

KENDAL TOWN COUNCIL

Audit, Grants and Charities Committee

Thursday, 29th October 2009
In the Mayor's Parlour, Town Hall, Kendal

PRESENT: Councillors Chris Mayho (Chairman), John Bateson, Rob Boden and Geoff Cook.

APOLOGIES: Councillor Paul Beavan.

OFFICERS: John Hutchinson (Town Treasurer), Margaret Graham (Secretary).

359/09/10 MINUTES OF MEETING HELD ON 27 JULY 2009

The Committee considered the minutes of the meetings held on 27 July 2009.

RESOLVED that the minutes of the meeting held on 27 July 2009 be accepted as a true record.

MATTERS ARISING FROM MEETING ON 27 JULY 2009

360/09/10 Appointment of Vice-Chairman (Minute 183/09/10)

Councillor Rob Boden agreed to accept the appointment of Vice-Chairman of the Committee.

361/09/10 Great North Air Ambulance (Minute 185/09/10)

The Treasurer reported that Council had approved the recommendation to give a grant of £1,000 to the Great North Air Ambulance at its meeting on 7th September 2009 (Minute 208/09/10 refers).

362/09/10 Investment Policy (Minute 188/09/10)

The Treasurer reported that he had approached Santander and the Cumberland Building Society with a view to investing £50,000 with each. The process with the Cumberland was nearing completion. However, trying to transact business with Santander was proving extremely difficult. The Treasurer felt he may have to try elsewhere, but had no other particular banking organisation in mind. He had established that Northern Rock and the Skipton Building Society would only accept personal investments, while the Marsden was only willing to offer a 1.75% variable rate. The Treasurer was asked to contact Barclays to ascertain if a better investment rate can be obtained.

RESOLVED that the Treasurer be asked to contact Barclays with a view to establishing if they are able to improve on the interest rate previously offered, and to report back to Council on 16th November 2009.

RECOMMENDED that, if Barclays are still not able to offer a competitive rate of interest, Council authorise the Treasurer to invest £100,000 with the Cumberland Building Society.

Internal Auditor's Report (Minute 189/009/10)

363/09/10 Asset Register

The Treasurer had provided the basis of a comprehensive asset register. Photographs had been taken of the Council's pictures and curios, and preparation of a summary was under way. He felt that up-to-date valuations ought to be obtained, which could prove to be expensive. It was suggested that this should be referred to the Mayoralty and Arts Committee.

Members felt that there should be a lower limit at which assets should be required to be registered. It was suggested that individual items with a purchase value of £250 or more should be recorded in the asset register. This would adequately cover items such as computer equipment. The register should be updated annually with new purchases (over £250). Members felt it would be a waste of time and money to itemise purchases and assets of lesser value.

RECOMMENDED that

- (1) the issue of up-to-date valuation of paintings, etc be referred to the Mayoralty and Arts Committee for consideration; and**
- (2) Council approve that only items with a purchase value of more than £250 should be placed on the asset register, which should be updated annually with new items over this value.**

364/09/10 Allen Technical Institute

Note: Councillor Geoff Cook declared a personal interest in this item because because he is a Governor of Kendal College.

There was a concern among Members that the Town Council did not have a formal agreement with Kendal College and South Lakeland District Council. It was accepted that there must have been a historical agreement in the past between the Allen Institute and Kendal Town Council in respect of the building and land.

Councillor Boden referred to the agreement (which he had seen signed) between Kendal College and SLDC. It was reported that the College had subsequently bought land to the rear of the Institute, and the Castle Dairy. However, it was felt that the Town Council part needed clarification. The Treasurer was asked to contact Mr Brian Whittaker of Thomson Wilson Pattinson Solicitors in Bowness and ask him to draw up a new lease agreement.

365/09/10 EXTERNAL AUDITOR'S REPORT

The Treasurer presented a report from the Council's External Auditors, expanded on the contents and auditor's recommendations, and responded to queries from Members. Attention was drawn to

- **Dowker Bindloss Charity** – the auditors still had concerns despite the fact that separate agendas are drawn up and meetings held independently of the Town Council. They recommended that the Council (as a corporate body) should resign as a trustee of the charity and withdraw from any administration function it may perform. The auditors clearly haven't understood the situation and it is felt that there is a need for further clarification. It was therefore decided to retain the present procedures for the moment and to seek advice from the Charity Commission.
- **Asset Register** – this had already been dealt with earlier in the meeting.
- **Audit Recommendations** – the Treasurer had queried with the Auditors their comments on financial weaknesses.
- **Fidelity Guarantee** – The Treasurer accepted the recommendation and increased the level of cover to £370,000. This is to be reviewed annually.
- **Minute pages to be numbered** - It was agreed that the minutes of Town Council meetings should be consecutively numbered as advised by Charles Arnold-Baker. (Local Council Administration, 7th Edition, Charles Arnold-Baker, Chapter 7)

RESOLVED that the report of the External Auditors be noted.

366/09/10 FINANCE REPORT FOR THREE MONTHS ENDED 30TH SEPTEMBER 2009

The Treasurer presented a report on the Council's financial position as at 30 September 2009. He drew attention to the payment of a grant of £1,000 to the North West Air Ambulance Service, which reduced the remaining Grants balance to £1,000.

The Treasurer said that the overall position was satisfactory, and gave a brief explanation on particular items for clarification –

- the overspend on staffing for Kendal-in-Bloom – a labour-intensive element which should be addressed in the budget for 2010/11
- reduced income from banking interest
- an increase in the service charge for the upstairs office in the Town Hall, which had been more than was anticipated
- overspend on insurance because the War Memorial needed to be insured. The Treasurer suggested investigating costs with a view to reducing premiums.

After up-dating the Development Fund to include commitments of £1,500 for computers and £1,000 for the flood relief scheme at Coley Barn, as well as withdrawing the remaining balance on the completed Castle Oval Underpass

scheme, there remained almost £9,500 uncommitted. The Chairman drew Members' attention to the fact that **Councillors** had to request jobs to be done in respect of footpath maintenance. Councillor Boden pointed out that there was a budget of £4,000 within the Environment and Highways function for footpath maintenance, and nothing had been spent in the current financial year.

The Treasurer confirmed that £5,000 had been put aside each year to meet election costs. This enabled the Council to finance the large bill in election years without significantly increasing the precept. The Chairman was keen to ensure that the Town Council was not accused of increasing the precept in election years.

RESOLVED that the Finance Report be presented for approval to the meeting of full Council to be held in November 2009.

367/09/10 GRANT APPLICATIONS

The Treasurer had advertised the availability of grants in the local press, and presented a summary of applications. He had also included a "Reserve" list where applications had not been received but were anticipated. Members considered the applications received and agreed recommendations to Council, taking into account the possible need for a small reserve to meet any new applications during the year. It was agreed that the total award of grants in 2010/2011 should remain the same as 2009/10.

RECOMMENDED that Council consider and approve the grants listed in the Appendix to these minutes.

368/09/10 RISK ASSESSMENTS – STANDING ITEM

The Treasurer said that some, but not all, of the Council's paintings were insured. Annual savings of £2,000 on insurance premiums could be made if it was decided not to insure any of the paintings. It was confirmed that the Romney "King Lear" on loan to Abbot Hall was insured by them.

It was agreed that we should continue to insure our paintings as at present. Whilst it was unlikely that any paintings stolen would/could be replaced, but restoration of damaged items could be expensive.

ANY OTHER BUSINESS

369/09/10 Councillors' Expenses

The Chairman referred to a recommendation from the Management Committee in respect of expenses (Minute 347/09/10, 19 October 2009, refers). He felt it was premature for that Committee to recommend an amount of £3,000 be included in the budget for 2010/11 when the principle of meeting expenses had not yet been considered by full Council.

The meeting ended at 9.00 p.m.