup>th</sup> June 2022

**Present:** Councillors Grisenthwaite (Chair); Branyan, Gardner, Jones and Smith

**In attendance:** Bob Bailey, Clerk & Proper Officer

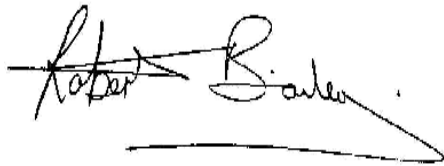
<b>22060</b>	<b>Apologies:</b> There were no apologies
<b>22061</b>	<b>Declaration of interests and dispensations:</b> There were no declarations of interest or dispensations for items on the agenda.
<b>22062</b>	<p><b>Urgent Business:</b> The Committee considered the following matters of urgent business:</p> <ol style="list-style-type: none"><li><b>1) Purchase/Lease of Council vehicle:</b> The Proper Officer and Councillors Gardner and Branyan reported on discussions at the meeting of the Property &amp; Environment Committee around the acquisition of a vehicle to support Council activities arising from: Council events; management of two community halls and day-to-day outdoor maintenance work. After some discussion the Finance and Governance Committee endorsed the purchase/lease of a Carnforth Town Council transit van or similar vehicle. <b>ACTION: Proper Officer and Outdoor Maintenance Officer research options and report back to the Finance &amp; Governance Committee.</b></li><li><b>2) Replacement Water Heater:</b> The Property &amp; Environment Committee requested that this committee considers quotations received to replace the hydro boiler water heater at Crag Bank Village Hall. Quotations had been received for a like-for-like replacement and for the installation of a Quooker tap as requested by the Property &amp; Environment Committee – the latter included a reduction in the unit cost if a tap was also installed at Carnforth Civic Hall. After some discussion, it was <b>RESOLVED that a new hydro boiler water heater be installed at Crag Bank Village Hall.</b></li><li><b>3) Allotments:</b> There was a discussion about the issues raised by the Carnforth Allotments Association and the need for the Council to seek reassurance that risks are being managed and that adequate controls are in place. The Finance and Governance committee endorsed the proposal that Councillors Branyan and Gardner arrange an urgent meeting with Carnforth Allotments Association with a view to determining the issues and what support Carnforth Town Council is able to offer.</li><li><b>4) Electric Car Share Scheme:</b> The Proper Officer provided an update on the scheme that had been considered in detail by the Town Development &amp; Planning Committee. The Finance &amp; Governance Committee were asked to consider the potential costs to Carnforth Town Council associated with the scheme. After comments and questions it was <b>RESOLVED that Carnforth Town Council be recommended to support expenditure associated with the scheme for a trial period of one year.</b></li></ol>

22063	<p><b>Minutes:</b> It was <b>RESOLVED</b> that <b>Minutes of the last meeting held on Wednesday 11<sup>th</sup> May 2022 be approved.</b> The Proper Officer provided an update on actions taken and outstanding since the last meeting of the Committee.</p>
22064	<p><b>Budget Monitoring &amp; Bank Reconciliation:</b> The Committee considered the following reports:</p> <ol style="list-style-type: none"> <li>1) <b>Bank Reconciliation:</b> The Proper Officer presented the <i>Bank Reconciliation Report</i> as at 31<sup>st</sup> May 2022. It was reported that accounting for carried forward balances from 2021/22; income in the financial year to date (£98,074 including the annual precept) and deduction of payments since 1<sup>st</sup> April (£32,055) balances stand at £155, 077, represented by cash in hand and bank balances as at 31<sup>st</sup> May.</li> <li>2) <b>Summary Report:</b> The Proper Officer then presented the <i>Summary Report of Receipts and Payments</i> as at 31<sup>st</sup> May 2022 highlighting that even at this early stage of the financial year it is clear that costs have risen significantly and that the expenditure budgets for heating and lighting and water at both community halls will be exceeded.</li> </ol> <p>It was noted that this would need to be considered when reviewing the hire costs over the Summer. It was then <b>RESOLVED that: the Bank Reconciliation and Summary Report as at 31<sup>st</sup> May 2022 be noted and the Bank Reconciliation signed by the Committee Chair</b></p>
22065	<p><b>Payments List:</b> The Proper Officer presented the list of payments awaiting authorisation, including several costs associated with the Carnforth Big Jubilee Weekend. It was reported that Carnforth High School have asked their grounds maintenance contractors to carry out repairs to the school field, the cost of which, will be passed to the Town Council. Invoices relating to some payments for the Jubilee weekend have yet to be received. After some comments it was <b>RESOLVED that the Town Council be RECOMMENDED to approve the payments list as presented and to consider other payments received up until the Carnforth Town Council meeting.</b></p>
22066	<p><b>Community Benefit Fund:</b> No applications have been received in the last month.</p>
22067	<p><b>Governance matters:</b> The Proper Officer presented a revised Reserves Policy setting out the Council's responsibilities, under statute, to maintain adequate financial reserves to meet the Council's needs. The Committee were asked to note that, for the first time, the Internal Auditor had concluded that the overall level of Reserves (£89k) is now adequate for this Council's requirements.</p> <p>There was a discussion about the purposes of holding Reserves and the types of Reserve proposed by the Proper Officer. It was then <b>RESOLVED that the Policy be amended to include NALC's best practice statement on Reserves and that Councillors determine the amount for each proposed Reserves at the next meeting of the committee.</b></p>

**22068**    **Items for next Agenda:** It was **RESOLVED** that at its next meeting the Committee will consider:

- 1) Reserves;**
- 2) Draft capital programme strategy/policy;**
- 3) Standing Orders, Financial Regulations and Scheme of Delegation review**

**22069**    **Date of next meeting:** The next meeting of Finance & Governance Committee will be held on **Wednesday 13<sup>th</sup> July 2022 at 5:15pm**. The meeting closed at 6:35pm

A handwritten signature in black ink, appearing to read 'Robert Bailey', with a long horizontal flourish extending to the right.

Proper Officer

**Bob Bailey**

Prepared by: \_\_\_\_\_  
*Name and Role (Clerk/RFO etc)*

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
*Name and Role (RFO/Chair of Finance etc)*

Date: \_\_\_\_\_

<b>A</b>	<b>Bank Reconciliation at 05/07/2022</b>		
	Cash in Hand 01/04/2022		89,057.73
	<b>ADD</b> Receipts 01/04/2022 - 05/07/2022		100,807.69
	<b>SUBTRACT</b> Payments 01/04/2022 - 05/07/2022		56,696.34
	<b>Cash in Hand 05/07/2022</b> (per Cash Book)		<b>133,169.08</b>
<b>B</b>	Cash in hand per Bank Statements		
	Petty Cash 05/07/2022	40.00	
	Unity Trust - Current 05/07/2022	106,699.15	
	Neighbourhood Plan 05/07/2022	10,093.15	
	Unity Trust - Deposit 05/07/2022	9,278.07	
	Barclays 05/07/2022	11,074.14	
			<b>137,184.51</b>
	Less unrepresented payments		4,669.43
			132,515.08
	Plus unrepresented receipts		654.00
	<b>Adjusted Bank Balance</b>		<b>133,169.08</b>
	<b>A = B Checks out OK</b>		

## Summary of Receipts and Payments

All Cost Centres and Codes

## Administration

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
43	Insurance				1,920.00	1,613.62	306.38	306.38 (15%)
45	Postage				50.00	56.39	-6.39	-6.39 (-12%)
46	Telephone				174.00	117.25	56.75	56.75 (32%)
47	Printing				263.00		263.00	263.00 (100%)
48	Stationery				126.00	119.69	6.31	6.31 (5%)
85	Publications				105.00		105.00	105.00 (100%)
115	Hospitality					11.61	-11.61	-11.61 (N/A)
SUB TOTAL					2,638.00	1,918.56	719.44	719.44 (27%)

## Allowances

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
27	Members							(N/A)
30	Town Mayor				600.00		600.00	600.00 (100%)
SUB TOTAL					600.00		600.00	600.00 (100%)

## Bank

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
70	Service Charge				158.00	70.96	87.04	87.04 (55%)
71	Bank Interest	25.00	13.03	-11.97				-11.97 (-47%)
SUB TOTAL		25.00	13.03	-11.97	158.00	70.96	87.04	75.07 (41%)

## Capital Expenditure

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
12	Carnforth Council Offices							(N/A)
13	Carnforth Civic Hall				3,000.00		3,000.00	3,000.00 (100%)
65	War Memorial Gardens							(N/A)
95	Crag Bank Village Hall				3,000.00	2,057.86	942.14	942.14 (31%)
SUB TOTAL					6,000.00	2,057.86	3,942.14	3,942.14 (65%)

## Carnforth Civic Hall

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
1	CCH - Electricity				525.00	327.88	197.12	197.12 (37%)
2	CCH - Heating				1,575.00	1,223.50	351.50	351.50 (22%)
3	CCH - Water rates				1,470.00	444.19	1,025.81	1,025.81 (69%)
4	CCH - Cleaning				1,050.00	467.73	582.27	582.27 (55%)
5	CCH - Repairs & Maintenance				2,500.00		2,500.00	2,500.00 (100%)

## Summary of Receipts and Payments

All Cost Centres and Codes

6	CCH - Waste & Recycling				1,050.00	790.15	259.85	259.85 (24%)
7	CCH - Drinks Machine							(N/A)
33	CCH - Film Nights	500.00	692.00	192.00	250.00	124.82	125.18	317.18 (42%)
52	CCH - Hire	13,000.00	962.00	-12,038.00				-12,038.00 (-92%)
114	CCH - NNDR		2,694.60	2,694.60	2,000.00	2,694.60	-694.60	2,000.00 (100%)
SUB TOTAL		13,500.00	4,348.60	-9,151.40	10,420.00	6,072.87	4,347.13	-4,804.27 (-20%)

## Civic Events

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
32	Remembrance Day				1,076.00		1,076.00	1,076.00 (100%)
34	Twinning				210.00		210.00	210.00 (100%)
68	Civic Sunday				500.00		500.00	500.00 (100%)
69	Armed Forces Day				158.00	258.67	-100.67	-100.67 (-63%)
75	VE Day					150.00	-150.00	-150.00 (N/A)
SUB TOTAL					1,944.00	408.67	1,535.33	1,535.33 (78%)

## Community Benefit Fund

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
74	Grants Paid					1,000.00	-1,000.00	-1,000.00 (N/A)
76	Grants Received							(N/A)
SUB TOTAL						1,000.00	-1,000.00	-1,000.00 (N/A)

## Community Resilience Fund

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
86	Community Resilience Fund							(N/A)
SUB TOTAL								(N/A)

## Council Office

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
87	Repairs & Maintenance				100.00	260.00	-160.00	-160.00 (-160%)
SUB TOTAL					100.00	260.00	-160.00	-160.00 (-160%)

## Crag Bank Village Hall

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
98	CBVH - Gas & Electricity				3,150.00	1,590.55	1,559.45	1,559.45 (49%)
99	CBVH - Heating							(N/A)
100	CBVH - Water Rates				525.00	264.28	260.72	260.72 (49%)

## Summary of Receipts and Payments

All Cost Centres and Codes

101	CBVH - Cleaning				1,050.00	219.53	830.47	830.47 (79%)
102	CBVH - Repairs & Maintenance				1,575.00	610.17	964.83	964.83 (61%)
103	CBVH - Waste & Recycling				788.00	678.76	109.24	109.24 (13%)
104	CBVH - Hire	18,000.00	4,356.00	-13,644.00				-13,644.00 (-75%)
111	CBVH - Grounds Maintenance				105.00		105.00	105.00 (100%)
112	CBVH - NNDR				1,981.00	622.40	1,358.60	1,358.60 (68%)
SUB TOTAL		18,000.00	4,356.00	-13,644.00	9,174.00	3,985.69	5,188.31	-8,455.69 (-31%)

## Expenses

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
20	Civic Hall Manager				100.00		100.00	100.00 (100%)
21	Clerk & Proper Officer				100.00		100.00	100.00 (100%)
22	Outdoor Maintenance Officer				100.00	25.20	74.80	74.80 (74%)
28	Members				100.00		100.00	100.00 (100%)
31	Town Mayor				300.00		300.00	300.00 (100%)
SUB TOTAL					700.00	25.20	674.80	674.80 (96%)

## ICT

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
36	Broadband		11.91	11.91	854.00	353.48	500.52	512.43 (60%)
37	Hardware				300.00	10.75	289.25	289.25 (96%)
38	Domain & Web-hosting				315.00	66.97	248.03	248.03 (78%)
39	Software				1,260.00	659.34	600.66	600.66 (47%)
SUB TOTAL			11.91	11.91	2,729.00	1,090.54	1,638.46	1,650.37 (60%)

## Newsletter

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
49	Printing				4,110.00		4,110.00	4,110.00 (100%)
50	Distribution				1,890.00		1,890.00	1,890.00 (100%)
54	Advertising							(N/A)
105	Sponsorship	1,500.00		-1,500.00				-1,500.00 (-100%)
SUB TOTAL		1,500.00		-1,500.00	6,000.00		6,000.00	4,500.00 (60%)

## Other income

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
83	Other income							(N/A)
SUB TOTAL								(N/A)

## Summary of Receipts and Payments

All Cost Centres and Codes

Precept		Receipts			Payments			Net Position
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
59	Precept	90,000.00	90,000.00					(0%)
SUB TOTAL		90,000.00	90,000.00					(0%)

Professional Fees & Services		Receipts			Payments			Net Position
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
40	Legal Services				500.00		500.00	500.00 (100%)
41	Internal Audit Services				126.00	136.00	-10.00	-10.00 (-7%)
42	External Audit Services				420.00		420.00	420.00 (100%)
82	Planning & Valuation Services				500.00		500.00	500.00 (100%)
94	Payroll Services				315.00	80.80	234.20	234.20 (74%)
113	Gas & Electrical Services							(N/A)
SUB TOTAL					1,861.00	216.80	1,644.20	1,644.20 (88%)

Projects		Receipts			Payments			Net Position
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
8	Civic Hall Feasibility Study							(N/A)
91	Eden Project				500.00		500.00	500.00 (100%)
92	Carnforth Steps into the light Prc							(N/A)
96	Carnforth Street Festival							(N/A)
97	Queen's Platinum Jubilee		343.00	343.00	7,500.00	14,069.56	-6,569.56	-6,226.56 (-83%)
SUB TOTAL			343.00	343.00	8,000.00	14,069.56	-6,069.56	-5,726.56 (-71%)

Property & Environment Comr		Receipts			Payments			Net Position
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
58	Local Delivery Scheme	500.00		-500.00	500.00		500.00	(0%)
61	Grounds Maintenance				2,500.00	639.63	1,860.37	1,860.37 (74%)
90	Alexandra Park				100.00	100.00		(0%)
106	Assets				3,000.00	594.97	2,405.03	2,405.03 (80%)
SUB TOTAL		500.00		-500.00	6,100.00	1,334.60	4,765.40	4,265.40 (64%)

Reserves		Receipts			Payments			Net Position
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
35	By-election				5,000.00		5,000.00	5,000.00 (100%)
66	Neighbourhood Plan Developme				1,000.00		1,000.00	1,000.00 (100%)
107	Emergency Planning				625.00		625.00	625.00 (100%)
108	General Reserves				14,855.00		14,855.00	14,855.00 (100%)

## Summary of Receipts and Payments

All Cost Centres and Codes

<b>SUB TOTAL</b>				<b>21,480.00</b>	<b>21,480.00</b>	<b>21,480.00 (100%)</b>
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## Salaries

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
17	Operations				20,500.00	5,341.60	15,158.40	15,158.40 (73%)
18	Administration				28,000.00	8,218.34	19,781.66	19,781.66 (70%)
80	PAYE				12,000.00	5,929.32	6,070.68	6,070.68 (50%)
<b>SUB TOTAL</b>					<b>60,500.00</b>	<b>19,489.26</b>	<b>41,010.74</b>	<b>41,010.74 (67%)</b>

## Subscriptions

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
44	NALC/LALC Subscriptions				840.00		840.00	840.00 (100%)
89	Rural Services Partnership				137.00		137.00	137.00 (100%)
93	SLCC Subscriptions				226.00		226.00	226.00 (100%)
<b>SUB TOTAL</b>					<b>1,203.00</b>		<b>1,203.00</b>	<b>1,203.00 (100%)</b>

## Suspense account

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
77	Suspense							(N/A)
<b>SUB TOTAL</b>								<b>(N/A)</b>

## Town Development &amp; Planning

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
56	Heritage Walks							(N/A)
73	Carnforth In Bloom							(N/A)
109	Town Development				3,000.00		3,000.00	3,000.00 (100%)
<b>SUB TOTAL</b>					<b>3,000.00</b>		<b>3,000.00</b>	<b>3,000.00 (100%)</b>

## Training

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
23	Civic Hall Manager				100.00		100.00	100.00 (100%)
24	Clerk & Proper Officer				500.00	455.00	45.00	45.00 (9%)
25	Outdoor Maintenance Officer				100.00		100.00	100.00 (100%)
29	Members				350.00	45.00	305.00	305.00 (87%)

## Summary of Receipts and Payments

All Cost Centres and Codes

SUB TOTAL

1,050.00

500.00

550.00

550.00 (52%)

## Value Added Tax

## Receipts

## Payments

## Net Position

Code Title

Budgeted

Actual

Variance

Budgeted

Actual

Variance

+/- Under/over spend

72 VAT Refund

1,735.15

1,735.15

1,735.15 (N/A)

SUB TOTAL

1,735.15

1,735.15

1,735.15 (N/A)

## War Memorial Gardens

## Receipts

## Payments

## Net Position

Code Title

Budgeted

Actual

Variance

Budgeted

Actual

Variance

+/- Under/over spend

51 WMG - Electricity

262.00

149.55

112.45

112.45 (42%)

62 WMG - Cleaning

1,800.00

450.00

1,350.00

1,350.00 (75%)

SUB TOTAL

2,062.00

599.55

1,462.45

1,462.45 (70%)

## Summary

NET TOTAL

123,525.00

100,807.69

-22,717.31

145,719.00

53,100.12

92,618.88

69,901.57 (25%)

V.A.T.

3,596.22

GROSS TOTAL

100,807.69

56,696.34

# **A Capital Strategy for Carnforth Town Council**

## Introduction

Carnforth Town Council's primary assets increased by almost 50% in 2020 with the acquisition of Crag Bank Village Hall (CBVH). Despite coming with a positive financial dowry and generating substantial income in its first full year of operation under CTC, CBVH has also brought with it significant responsibilities and liabilities.

Taken in conjunction with the responsibilities and liabilities that the Town Council already faces with the much older Civic Hall, CTC is in urgent need of formulating a capital development strategy to deal with planned maintenance, refurbishment and building improvements as well as any contingencies that may affect both buildings.

A capital strategy such as this should clearly identify known issues affecting both buildings including the regular servicing of plant and planned maintenance thus ensuring the continuing value and attraction of the buildings to the local community together with compliance with health and safety regulations and legislative and insurance requirements. However, maintaining a status quo in relation to the fabric of both buildings should not be the sole aim of an ambitious organisation such as CTC.

A capital strategy should also aim to identify opportunities for improvement and expansion (where feasible) in properties whose key purpose is to serve the community. It is recognised that both the CH and CBVH have features that detract from their appeal to certain groups of customers. In the case of the CH, the lack of car parking space places limitations on its use by the very young or very old. In the case of CBVH, its utilitarian construction (it is really an industrial unit with enhancements) is a factor that is holding back its development.

Both buildings are in need of a radical overhaul of their heating systems, The Civic Hall is dependent on an increasingly expensive oil-fired boiler feeding hot water to cast iron radiators that are not only inefficient but hazardous to users of the Hall. The heating system at CBVH is a gas fired convection system that blows out warmed air at first floor level. Not only is the system inefficient as the warm air rises and escapes through the uninsulated roof but it is also very noisy and poses problems for certain users particularly the local choirs.

## What Next?

As a starting point CTC should establish a new 5 year maintenance plan for both buildings that takes account of all known routine tasks and jobs needed to allow normal operation whilst protecting their structure and fabric.

Secondly, and looking to the future, CTC needs to define clearly how it sees both buildings being improved and developed in order to attract new audiences from across the community. Amongst ideas that could be considered are;

- Address the heating problems at both buildings AND embrace the green agenda by seeking external funding for more environmentally efficient forms of heating such as air source/ ground source.

- Investigate with Christ Church School the possibility of building a car park at the side of the Civic Hall.
- Explore extending the upper floor at CBVH to create extra meeting room/ office space.
- Examine how the layout of the Civic Hall could be improved to increase utility/ versatility.
- Should we consider obtaining alcohol licences for the buildings?

### Funding

Finance is key to achieving any improvements or changes to our community buildings. Most routine maintenance works can be met from our annual revenue budget but larger projects, such as the replacement of heating systems, will require substantial capital funding.

We have an opportunity this year to use some of the monies carried forward from last year's budget to create a capital budget but that will still not be sufficient to address the essential matters identified above. Furthermore, if we wish to go further and improve and enhance the two Halls by undertaking new works, then we will need to find new sources to fund them.

There are options open to us; we could borrow the money needed or we could apply for external funding to grant giving bodies such as the National Lottery. Both options would require the investment of considerable time and energy and "buying in" professional expertise to pursue these options might prove more economical in the longer-term.

### Conclusion

I suggest that CTC should:

1. Revise and renew the 5 year maintenance schedules for both Halls, identifying priority and routine tasks to enable the pricing of those works.
2. For each Hall, clarify what improvements are needed and obtain outline costings to inform the next stage of development.
3. Establish what capital funding sources, including borrowing, are available.
4. Once stages 1 to 3 are complete, engage a consultant or consultants to formulate detailed plans to facilitate necessary funding applications.
5. Aim to complete the capital funding plan no later than October 2022 in order to inform the budget planning process for 2023-24.

**Jim Grisenthwaite**

**30 June 2022**



# Carnforth Town Council

## Reserves Policy 2022 – version 0.02

### Introduction

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

Section 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no specific minimum level of reserves that an authority must hold, and it is the responsibility of the Responsible Finance Officer to advise the Council about the level of reserves to ensure that there are procedures for their establishment, maintenance and use.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three main purposes;

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the general reserves;
- A contingency to cushion the impact of unexpected events or emergencies- this also forms part of the general reserves;
- A means of building up funds, often referred to as earmarked reserves, to meet known or predicated requirements; earmarked reserves are accounted for separately but remain legally part of the general fund.

Control objective D of the Annual Governance and Accountability Return requires that *'The precept or rates requirement resulted from an adequate budgetary process progress against the budget was regularly monitored; and reserves were appropriate'* The 2021/22 Internal Audit Report concluded that this control objective had been met and that the Council had built on its improved reserves position as at 31<sup>st</sup> March 2021 and that 'The closing level of reserves as at 31<sup>st</sup> March 2022 represents an appropriate level for the Council':

### General Fund Balance

The general fund balance, commonly termed the 'working balance' or general reserve, is a balance on the council's revenue account which is not held for any specific purpose other than to cushion the council's finance against any unexpected short-term calls on the council's cash flow.

The general fund balance is to be maintained at a level based upon a risk assessment carried out annually by the Finance and Governance Committee, supported by the Responsible Finance Officer (RFO) when setting the budget for the forthcoming year.



## Carnforth Town Council

### Reserves Policy 2022 – version 0.02

In line with best practice, it is recommended that the Council holds a General Fund Balance equivalent to no less than twenty-five percent of annual expenditure. Any amount in excess of this minimum value will be determined as part of the annual budget process.

Any surplus on the reserve above the required balance may be used to fund capital expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept.

#### Financial Risk Management

To assess the adequacy of the general fund when setting the annual budget, the Finance and Government Committee will take account of the strategic, operational and financial risks facing the council.

The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon risk assessment of the council's main areas of income and expenditure and consider any provisions and contingencies that may be required.

The main items to be considered are:

Financial Risk	Analysis of Risk
Loss of staff due to long term sickness – Contractually salaries must be paid for 6 months.	Council could not function effectively – Additional costs would be incurred to pay for staff cover.
Pay inflation is greater than budgeted.	The cost of living increase is above the level allowed for in the estimates.
Contractual inflation is greater than budgeted.	A general assumption is made when estimating the percentage increase on rates and utilities. This may increase above budgeted inflation. Professional and other services costs increase above estimate.
By-Elections expenses greater than budgeted amount.	As assumption is made that an average ward by-election would cost £6,000 and this amount is included within the budget each year – see earmarked reserves.
Insurance Claims	Good claims management (cost of excess on 10 claims per year)



## **Carnforth Town Council**

### **Reserves Policy 2022 – version 0.02**

#### **Statutory Reserves**

Local Authorities also hold reserves that arise out of the interaction of legislation and proper accounting practices. Carnforth Town Council has no requirements to maintain statutory reserves.

#### **Earmarked Reserves**

Earmarked Reserves represent amounts that are generally built up over a period which are earmarked for specific items of expenditure to meet known or anticipated liabilities or projects.

The 'setting aside' of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year. The Council, when establishing an earmarked reserve, will set out:

- The reason/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the management and control of the reserve; a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

The following earmarked reserves will be held by the Council:

<b>No</b>	<b>Purpose of Reserve</b>	<b>Amount (£)</b>
<b>1.</b>	General Reserves	£75,913
<b>2.</b>	Asset Replacement Fund (office/electronic equipment, street furniture; Bus Shelters; Civic Hall/Crag Bank equipment)	0.00
<b>3.</b>	Election Fund	£5,000
<b>4.</b>	Capital Programme/Expenditure	£6,000
<b>5.</b>	Neighbourhood Plan	£1,374
<b>6.</b>	Emergency Planning	£768
<b>Total</b>		£89,055

#### **Review of the adequacy of balances and reserves**

In accessing the adequacy of reserves the strategic, operational and financial risks facing the authority will be considered. The level of earmarked reserves will be reviewed as part of the annual budget preparation.

**Bob Bailey, Responsible Finance Officer**