

KENDAL TOWN COUNCIL

Notice of Meeting

AUDIT, GRANTS & CHARITIES COMMITTEE

**Monday 30th April 2018 at 7.30 p.m.
in The Mayor's Parlour, Kendal Town Hall**

Committee Membership (8 Members)

Rachael Hogg (Chair)	Geoff Cook (Vice Chair)	Andy Blackman
Paul Bramham	David Evans	Sylvia Emmott
Austen Robinson	Douglas Rathbone	

AGENDA

1. APOLOGIES

2. PUBLIC PARTICIPATION

Any member of the public who wishes to ask a question, make representations or present a deputation or petition at this meeting should apply to do so before the commencement of the meeting. Information on how to make the application is available on the Council's Website - [www.kendaltowncouncil.gov.uk/Statutory Information/General/ Guidance on Public Participation](http://www.kendaltowncouncil.gov.uk/Statutory%20Information/General/Guidance%20on%20Public%20Participation) at Kendal Town Council Meetings or by contacting the Town Clerk on 01539 793490.

3. DECLARATIONS OF INTEREST

To receive declarations by Members and/or co-optees of interests in respect of items on this Agenda

[In accordance with the revised Code of Conduct, Members are required to declare any Disclosable Pecuniary Interests (DPIs) or Other Registrable interests (ORIs) which have not already been declared in the Council's Register of Interests. Members are reminded that it is a criminal offence not to declare a DPI, either in the Register or at the meeting. In the interests of clarity and transparency, Members may wish to declare any DPI which they have already declared in the Register, as well as any ORI.]

4. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING (not otherwise on the agenda). Minutes of meeting held on 29th January 2018 (*see attached*)

5. AUDIT OF TOWN COUNCIL HERITAGE ASSETS (*see attached*)

6. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT (*see attached*)

7. ANNUAL REVIEW OF THE SYSTEM OF INTERNAL CONTROL AND ANNUAL GOVERNANCE STATEMENT (*see attached*)

8. FINANCE OUTTURN REPORT – YEAR ENDED 31ST MARCH 2018 (*see attached*)

9. ANNUAL ACCOUNTS 2017/18 (*see attached*)

10. GENERAL GRANT APPLICATIONS 2018/19 (*see attached*)

- (a) North West Air Ambulance
- (b) Space2Create

KENDAL TOWN COUNCIL

11. **GENERAL GRANTS CRITERIA 2019/20** *(see attached)*
Minor changes are suggested to the current grants criteria, to reflect previous Council decisions. Any adoption of multi-year agreements may require further amendments to the criteria or a separate document; if necessary, this can be dealt with at the July meeting of the Committee.
12. **GENERAL GRANTS – MULTI-YEAR FUNDING AGREEMENTS** *(see attached)*
13. **SCHOOLS OF SCIENCE AND ART CHARITY – 2017/18 ACCOUNTS AND 2018/19 FORECAST** *(see attached)*
14. **ITEMS FOR THE NEWSLETTER**
 - Summer 2018 Edition – deadline 15th June, publication 23rd July
 - Autumn/Winter 2018 Edition – deadline 21st September, publication 29th October
15. **ANY OTHER BUSINESS**
16. **DATE OF NEXT MEETING**

Liz Richardson
Town Clerk

By e-mail/post to: Members of the Committee
 All other Councillors (agenda only, for information)

Please note that only Committee Members will receive the minutes and attachments, but that other Councillors may request a copy of any agenda papers. Any Councillor who is not a Committee Member may still attend the meeting, as an observer.

Members of the Press and Public are welcome to attend the meeting.

KENDAL TOWN COUNCIL

Audit, Grants and Charities Committee

**Monday 29th January 2018 at 7.00 pm
in The Mayor's Parlour, Town Hall, Kendal**

- PRESENT** Councillors Rachael Hogg (Chair), Geoff Cook (Vice Chair), Andy Blackman, David Evans and Sylvia Emmott
- APOLOGIES** Councillors Paul Bramham and Austin Robinson
- OFFICERS** Jack Jones (Town Treasurer) and Hazel Belshaw (Temporary Council Secretary)
- 888/17/18 PUBLIC PARTICIPATION**
None
- 889/17/18 DECLARATIONS OF INTEREST**
None
- 890/17/18 MINUTES OF THE MEETING HELD ON 30TH OCTOBER 2017**

The Chairman presented the minutes of the meeting held on 30th October, which had been approved by full Council on 27 November 2017
- RESOLVED** That the minutes of the meeting of the Committee held on 30th October be accepted as a correct record.
- 891/17/18 MATTERS ARISING (Not on Agenda)**
Grant Applications 2018/19 (ref minute 562/17/18)
The Treasurer advised that Council had agreed to award Chestnut Community Events (ref minute 576/17/18) £1,000 instead of £500.

Council also agreed to award Kendal Lads and Girls Club (ref minute 578/17/18) £920 instead of £720.
- 892/17/18 Schools of Science and Art Charity** (ref minute 588/17/18)
The Treasurer advised that Councillors, acting as Trustees of the Charity, had agreed to award the Kendal & District Engineering Society £120 as a one off grant.
- 893/17/18 Feedback from Lauren Pender** (ref minute 589/17/18)
The Treasurer advised that he had been in touch with Lauren who was happy to appear on the Council website and in the newsletter.
- 894/17/18 BUDGETARY CONTROL STATEMENT 2017/18 (9 MONTHS ENDED 31ST DECEMBER 2017)**
The Treasurer presented a report on the Council's financial position as at 31st December 2017, providing figures showing actual income and expenditure against the expected portion of the budget for the period, together with a commentary on variances. The overall position was favourable, with a substantial net underspending of approximately £46,604.

The Treasurer highlighted the following points from the report:

Staff salaries – Currently showing an underspend of £6,127 although this is expected to level off by the year end.

Suppliers and Services – Showing an underspend of £2,299, which is typical for the time of year. Council has agreed that the variance be used to offset the overspending on the Newsletter budget, currently £481.

IT and Website – Currently an underspend of £1,778 but there are plans to use the budget to replace equipment.

Kendal in Bloom – The summer and winter planting are underspent by £2,753 due mainly to the deduction from the contracted fee.

Christmas Lights and Festivals – The Displays heading is currently showing a £2,584 underspend, however this amount will be used to maintain and replace existing lights and to purchase new displays.

Balance Sheet & Reserves Statement – £75,000 is currently invested with the Cumberland Building Society on a temporary basis. This is to be withdrawn in early February and is an item on the Council Agenda.

There is £22,977 of VAT that is reclaimable and £3,500 outstanding from the Christmas Lights Switch On sponsors.

There was a discussion by Members on the large amount of underspend and how the money needs to be invested. It was felt that some of this may be helped by the Project Manager attending the Environment & Highways Committee.

Members noted the statement.

RESOLVED

That the Budgetary Control Statement 2017/18 be noted.

895/17/18

REVIEW OF RISK ASSESSMENTS

The Treasurer presented the review of risk assessments.

He highlighted the following points:

Working practice – there was an overhaul of the risk assessment in relation to the hanging baskets. A cherry picker will be used by the contractor going forward.

Councillor Blackman highlighted that the same assessment should be used for hanging banners in Highgate.

Council van – a bulk head, tracker and a reversing camera have been added. The tracker is useful for the Townscape Manager whilst he is lone working. Councillor D Evans suggested the installation of a dash cam.

The Treasurer has advised the Townscape Manager to make him aware of any further improvements should they arise. There is a scheduled visit from the Health and Safety Advisor on 22nd February.

Members noted the review.

RESOLVED Committee reviewed the risk assessments and authorised the Treasurer to sign them.

RECOMMENDED That the risk assessments be forwarded to full Council for approval.

896/17/18

ADVANCE PAYMENT OF 2018/19 APPROVED GRANTS

The Treasurer advised Members that the 2017/18 underspending on the General Grants budget is currently £5,500. In January Council agreed that any underspending on the General and Festival Grants budgets by the end of February can be used to make advance payments of grants already approved for 2018/19. This will be reported at March Council. This was noted by Members.

RESOLVED Members noted that advance payments of the 2018/19 approved grants are to be considered by Council.

897/17/18

CUMBERLAND BUILDING SOCIETY – TEMPORARY INVESTMENT

The Treasurer advised that in November 2017 Council agreed the investment of £75,000 into the Cumberland Building Society for three months. He will be asking at February Council to the withdrawal of that amount in order to meet cash flow requirements. This was noted by Members.

Councillor D Evans asked if the temporary investment with the Cumberland Building Society would be something to do on a regular basis. The Treasurer commented that, because the Cumberland account operates on the basis of a three months' notice period, decisions on temporary investments may not always fit with the pattern of Committee meetings.

Councillor Cook suggested that a discussion on whether this investment is something we should be doing regularly should be added to the next Agenda. Members discussed allowing the Treasurer to make the proposal to invest outside of the Committee Meeting, in consultation with the Chair. The proposal would then be referred to full Council for decision. Councillor Emmott suggested this is something that could be added to the Terms of Reference for this Committee.

It was proposed by Councillor Emmott to allow the Treasurer to seek approval from the Chair of Audit, Grants and Charities Committee to make proposals for decision by full Council to invest money on a temporary basis with the Cumberland Building Society. This was seconded by Councillor Cook and carried unanimously.

RECOMMENDATION That the Treasurer can propose to invest money with the Cumberland Building Society on a temporary basis by seeking approval from the Chair of Audit, Grants and Charities Committee, prior to it being submitted to full Council for decision.

898/17/18

BANK ACCOUNT SIGNATORIES

The Treasurer advised that there are currently seven Councillors authorised as bank account signatories. It is considered prudent to mitigate the potential risk of several of those signatories ceasing as Councillors after May. It will be suggested at February Council to add a further three Councillors. Those will be Councillors Blackman, Tirvengadam and Coleman.

This was noted by Members.

RESOLVED

That the request for three new bank account signatories be noted.

899/17/18

APPOINTMENT OF EXTERNAL AUDITOR

The Treasurer advised that Council had opted in to a process whereby the appointment of its external auditor would be made by Smaller Authorities Audit Appointments Ltd (SAAA). The firm has notified the Council that PKF Littlejohn LLP has been appointed for five years from the 2017/18 audit.

This was noted by Members.

RESOLVED

That the appointment of the external auditor was noted.

900/17/18

ITEMS FOR THE NEWSLETTER

The Treasurer advised the Spring edition will include the story on Lauren Pender and information on the 2018/19 budget.

901/17/18

ANY OTHER BUSINESS

None

902/17/18

DATE OF NEXT MEETING

30th April 2018 at 7.30pm. (later time)

The meeting closed at 7.47pm.

Summary of Information, Resolutions and Recommendations to Council

Min	Subject	Information/Resolution/Recommendation to Council	
894	Budgetary Control Statement	RES	That the Budgetary Control Statement 2017/18 (9 months ended 31 st December 2017) be noted.
895	Review of Risk Assessments	RES REC	Committee reviewed the risk assessments and authorised the Treasurer to sign them. That the risk assessments be forwarded to full Council for approval.
896	Advance Payment of 2018/19 Approved Grants	RES	Members noted that advance payments of the 2018/19 approved grants are to be considered by Council.
897	Cumberland Building Society – Temporary Investment	REC	That the Treasurer can propose to invest money with the Cumberland Building Society on a temporary basis by seeking approval from the Chair of Audit, Grants and Charities Committee, prior to it being submitted to full Council for decision.
898	Bank Account Signatories	RES	That the request for three new bank account signatories be noted.
899	Appointment of External Auditor	RES	That the appointment of the external auditor was noted.

Audit of the Kendal Town Council Collection
Monday 19 March 2018

The collection was audited by Morag Clement, Archaeology Curator at Kendal Museum.

Thirty collection numbers were selected at random and checked against the collection database. The number of items checked equates to just under 5% of the total collection. Details of items that were checked are tabled below along with their locations as detailed in the database.

Catalogue number	Item	Location in database
7	William Williamson - oil portrait	Picture Store
13	Lord Chorley – oil portrait	Picture Store
22	Thomas Harrison – oil portrait	Picture Store
24	John Whitwell – oil portrait	Picture Store
56	John Gaskarth – oil portrait	Picture Store
74	Portrait of a Lady wearing a red dress - oil	Picture Store
93	James R Illingworth – photograph	Mezzanine
111	Cedric H Whittaker – photograph	Mezzanine
118	Unknown lady – photograph	Mezzanine
142	Thomas Baron, Mayor – photograph	Mezzanine
165	Ernest Jones, Mayor – photograph	Mezzanine
172	W. Fulton Pennington – photograph	Mezzanine
201	Thomas Holme, Mayor – oil portrait	Picture Store
234	Pass of Glencoe – oil painting	Was SLDC, now unknown
298	Coniston Old Man- oil painting	On loan to The Armitt
303	Charter of Charles II	Mayor's Parlour
313	Freedom of the Borough – Arthur Stanley Eddington	Mezzanine
321	Fair Trade Certificate	Mezzanine
356	Seal of Catherine of Braganza	Mayor's Parlour
378	Large two-handled silver tray	Mayor's Parlour
400	Edward VII Medal	Mayor's Parlour
433	Henry Brougham Medal	Mayor's Parlour
482	Frances W Cragg – photograph	Mayor's Parlour
507	NSOB Pyper badge 1818	Mayor's Parlour
517	Ribble Motor Services Ltd button	Mayor's Parlour
521	Kendal on Tenterhooks by John Satchell	Mayor's Parlour
539	Book of the 20 th Century by The Westmorland Gazette	Moved to the store
615	Old Houses of Kendal by John Whitwell	Office
643	Killarney Glass Bowl	Mayor's Parlour
652	Old fur trimmed gown	Upstairs Cupboard

All items were confirmed as being in the locations as detailed in the catalogue, except for the following:

- 234 – Pass of Glencoe, oil painting. Listed as previously being located at SLDC but now unknown. This item was not located during the condition survey so it is presumed it is now missing.
- 321 – Fair Trade Certificate. Listed as not being on the Mezzanine as of 27 June 2017 when the condition survey was undertaken, and it has not been located since.
- 482 – Photograph of Francis W Cragg. This had a condition report done on 24 May 2017, but cannot be located at present.

Last year items 532 and 241 could not be located. Item 532 – The book ‘The Leaves we write on’ was located while undertaking the condition survey. Item 241 – ‘Kendal from Greenbank’ was not located and is still listed as missing

The condition survey was completed in August 2017 and the following has now been completed:

- An individual condition report has been completed for every item on the collection database.
- The information from the condition reports have been compiled into an excel spreadsheet.
- All locations were checked and the collection database has been updated with this information.
- The items stored on the Mezzanine are now in numerical order.
- The database and condition survey have now been uploaded to dropbox and can be accessed by other members of staff.

Recommendations

1. Whilst the photos on the mezzanine are now in numerical order they need to be stored in racks or large folders as detailed in the condition Report. The mezzanine floor has spaces between the boards and photographs can easily fall between these.
2. Continue to update the database with information compiled through the Condition survey such as number of items and a simple description of the item.

Previous recommendations

1. *In 2016 it was detailed that The Mayor's Attendant was planning to order items stored in a ring binder in their numerical order relating to the database. After the assessment of these items during the Condition Survey it is recommended that the badges and medals are removed from the binder and stored individually in bags or boxes. Flat paper items can still be stored in the binder. The Mayor's Attendant now has details of archive material suppliers and is currently compiling a list of materials needed to purchase in one large order.*

Report by Morag Clement MA(Hons) MPhil FSA Scot
Archaeology Curator, Kendal Museum
22 March 2018

KENDAL TOWN COUNCIL

Monday 14 May 2018

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 30 April 2018

Review of the Effectiveness of Internal Audit

Report

1. The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
2. Internal audit is a key element in providing assurance to the Council that its internal control arrangements are sound. It is therefore appropriate for the Committee and Council to review the effectiveness of its internal audit function.
3. The internal audit for 2017/18 has been carried out by R F Miller & Co. There are two aspects to the review: meeting standards and characteristics of effectiveness. The Treasurer's assessment of the performance of R F Miller & Co against relevant criteria is attached as an annex, where it can be seen that their performance is considered to be satisfactory in all respects. If the Committee agrees with this assessment, it should re-appoint R F Miller & Co as its internal auditors for 2018/19.

Recommendations

4. The Committee is recommended to:
 - a) consider the review of the effectiveness of the Council's internal audit in 2017/18 and to forward its comments to full Council; and
 - b) re-appoint R F Miller & Co as the Council's internal auditors for 2018/19.
5. The Town Council is recommended to:
 - a) consider comments made by the Audit, Grants and Charities Committee; and
 - b) approve the review of the effectiveness of its internal audit arrangements in 2017/18.

Review of Effectiveness of Internal Audit 2017/18

Area 1: Meeting Standards

Standard	Evidence of achievement
1. Scope of internal audit	<p>The appointment of R F Miller and Co as internal auditors was confirmed by Council in April 2017. The terms of the firm's engagement are formally agreed and documented.</p> <p>The internal auditors follow proper practice and meet national auditing standards.</p> <p>Internal audit work takes into account both the council's risk assessment and wider internal control arrangements.</p> <p>Internal audit work considers the council's anti-fraud and corruption arrangements.</p> <p>The internal auditors have unfettered access to all areas of the Council's activities.</p>
2. Independence	<p>The audit service provided by R F Miller and Co is independent from the Council and has no involvement in its financial controls, procedures or decision making. The same company provides payroll services to the Council; this is not considered to represent a conflict of interests as the two functions are separate parts of the organisation.</p> <p>Internal audit has direct access to those charged with governance and can seek information or explanations from any officer or Member of the Council.</p> <p>Reports are made in the auditors' own name to management.</p>
3. Competence	<p>R F Miller and Co are a reputable local firm of accountants with substantial experience in auditing and knowledge of auditing standards. They work to strict procedures which include appropriate quality control.</p> <p>The Audit Manager for the Council assignment is a qualified accountant with considerable experience and occupies a senior position within the firm.</p> <p>There is no evidence of a failure to carry out internal audit work ethically, with integrity and objectivity.</p>
4. Relationships	<p>The Responsible Finance Officer is consulted on the internal audit coverage.</p> <p>Respective responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters (job descriptions and engagement letter).</p> <p>The responsibilities of Council members are understood, in particular the Audit, Grants and Charities Committee; training of Members is available as required.</p>
5. Audit Planning and Reporting	<p>The annual internal audit plan properly takes account of all the risks facing the Council.</p> <p>Internal audit will provide their opinion to the Council on by 31 July 2018.</p>

Review of Effectiveness of Internal Audit 2017/18

Area 2: Characteristics of Effectiveness

Characteristic	Evidence of achievement
1. Internal audit work is planned	Planned internal audit work is based on risk assessment and designed to meet the Council's needs and national auditing standards.
2. Understanding the whole organisation, its needs and objectives	The annual audit demonstrates how audit work provides assurance for the council's Annual Governance Statement.
3. Be seen as a catalyst for change	Internal audit supports the Council's work in delivering improved services to the community.
4. Add value and assist the organisation in achieving its objectives	The Council makes positive responses to internal audit's recommendations and follows up with action where this is called for.
5. Be forward looking	In formulating the annual audit coverage, national agenda changes are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.
6. Be challenging	Internal audit focuses on the risks facing the Council. Internal Audit encourages managers/Members to develop their own responses to risk, rather than relying solely on audit recommendations.
7. Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work; the auditor has the freedom to request additional fee work if he considers it necessary. Internal audit understands the Council and the legal and corporate framework in which it operates. The company has undertaken this role for several years; this continuity results in a good understanding of the Council, its internal control environment and the issues facing it.

KENDAL TOWN COUNCIL

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 30 April 2018

Review of the System of Internal Control and Annual Governance Statement 2017/18

Report

Governance Requirements

1. Under the Accounts and Audit Regulations 2015, the Town Council must ensure that it has a sound system of internal control which:
 - facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - ensures that the financial and operational management of the authority is effective; and
 - includes effective arrangements for the management of risk.
2. Additionally, each financial year, the Council must conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement, in accordance with proper practices. The annual governance statement (AGS) must be approved before the Council approves the annual accounts.

Internal Audit

3. The Regulations also state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. A separate report considers the adequacy and effectiveness of the Council's internal audit during 2017/18.

Internal Control Framework

4. The attached diagram summarises the key governance controls operating within the Council. The list of items is not exhaustive, while the headings are included for convenience only. The framework shows that the Council has a sound framework of internal control.

Review of Effectiveness

5. During the year 2017/18, the Council has maintained and updated its policies and procedures, eg its Reserves and Investment Policies. It has complied fully with all of the controls identified within the framework and has responded appropriately to new responsibilities, eg the calling of Parish meetings and the new General Data Protection Regulations.

6. Proper accounting and governance arrangements are set out by CALC and related organisations in their publication “Governance and Accountability for Smaller Authorities”, known as the Practitioners Guide. A new edition of this has just been published, which applies to the 2018/19 financial year. A copy of the publication is available on the Council’s website at <http://www.kendaltowncouncil.gov.uk/wp-content/uploads/2018/04/Governance-and-Accountability-for-Smaller-Authorities-in-England-2018-Sections-1-5.pdf>

The main change is guidance on the treatment of Community Infrastructure Levy (CIL) receipts, including the transfer of unused receipts to an earmarked reserve. This practice is already followed by the Council. Otherwise, there are no material changes to the existing document as the majority of revisions are textual clarifications, and formal adoption for 2018/19 is recommended.

The Guide sets out the treatment of fixed assets, which is very different from that applying in commercial organisations and other tiers of local government. Assets are charged to revenue in the year of acquisition and do not appear on the Council’s balance sheet; as a result, depreciation and impairment do not apply to the accounts. The Council is, however, required to record a memorandum total for its assets, which is extracted from the Asset Register.

Although the Council follows all of the relevant guidance, this does not specify the proper practice for the valuation of assets. The Treasurer believes it would be helpful to have a statement of the Council’s policy on valuation, as follows:

The Council records individual assets in its Asset Register when obtained and values them at their acquisition cost. Their recorded value does not change from year to year until disposal. Assets gifted or transferred at nil cost are recorded at a nominal value of £1 as a proxy cost.

7. The separate report on Internal Audit indicates that the Council has maintained an effective internal audit of its activities during the 2017/18 financial year. This contributes to Officers’ opinion that the controls identified in the framework are adequate and effective and that they have operated consistently throughout the 2017/18 financial year.

Annual Governance Statement (AGS)

8. The proper practice for preparing the AGS is prescribed in the Practitioners Guide and the required format of the statement is contained in the Council’s Annual Governance and Accountability Return (AGAR). A draft statement is attached which, based on the assurance gained from this review of the internal control framework, contains positive responses to each of the governance questions. Guidance from the External Auditors, PKF Littlejohn, states that the results of the internal audit review for the year must be considered before the AGS can be approved by the full Council and signed by the Mayor and Town Clerk. The Internal Auditors have been informed that the Council needs at least an informal opinion from them before the meeting on 14 May.

Recommendations

9. The Committee is recommended to consider this report and to recommend to Council that it:
 - a) formally adopts the CALC publication “Governance and Accountability for Smaller Authorities 2018”, as representing best practice in these areas, with effect for 2018/19;
 - b) confirms its policy on asset valuation, as follows: *The Council records individual assets in its Asset Register when obtained and values them at their acquisition cost. Their recorded value does not change from year to year until disposal. Assets gifted or transferred at nil cost are recorded at a nominal value of £1 as a proxy cost;*
 - c) approves the review of the effectiveness of the Council’s system of internal control for 2017/18;
 - d) approves the Annual Governance Statement for 2017/18; and
 - e) authorises the Mayor and Town Clerk to sign the Statement at Section 1 of the Annual Return.

KENDAL TOWN COUNCIL

INTERNAL CONTROL FRAMEWORK				
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Statutory & Constitutional	Financial Management	Audit	Risk Management	Employees
<p>Legislation:</p> <ul style="list-style-type: none"> • Local Government • Health & Safety • Equalities • Data Protection • Freedom of Information <p>Councillors:</p> <ul style="list-style-type: none"> • Standing Orders • Acceptance of Office • Code of Conduct • Register of Interests • Declaration of Interests • Annual Assembly <p>Annual Report</p> <p>Newsletter</p>	<ul style="list-style-type: none"> • Financial Regulations • Financial Procedures • Proper Accounting Practices • Procurement Rules • Approval of expenditure • Approved Budget • Budgetary Control • Reserves Policy • Investment Policy • Transparency reports • Asset Register 	<ul style="list-style-type: none"> • Internal Audit • Public Sector Internal Audit Standards • External Audit • Public Right of Inspection 	<ul style="list-style-type: none"> • Risk Assessments • Health & Safety advice • IT Security • Business Continuity arrangements • Security of Assets • Insurance cover • Kendal Action Plan • Project Management and Reporting 	<ul style="list-style-type: none"> • Approved establishment • Contracts of employment • Job Descriptions • Employee Handbook • Health & Safety Handbook • Performance Appraisals

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

KENDAL TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2018, that:

	Agreed			<i>'Yes' means that this authority:</i>
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	<i>has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.</i>
	✓			

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

MINUTE REFERENCE

dated DD/MM/YY

Signed by the Chairman and Clerk of the meeting where approval is given:

Chairman SIGNATURE REQUIRED

Clerk SIGNATURE REQUIRED

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

kendaltowncouncil.gov.uk

AUTHORITY WEBSITE ADDRESS

KENDAL TOWN COUNCIL

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 30 April 2018

Finance Outturn Report - Year ended 31 March 2018

1. Income & Expenditure Account (Appendix A)

The attached statement shows actual income and expenditure for 2017/18 compared to the Approved Budget for the year; the previous year's outturn is also shown, for information only. The variance column indicates the under or overspending against the revised budget. In this report and the statement, underspendings, ie favourable variances, are shown as positive figures, with overspendings, ie adverse variances, as negatives or (bracketed).

a) Income +£5,096

Precept and grant income from SLDC was received in accordance with the budget, while there was a variance of £5,096 on other headings, as follows:

- Investment income was £814 higher than expected, due to several factors. Interest rates have been favourable, while slippage of Action Plan expenditure and general underspendings have meant that the Council has invested higher sums for longer periods, including a short-term investment with the Cumberland Building Society.
- Allotment rent income was £1,028 higher than expected.
- Two instalments of Community Infrastructure Levy (CIL) were received in the year, totalling £3,312, which has been transferred to the earmarked reserve.

b) Gross Expenditure +£16,250

After transfers to and from reserves, gross expenditure recorded a net underspending of £16,250 (3.7%). The principal reasons for the net underspending are summarised below.

Management -£1,317

- Staff Salaries were underspent by £2,628, resulting from several significant variations during the year. Underspendings of £4,050 recoverable statutory maternity pay, £3,029 from the Handy Person/Townscape Manager vacancy and £585 for the Project Manager's reduction in hours were offset by overspendings of £2,615 for sickness absence cover (net of reduced sick pay), £1,370 for additional hours for the Treasurer and £1,019 for the Condition Survey.
- The salaries heading is partially recharged to the budgets of other Committees, based on an analysis of staff time spent on their services. The amount

recharged was £6,210 less than estimated, due partly to the overall underspending on salaries and partly to revised time apportionments; the variance is recorded in the staffing headings of the other Committees.

- Supplies and Services were underspent by £2,180, reflecting a reduced use of consumables such as printing and stationery; this was offset to an extent by a small increase in Miscellaneous expenditure. Part of the underspending has been reserved to meet the overspending on the Newsletter budget, which amounted to £471.
- The Audit, Subscriptions & Insurances budget was overspent by £745; audit fees were £340 higher than expected, while additional insurance cover added a further £200.
- The IT & Website budget was underspent by £1,271, as there was no need for unplanned replacement of equipment in the year.

Mayoralty & Ceremonies +£5,323

- Reduced expenditure on staff recharges of £3,063 was due to sickness absence and a proportion of the Mayor's Attendant's time being charged to the Condition Survey of heritage items.
- The Mayor's Travel budget recorded an underspending of £653, due to fewer chargeable journeys.
- Underspends of £632 on Mayor Making and £310 on Torchlight contributed to a net underspending of £981 on Functions.
- The 2017/18 Twinning budget was increased to allow for extra costs associated with the Rinteln 25th anniversary; in the event, the heading underspent by £569.

Arts & Heritage -£1,135

- No exhibitions were arranged during the year, so the full budget of £1,000 was made available to fund part of the £2,135 estimated costs of the Condition Survey. The balance of £1,135 has been met by a contribution from the Arts & Heritage Reserve.

Allotments +£4,302

- Reduced expenditure on staff recharges of £1,896 was due to a vacancy and re-allocation of staff time to other services.
- Several variances contributed to an underspending of £2,406 on the heading General Expenses. Vehicle running costs, water charges and pest control were £396, £245 and £151 respectively below budget, while general running costs were underspent by £1,603. Last year's budget was charged with £1,997 expenditure on plaques which created an overspending of £1,157 as it had been expected to be partly charged against the 2017/18 Budget.

Bloom +£761

- Floral Displays underspent by £547; underspendings of £396 on vehicle expenses and £405 on Community Projects were offset by an overspend of £254 on planting and maintenance. There was, however, a reduction of £500 in income from sponsors.
- Competition costs are difficult to estimate in advance and there was an £855 underspending on this heading.

Christmas Lights & Festivals +£2,172

- The Lights Switch-On event budget was substantially underspent, by £1,747, due to an extra £1,650 sponsorship compared to last year.
- Advance payments of 2018/19 grants totalling £6,250 were charged to the Festival Grants budget, reducing the potential underspending to £240.

Environment -£6,999

- A reduced proportion of the Project Manager's time was recharged to this heading, resulting in an underspending of £2,486.
- No expenditure was needed from the £500 budget for Somervell Garden.
- A total of £9,985 has been spent on improvement projects at Dowkers Lane and the Birdcage; this expenditure was not included in the Budget and has been met from the Environment Reserve.

Highways & Infrastructure +£2,212

- To an extent the Committee's budgets are reactive, responding to identified maintenance or replacement of items. Further, the budget generally benefits from the availability of the Development Fund, which is able to finance schemes which would otherwise fall to be met from this heading.
- Infrastructure Maintenance budgets underspent by £1,079, including Bus Shelters £1,070 and Seats £800; these were offset by £413 charged to Litter Initiatives and £290 to General Maintenance.
- The New Infrastructure budget was underspent by £1,000.

General Grants +£44

- The General Grants budget was almost fully spent, helped by the advance payment of 2018/19 grants totalling £5,500.

Action Plan Expenditure +£92,739 Income +£28,100

- Details of Action Plan transactions are given in the statement at **Appendix B**. The statement shows the latest revision of the Plan, with programmed expenditure of £188,079 rather than the Approved Budget of £183,300.

- There were notable underspendings on the Green Wall £8,000, the Strategic Traffic Infrastructure Study £10,000, Kendal Futures £6,214, Maude's Meadow £15,000, Kendal Castle £6,090 and Market Place Improvements £32,629.
- The full expenditure of £90,561 is financed by a contribution from the Development Fund, while income of £28,100 received in respect is shown as being transferred to the Fund in addition to the £79,309 annual financing contribution. The income figure includes £20,500 from KADBUS, which will be spent in 2018/19 on the Blackhall Road bus shelter.

Contingency +£3,000

- No items were met from the contingency provision as any unbudgeted expenditure is charged to the relevant service heading.

c) Contributions to and Use of Reserves

For clarity, these headings list the contributions made to reserves in the year and the monies transferred from the same reserves to fund 2017/18 expenditure. The following transactions have not already been referred to above:

- A transfer of £2,000 has been made to the Arts & Heritage Reserve towards the cost of restoring assets.
- Contributions of £1,099 and £182 have been made to the Allotments and Wainwright Funds respectively to reflect interest earned on investing these monies.
- A contribution of £650 has been made to the Election Reserve to bring it up to its target level at the year end.
- By-election costs of £1,455 from SLDC have been met by a contribution from the Election Reserve.
- Finally, the £320 Wainwright Award has been met from the corresponding Fund.

d) Use of the General Fund Working Balance

The Approved Budget assumed that the working balance would be reduced by £25,920. The favourable outturn variances of £5,096 on income and £16,250 expenditure headings mean that the use of the working balance could be reduced by £21,346 to £4,574.

2. Action Plan (Appendix B)

A separate statement shows the detailed actual expenditure for the year on Action Plan schemes; as mentioned earlier, this is compared to the latest Plan programme rather than the Approved Budget. The programme is entirely funded by the Development Fund; the closing balance of £130,737 in the Fund is fully committed or allocated to schemes which will incur expenditure in 2018/19 and subsequent years.

3. Reserves Statement (Appendix C)

The Reserves statement shows the transactions on individual funds and reserves for the financial year. Earmarked funds increased from £222,210 to £233,406 in the year. The closing balance is £110,544 higher than the £122,862 forecast in the 2018/19 Budget, almost entirely due to slippage on Action Plan schemes.

The General Fund working balance closed the year at £50,122, which is £8,726 higher than the £41,396 assumed in the 2018/19 Budget. Management Committee is being asked to consider whether this excess should be reserved towards an increased target balance in order to provide a buffer against the possibility of further Parish polls.

4. Balance Sheet (Appendix D)

Although the Balance Sheet as at 31 March 2018 is provided largely for information, the following points may be noted:

- The Debtors balance of £32,302 includes £29,518 VAT which will be reclaimed from HMRC.
- The Prepayments figure reflects payments in 2017/18 which are correctly chargeable to 2018/19, eg £479 alarm rentals, £1,159 IT costs and £602 of insurance premia for the Council van.
- Allotment rent deposits of £3,857 are included in the Creditors and Accruals balance, as are accruals of £10,998 for goods and services received in 2017/18 which will not be paid for until 2018/19.
- The Receipts in Advance figure of £16,153 comprises the £15,103 portion of 2018 allotment rent income which relates to 2018/19, together with £1,050 of SLDC Councillors' contributions to future projects.

5. Conclusion

The outturn statement confirms that net expenditure for 2017/18 was contained within budget; the underspending has been retained in accumulated reserves, which remain at a healthy total level, currently £283,528.

Similarly, there are no concerns relating to the Council's Balance Sheet at 31 March 2018 and overall the Council is in a sound financial position.

6. Recommendation

The Committee is recommended to consider this report and recommend its acceptance to full Council.

KENDAL TOWN COUNCIL				
2017/18 OUTTURN STATEMENT				
INCOME & EXPENDITURE ACCOUNT				
2016/17 OUTTURN	2017/18 APPROVED BUDGET	HEADING	2017/18 ACTUAL OUTTURN	Favourable/ (Adverse) Variance
£	£		£	£
		INCOME		
		Precept:		
345,475	355,484	Council Tax	355,484	0
2,206	2,587	SLDC - Lighting	2,587	0
0	1,455	SLDC - Elections	1,455	0
347,681	359,526	Sub-Total	359,526	0
28,955	29,880	SLDC - Grant	29,880	0
		Other Income:		
4,407	2,710	Investment Interest	3,524	814
20,682	20,580	Allotment Rents	21,608	1,028
646	0	Community Infrastructure Levy	3,312	3,312
213	150	Miscellaneous	92	(58)
25,948	23,440	Sub-Total	28,536	5,096
402,584	412,846	TOTAL INCOME	417,942	5,096
		EXPENDITURE		
		Management:		
146,707	154,100	Staff Salaries & Expenses (including travel)	151,472	2,628
(70,179)	(71,450)	Staff Recharges to Services	(65,240)	(6,210)
17,054	16,230	Premises	15,898	332
5,475	7,000	Supplies & Services	4,820	2,180
9,429	9,080	Audit, Subscriptions & Insurances	9,825	(745)
0	1,455	Elections	1,455	0
7,996	7,920	Newsletter	8,391	(471)
3,718	4,160	IT & Website	2,889	1,271
2,215	2,020	Miscellaneous	2,322	(302)
122,415	130,515	Sub-Total	131,832	(1,317)
		Mayoralty & Ceremonies:		
15,770	12,150	Staffing	9,087	3,063
5,102	5,150	Mayor's Allowance & Christmas Cards	5,093	57
524	800	Mayor's Travel	147	653
5,463	5,690	Functions	4,709	981
926	2,500	Twinning Expenses	1,931	569
27,785	26,290	Sub-Total	20,967	5,323
		Arts & Heritage:		
0	1,000	Exhibitions	0	1,000
2,678	0	Restoration of Heritage Items	2,135	(2,135)
2,000	2,000	Kendal Museum	2,000	0
4,678	3,000	Sub-Total	4,135	(1,135)
		Allotments:		
16,090	16,720	Staffing	14,824	1,896
10,896	12,050	General Expenses	9,644	2,406
0	0	Improvements & Developments	0	0
26,986	28,770	Sub-Total	24,468	4,302
		Bloom:		
16,684	17,960	Staffing	18,101	(141)
27,250	20,050	Floral Displays (incl. Community Projects)	19,503	547
3,746	3,500	Bloom Competitions	2,645	855
(980)	(1,000)	Receipts from Sponsors	(500)	(500)
46,700	40,510	Sub-Total	39,749	761
		Christmas Lights & Festivals:		
6,142	6,410	Staffing	6,485	(75)
33,515	16,070	Christmas Lights Displays	15,810	260
2,068	2,590	Christmas Lights Switch - On Event	843	1,747
34,050	35,000	Festival Grants	34,760	240
75,775	60,070	Sub-Total	57,898	2,172
		Environment:		
14,696	18,210	Staffing	15,724	2,486
125	500	Somervell Garden	0	500
5,925	0	Parks & Open Spaces Programme	9,985	(9,985)
20,746	18,710	Sub-Total	25,709	(6,999)
		Highways & Infrastructure:		
1,005	2,700	Infrastructure Maintenance	1,621	1,079
850	1,250	Litter Bin Emptying	1,117	133
1,531	3,500	New Infrastructure	2,500	1,000
2,206	2,587	Lighting - running costs	2,587	0
5,592	10,037	Sub-Total	7,825	2,212
35,981	36,000	General Grants	35,956	44
		Action Plan:		
72,816	183,300	Allocated Schemes	90,561	92,739
(30,000)	0	Development Fund Income	(28,100)	28,100
42,816	183,300	Sub-Total	62,461	120,839
7,200	0	Flooding Recovery	0	0
0	3,000	Contingency	0	3,000
320	320	Wainwright Award	320	0
416,994	540,522	DIRECT EXPENDITURE	411,320	129,202

£	£		£	
51,705	80,309	CONTRIBUTIONS TO RESERVES:		
30,000	0	Development Fund - Support to Action Plan	79,309	1,000
9,322	0	Development Fund - External Income	28,100	(28,100)
363	2,000	Development Fund - Committee Underspendings	0	0
1,134	1,170	Arts & Heritage Reserve	2,000	0
2,810	650	Allotments Reserve	1,099	71
646	0	Election Reserve	650	0
193	190	Community Infrastructure Levy Reserve	3,312	(3,312)
96,173	84,319	Wainwright Fund	182	8
(72,816)	(184,300)		114,652	(30,333)
(5,925)	0	USE OF RESERVES:		
(41)	0	Development Fund: Action Plan Expenditure	(90,561)	(93,739)
0.00	(1,455)	Environment Reserve	(9,985)	9,985
(320)	(320)	Arts & Heritage Reserve	(1,135)	1,135
(79,102)	(186,075)	Election Reserve	(1,455)	0
		Wainwright Fund	(320)	0
			(103,456)	(82,619)
434,065	438,766	GROSS EXPENDITURE	422,516	16,250
(31,481)	(25,920)	Increase/(Decrease) in General Fund Balance	(4,574)	21,346
402,584	412,846		417,942	5,096
		GENERAL FUND BALANCE:		
86,177	55,920	Brought forward 1 April	54,696	(1,224)
(31,481)	(25,920)	Increase/(decrease) in year	(4,574)	21,346
54,696	30,000	Balance carried forward	50,122	20,122

KENDAL TOWN COUNCIL			
2017/18 OUTTURN STATEMENT			
ACTION PLAN			
		Latest Programme £	Actual 31 March 2018 £
Development Fund: Opening Balance 1 April 2017		113,889	113,889
Contributions from/(to) Revenue:			
	Budgeted Contribution	80,309	80,309
	Partial return of KIB Committee 2016/17 underspending to Community Projects budget	(1,000)	(1,000)
External Income:			
	SLDC: Kendal Futures Kendal Destination Website support	3,600	3,600
	Kendal BID: Contribution to EH1b Leaflet Reprint	4,000	4,000
	KADBUS: Blackhall Road Bus Shelter	0	20,500
Resources for Year		200,798	221,298
Less: Expenditure on Projects	As at 1 April 2017 £	Latest Programme £	Actual 31 March 2018 £
Action Plan for Kendal:			
EH1	Signage, Interpretation and Public Realm Improvements:	14,296	0
EH1a	Green Wall Project	8,000	0
EH1b	Leaflet Reprint	8,000	7,126
EH1c	Signage Improvements	3,500	2,524
MG15	Tourism Support		175
EH3	Strategic Transport Infrastructure Study	10,000	10,000
EH4	Improvement of Kendal Street Name Signs	1,000	970
MG5	Support for Kendal Futures Projects	8,800	8,500
Kendal Futures Funding:			
MG2	Support for Co-ordinator	15,000	7,500
MG4	Delivering the Action Plan - Kendal Futures allocation	8,214	2,000
Tourism Support in Kendal:			
MG6	Support for Kendal TIC	5,000	5,000
MG16	Kendal Destination Website support (funded by Kendal Futures)	3,600	2,733
Green Spaces Improvement Projects:			
EH5	Rinkfield Residents Association - Play Area	5,000	5,000
EH6	Maude's Meadow	15,000	0
EH7	Heron Hill School Woodland Trail	596	1,404
EH8	Footpath, Birk Hagg to Parkside Road, project costings	500	0
EH9	Kendal Castle Environmental Improvements	12,680	11,320
KB1	SLACC Pollinator Project	1,800	4,000
KB1	SLACC Pollinator Project (reserved allocation)	4,822	0
Public Realm Improvement Projects:			
CL2	Christmas Lights, Stramongate	2,000	0
EH10	Market Place Enhancement (incls £10,000 LIP and £12,000 from SLDC)	4,371	32,629
EH11	Repainting Railings	1,540	3,040
CL3	Building Flag & Tree holder maintenance and replacement	0	2,000
Other Schemes:			
MG8	Eden & South Lakeland Credit Union	3,000	3,000
MG9	Lancaster Canal Northern Reaches (reserved allocation)	250	250
MG10	Kendal to Lancaster Canal Towpath Trail	10,000	10,000
MG11	Purchase of Replacement Van	15,000	16,045
MG12	Community Emergency Planning	5,000	5,000
MG13	Kendal Walking Festival	1,000	323
EH13	Radar Speed Gun	1,500	1,230
EH14	Lakes Line Feasibility Study	2,000	0
MG14	Kendal Rugby Club - Community Sports Hub	5,000	5,000
		68,283	188,079
Development Fund: Closing Balance 31 March 2018		12,719	130,737

Appendix C

KENDAL TOWN COUNCIL
2017/18 OUTTURN STATEMENT
FINANCIAL RESERVES

	Balance 1 April 2017	2017/18 Actual		Balance 31 March 2018
	£	Contribution to Reserve £	Use of Reserve £	£
Earmarked Reserves:				
Development Fund	113,889	107,409	(90,561)	130,737
Allotments	70,897	1,099	0	71,996
Arts & Heritage	4,328	2,000	(1,135)	5,193
Environment	12,379	0	(9,985)	2,394
Election	8,305	650	(1,455)	7,500
Community Infrastructure Levy	646	3,312	0	3,958
Wainwright	11,766	182	(320)	11,628
EARMARKED RESERVES	<u><u>222,210</u></u>	<u><u>114,652</u></u>	<u><u>(103,456)</u></u>	<u><u>233,406</u></u>
GENERAL FUND WORKING BALANCE	<u><u>54,696</u></u>	<u><u>0</u></u>	<u><u>(4,574)</u></u>	<u><u>50,122</u></u>
TOTAL RESERVES	<u><u>276,906</u></u>	<u><u>114,652</u></u>	<u><u>(108,030)</u></u>	<u><u>283,528</u></u>

KENDAL TOWN COUNCIL
2017/18 OUTTURN STATEMENT
BALANCE SHEET AS AT 31 MARCH 2018

	£	£
Short Term Investments		256,330
Current assets		
Debtors	32,302	
Deposits	50	
Prepayments	2,345	
Cash at bank and in hand	25,147	
	59,844	
Current Liabilities		
Creditors and Accruals	16,494	
Receipts in Advance	16,153	
	32,647	
Net Current Assets		27,198
		283,528
Represented by:		
Earmarked Reserves		
Development Fund		130,737
Allotments		71,996
Arts & Heritage		5,193
Environment		2,394
Election		7,500
Community Infrastructure Levy		3,958
Wainwright		11,628
		233,406
General Fund Working Balance		50,122
Total Reserves		283,528

KENDAL TOWN COUNCIL

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 30 April 2018

Annual Accounts 2017/18

1. Introduction

This report presents the 2017/18 Annual Accounts, and the accompanying statements, for the Committee's review prior to seeking Council's approval. It seeks to explain the Accounts and, where appropriate, the reasons for significant variations from the 2016/17 figures. The Accounts are currently being audited by our Internal Auditors; any initial observations from the process will be reported to your meeting.

2. The Accounting Statements

The following statements for the financial year 2017/18 are attached:

- Income & Expenditure Account
- Balance Sheet
- Reserves Statement
- Annual Governance and Accountability Return (AGAR): Section 2 – Accounting Statements.

3. Income & Expenditure Account

Income for the year totalled £417,942, which was £6,622 more than the total expenditure of £411,320. The difference has been added to reserves and the General Fund working balance.

a) Income

Total income for the year increased by £15,357 from its 2016/17 total, due to the following factors:

- A 2.9% increase in the Town Council's council tax produced an additional £11,845 in the precept income, while council tax grant increased by £924, both from SLDC;
- Although interest rates remained relatively stable, lower invested balances reduced income by £883;
- Allotment rent income was £926 higher than the previous year, partially as a result of rent increases for the 2017 and 2018 calendar years; and
- As expected, Community Infrastructure Levy income is beginning to increase, with an additional £2,666 in 2017/18.

b) Expenditure

The total expenditure of £411,320 for the year was £5,674 lower than that for the previous year. Many headings showed variations from last year, including the following:

Staffing

Employee costs totalled £151,472, an increase of £4,764 over the previous year. An inflationary pay award, increased pension contributions and incremental advances to relevant staff added £4,080 to costs. Approved changes in hours for the Treasurer, Project Manager and Mayor's Attendant totalled £2,803, while cover for sick leave cost £2,616. These costs were offset by the Handy Person vacancy, £3,029, and a £1,300 adjustment to the Pension Fund contribution.

Recharges of £65,240 have been made to the following services to better reflect the true cost of the various activities undertaken by the Town Council:

	£
Mayoralty & Arts	9,087
Mayoralty & Arts – Condition Survey	1,019
Allotments	14,824
Bloom	18,101
Christmas Lights & Festivals	6,485
Environment & Highways	15,724
	65,240

Although staff costs have risen, the 2017/18 recharge is £4,939 lower than last year because the proportion of staff time charged to service has reduced from 47.8% to 43.1%. The remaining staff time is spent on general management and administration.

Premises

Alarm costs have reduced by £842 as the alarm company has reviewed its charges, while £314 less was spent on maintenance of the Council's garage.

Audit, Subscriptions and Insurance

External audit fees have been revised to current levels, an increase of £426.

Elections

No election costs were charged to the 2016/17 accounts; this year, the last by-election cost £1,455.

Newsletter, IT & Website

Expenditure on this heading decreased by £434. Production and distribution of the Newsletter increased by £395, while IT expenditure was £829 lower than in 2016/17, largely because of a reduced need to replace equipment.

Civic Functions - Staffing

Staff recharges decreased by £6,683, mainly due to a re-assessment of the time spent by the Project Manager and a long-term sickness absence.

Mayor's Travel

The Mayor made less use of travel arrangements, with a reduction of £376 in costs.

Functions & Twinning Expenses

Several functions recorded lower costs, including Mayor Making £638 and Torchlight £175; these were offset by an extra 1,005 on Twinning, mainly due to celebration of the 25th Rinteln anniversary.

Arts & Heritage

The majority of costs associated with the condition survey were met in 2016/17, leading to a reduction of £544 in 2017/18.

Allotments

In 2017/18, staff recharges reduced by £1,266 due to a staff vacancy. General expenses recorded a decrease of £1,252, as new allotment plaques had been charged to last year's accounts.

Bloom Activities

Bloom activities spent £6,952 less in 2017/18. Although staff recharges increased by £1,417, there were reductions of £7,749 on Floral Displays, partly the result of re-tendering and partly one-off improvements in 2016/17, offset by increased expenditure on Community Projects. Lastly, Bloom competitions cost £1,102 less than last year and sponsorship income fell by £480.

Christmas Lights

Overall, there was a reduction of £18,588 on this heading. The Council was able to invest heavily on improvements to its Lights in 2016/17, with an extra £17,309 on new features; there was no similar expenditure this year. A significant increase in sponsorship income reduced the costs of the Switch On event by £1,225.

Environment & Highways

Expenditure on these services increased by £7,196, including increases of £1,028 in staff recharges, £4,060 in environmental improvements and £1,852 in infrastructure maintenance and improvements.

Festival Grants

Festival Grants increased by £710, due to a higher take up of available funds.

Action Plan Schemes

In 2016/17, there was net expenditure of £42,816 on Action Plan schemes; by their nature, these were not repeated and the 2017/18 expenditure was £62,461, after income of £28,100 was taken into account.

Details of the 2017/18 expenditure on individual schemes can be found in the outturn report.

Flooding Recovery

In 2016/17, the Council spent £7,200 on improvements following the December 2015 floods.

4. Balance Sheet at 31 March 2018

Short Term Investments

The Council's main investments are £180,000 with the Cumberland Building Society and £73,913 in the Barclays Bank Business Reserve Account; the latter figure varies on a day to day basis as transactions pass through the current account. A small balance of £2,418 is still in a Reserve Account with the NatWest Bank. Overall, there is a net reduction from last year as funds have been used to pay for Action Plan schemes

Debtors

The majority of this balance, £29,518, is the amount to be claimed from HMRC in respect of VAT incurred on purchases. The remainder is mainly interest due on the Council's investments.

Prepayments

The items in the account include the contract agreement for the alarm system, IT licences and the insurance for the Council van.

Cash at Bank and In Hand

The Current Account balance of £25,046 is £252 less than the 2017 figure. The figures are so close because this Barclays account has a target level of £25,000.

Creditors and Accruals

Invoices totalling £10,998 for goods and service received in March 2018 were not paid until April; overall, there was a decrease of around £15,400 in accruals, reflecting the timing of payments. This heading also includes Allotment deposits of £3,857.

Receipts in Advance

This heading comprises two items: 2018 Allotment rents of £15,103 received for the period April to December 2018, together with £1,050 of income from SLDC Councillors' Allowances for 2018/19 schemes.

5. Reserves Statement

This statement shows the movement on each of the seven earmarked reserves during the year and that for the General Fund working balance. Taken together, the balance on these reserves increased from £276,906 in March 2017 to £283,528 at 31 March 2018. This increase of £6,622 is a direct result of the surplus of income over expenditure referred to at the start of this report.

6. Annual Governance and Accountability Return (AGAR) – Section 2: Accounting Statements

The Return is in the standard format required for submission to the External Auditor. The figures on this statement are broad summaries of those appearing on the Income & Expenditure Account and the Balance Sheet. The Assets figure in box 9 has been updated for new acquisitions during the year.

7. Approval and Audit of the AGAR and Exercise of Public Rights

Although the statutory approval timetable has not changed from previous years, the new External Auditors, PKF Littlejohn, have revised several steps in the process. The Accounts must be signed by the Treasurer as Responsible Financial Officer before being approved by the whole Council on 14 May, which has to take place after approval of the Annual Governance Statement (AGS). New guidance suggests that the AGS should not be approved until the Internal Auditors, R F Miller, have completed their review of the financial year. It is not clear whether the firm will be able to meet this timescale, but they have been asked to give at least an informal indication of the outcome.

The unaudited Accounts and AGS have to be published on the Council's website on 1 June. Following this, the exercise of public rights lasts from 4 June to 13 July; during this time, members of the public are able to examine the accounts and supporting documentation.

The AGAR comprises the AGS, the Accounts and the Internal Auditor's report. The full AGAR has to be submitted to PKF Littlejohn by 11 June. This is some six weeks earlier than last year; again I have let the Internal Auditors know of this requirement. After their sign-off, the audited Return must be published on the Council's website by 30 September.

8. Recommendations

The Audit, Grants and Charities Committee is recommended to consider this report and recommend its acceptance to full Council.

KENDAL TOWN COUNCIL**2017/18 Accounts****Income and Expenditure Account**

	2017/18		2016/17	
	£	£	£	£
Income				
Council Tax Precept		359,526.01		347,680.94
SLDC Council Tax Grant		29,880.30		28,955.34
Interest on Investments	3,523.84		4,406.68	
Allotment Rents	21,608.54		20,682.40	
Community Infrastructure Levy	3,311.85		646.19	
Miscellaneous	91.75	28,535.98	213.00	25,948.27
		<u>417,942.29</u>		<u>402,584.55</u>
Total Income				
		<u>417,942.29</u>		<u>402,584.55</u>
Expenditure				
General Administration				
Staff Salaries & Expenses	151,471.73		146,707.47	
Staff Recharges to Services	(65,240.00)		(70,179.00)	
Premises	15,898.31		17,054.03	
Supplies & Services	4,819.86		5,474.94	
Audit, Subscriptions & Insurance	9,824.89		9,428.55	
Elections	1,455.14		0.00	
Newsletter, IT & Website	11,280.18		11,713.86	
Miscellaneous	2,322.49	131,832.60	2,214.21	122,414.06
		<u>131,832.60</u>		<u>122,414.06</u>
Civic Functions				
Staffing	9,087.00		15,770.00	
Mayor's Allowance	5,093.00		5,102.00	
Mayor's Travel	147.27		523.74	
Functions	4,709.24		5,463.37	
Twinning Expenses	1,930.57	20,967.08	925.90	27,785.01
		<u>20,967.08</u>		<u>27,785.01</u>
Arts & Heritage				
Restoration of Heritage Items	2,134.50		2,678.14	
Kendal Museum	2,000.00	4,134.50	2,000.00	4,678.14
		<u>4,134.50</u>		<u>4,678.14</u>
Allotments				
Staffing	14,824.00		16,090.00	
General Expenses	9,644.45	24,468.45	10,895.96	26,985.96
		<u>24,468.45</u>		<u>26,985.96</u>
Kendal Improvement Schemes				
Bloom Activities	39,748.81		46,700.35	
Christmas Lights	23,137.58		41,725.17	
Environment & Highways	33,534.30		26,338.51	
General Grants	35,955.94		35,981.00	
Festival Grants	34,760.00		34,050.00	
Action Plan Schemes	62,461.17		42,815.98	
Flooding Recovery	0.00	229,597.80	7,200.00	234,811.01
		<u>229,597.80</u>		<u>234,811.01</u>
Wainwright Award		320.00		320.00
		<u>320.00</u>		<u>320.00</u>
Total Expenditure		<u>411,320.43</u>		<u>416,994.18</u>
Surplus/(Deficit) of Income over Expenditure added to/ (taken from) General Fund Working Balance and Reserves		<u>6,621.86</u>		<u>(14,409.63)</u>

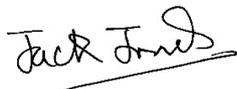
KENDAL TOWN COUNCIL

2017/18 Accounts

Balance Sheet as at 31 March 2018

	2018		2017	
	£	£	£	£
Short Term Investments		256,330.54		269,587.30
Current assets				
Debtors	32,302.47		27,958.87	
Deposits	50.00		50.00	
Prepayments	2,345.00		1,834.00	
Cash at bank and in hand	<u>25,147.04</u>		<u>25,567.45</u>	
		59,844.51		55,410.32
Current Liabilities				
Creditors and Accruals	(16,493.90)		(31,856.87)	
Receipts in Advance	<u>(16,152.64)</u>		<u>(16,234.10)</u>	
		(32,646.54)		(48,090.97)
Net Assets		<u><u>283,528.51</u></u>		<u><u>276,906.65</u></u>
Reserves				
Development Fund		130,737.26		113,889.43
Allotments		71,995.79		70,896.79
Arts & Heritage		5,193.40		4,327.90
Environment		2,393.68		12,378.96
Election		7,500.04		8,305.18
Community Infrastructure Levy		3,958.04		646.19
Wainwright		<u>11,628.31</u>		<u>11,766.31</u>
		233,406.52		222,210.76
General Fund Working Balance		50,121.99		54,695.89
		<u><u>283,528.51</u></u>		<u><u>276,906.65</u></u>

I certify that, for the year ended 31 March 2018, these Accounts present fairly the financial position of Kendal Town Council and its income and expenditure



..... Town Treasurer Date 20 April 2018

Approved by the Town Council on 14 May 2018

..... Mayor

KENDAL TOWN COUNCIL

2017/18 Accounts

Financial Reserves

	2017/18 Transactions			Balance 31 March 2018
	Balance 1 April 2017	Contribution to Reserve	Use of Reserve	
	£	£	£	
Development Fund	113,889.43	107,409.00	(90,561.17)	130,737.26
Allotments	70,896.79	1,099.00	0.00	71,995.79
Arts & Heritage	4,327.90	2,000.00	(1,134.50)	5,193.40
Environment	12,378.96	0.00	(9,985.28)	2,393.68
Election	8,305.18	650.00	(1,455.14)	7,500.04
Community Infrastructure Levy	646.19	3,311.85	0.00	3,958.04
Wainwright	11,766.31	182.00	(320.00)	11,628.31
EARMARKED RESERVES	<u>222,210.76</u>	<u>114,651.85</u>	<u>(103,456.09)</u>	<u>233,406.52</u>
GENERAL FUND WORKING BALANCE	<u>54,695.89</u>	<u>0.00</u>	<u>(4,573.90)</u>	<u>50,121.99</u>
TOTAL RESERVES	<u>276,906.65</u>	<u>114,651.85</u>	<u>(108,029.99)</u>	<u>283,528.51</u>

Section 2 – Accounting Statements 2017/18 for

KENDAL TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	291,316	276,907	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	347,681	359,526	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	54,904	58,416	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	146,707	151,472	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	270,287	259,849	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	276,907	283,528	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	295,155	281,478	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,640,148	1,656,784	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets.
	✓		N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Jack Jones SIGNED

Date

20/04/18

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where approval of the Accounting Statements is given

SIGNATURE REQUIRED

KENDAL TOWN COUNCIL

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 30 April 2018

General Grant Applications 2018/19

Report

Available Budget

1. The 2018/19 Revenue Budget provides £36,000 for general grants. Grants totalling £32,370 have been approved, leaving £3,630 in the budget. The March meeting of Council agreed £5,500 advance payments of 2018/19 grants in 2017/18, so the available budget for this year is £9,130.

Grant Applications

2. Two new applications have been received since the Committee's last meeting:

a) North West Air Ambulance (NWAA)

Members will recall that the Treasurer was requested to contact NWAA to invite them to submit a grant application for 2018/19. The attached application has now been received and represents a request for £1,000, which is the amount already approved as support for the Great North Air Ambulance.

The Charity's latest accounts show unrestricted income of £8.78m and a surplus for the year of £0.97m, with a balance of £10.66m in unrestricted funds.

b) Space2Create

Space2Create uses creative activity to benefit the local community, in particular working with vulnerable adults who suffer with any long term mental or physical illness. The charity has applied for a grant of £1,500 to create a confidential one to one area within its unit that is calming, provides confidentiality and the opportunity to give support to individuals in distress or needing to talk.

The Charity has provided draft accounts for 2017 which show total income of £18,784 and a deficit of £5,216, with a balance £7,389. Any award of grant should be made subject to the receipt of audited accounts from the Charity.

Recommendations

3. The Committee is recommended to:
 - a) note the available budget;
 - b) consider the two grant applications for 2018/19; and
 - c) forward its recommendations to the Town Council for approval.

KENDAL TOWN COUNCIL

Grant Application Form

Please check before sending:

Is your project or service based in Kendal?

Have you read the grants criteria?

Have you attached a copy of your latest audited accounts?

(No application will be considered without a copy of your latest audited accounts)

If you have any queries then please contact us on: 01539 793490 or e-mail:office@kendatowncouncil.gov.uk.

Please note: Information which you provide in this application will be considered in an open meeting of the Audit, Grants and Charities Committee and is therefore in the public domain.

Name of your organisation: North West Air Ambulance Charity	
Correspondent (and position): Sarah Thompson, Regional Fundraiser	
Address: North Mersey Business Centre Woodward Road Knowsley L33 7UY	
Daytime Telephone:	07802 324 378
	E-mail: sarah.thompson@nwaa.net

1. Please tell us about your organisation:

North West Air Ambulance Charity takes advanced healthcare to scene; reaching, treating and transferring patients to definitive care as quickly as possible and working collaboratively with our partners to ensure they are transferred to the best possible treatment centre thus improving their chances of survival and reducing the risk of long term injury.

We fly from Barton and Blackpool with two paramedics over 3 helicopters in daylight hours 365 days a year. One of our craft flies with an advanced doctor on board – effectively bringing the Accident & Emergency department to the scene. We can be anywhere in the region within 15-20 minutes and sometimes sooner.

2. Briefly describe the project or service you want funding for:

Funds towards our general running costs.

Total cost of project or service	£ 8,400000	Amount requested	£1,000
Funds received to date	£4,360,951 *	Funds pledged to date	£242,935**

*The total Income for October'17 Year to date is £4,360,951 this is not an approximate amount and is based on management accounts information.

**Total pledged funds to end of September 2017.

3. Why do you need this grant and how will the people of Kendal benefit?

Donations and support of all kind are crucial to our ability to provide this service as we receive no central government or nhs funding. The residents of Kendal benefit in situations whenever time is critical or access is difficult. Our service can take them to specialist care centres in a matter of minutes – improving chances of survival and improved recovery.

4. Please provide any other information in support of your application.

It is very difficult for us to provide Mission stats by postcode area but I am able to tell you that since from April 2016-March 2017-we had attended 450 missions in Cumbria. There have been landings in Kendal that have been reported in the online media in recent months. Our online Mission Tracker provides a breakdown of call outs. . <https://nwaa.net/our-story/#mission-tracker>

5. What is the structure of your organisation including salaried staff and volunteers (also please list by name members of your Trustee / Management Committee)?

There are 29 staff directly employed and 202 volunteers. Medical staff are seconded from NWAS for 2 years and the charity pays towards their employment.

Trustees:

Ms Kim Marsh

Mr Allan Jude

Mr Stuart Meehan

Mrs Dorothy Jane Mary Smith

Dr Rachel Christine Hall

Mr Simon John Williams

6. Have local people been involved in the planning of this service/project?

The charity began in 1999 from a recognised need for the service. Ever since support of the local people throughout the Northwest has continued to keep the charity operational.

7. Do you have a child protection policy? YES

8. Do you have an equal opportunities policy? YES

5. What other sources of funding have already been raised or promised?

Source	Total
Challenge Event Pledged income	£22,111
Community pledged income	£85,986
Corporate pledged income	£134, 838
Income from a variety of sources including retail activity (to end of October)	£4,360, 951
	£
Total Funds Raised	£4,603,526

6. How do you propose to evaluate that the service or project has been a success?

The service is 100% focused upon the welfare of our patients. Advancements are made upon evidence based need for enhanced medical proviosn and are only limited by the money we are able to raise to support our work.

7. Please provide a copy of your latest audited accounts with your application.

08-90-00 Account number 65438837

Signed:

Sarah

Date: 7th February 2018

Grants are paid, net of VAT, directly to organisations' bank accounts, so we will need the following details from you:

Organisation's Account Name.....North West Air Ambulance

Sort Code:.....08-90-00..... Account Number:65438837.....

Completed applications should be sent to:

treasurer@kendaltowncouncil.gov.uk

Jack Jones, Town Treasurer
Kendal Town Council
Town Hall
KENDAL
Cumbria LA9 4DL

NORTH WEST AIR AMBULANCE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Restricted funds total Year ended 31 March 2017 £	Unrestricted funds total Year ended 31 March 2017 £	Funds total Year ended 31 March 2017 £	Funds total Year ended 31 March 2016 £
Income from:					
Donations and legacies	4	-	3,111,276	3,111,276	3,901,028
Charitable activities – patient transfers		-	30,000	30,000	11,266
Other trading activities	5	-	5,577,575	5,577,575	5,005,231
Investments	3	-	65,644	65,644	89,218
Total		-	8,784,495	8,784,495	9,006,743
Expenditure on:					
Raising funds:					
Commercial trading operations		-	1,674,695	1,674,695	1,391,082
Other fundraising costs		-	1,053,112	1,053,112	1,018,207
Charitable activities	6	-	2,727,807	2,727,807	2,409,289
Cost of operation of the North West Air Ambulance	6	75,892	5,329,353	5,405,245	5,575,143
Total	6	75,892	8,057,160	8,133,052	7,984,432
Net Income / expenditure		(75,892)	727,335	651,443	1,022,311
Other recognised gains/(losses)					
Gains/Losses on investments	12	-	245,511	245,511	(57,080)
Net movement in funds		(75,892)	972,846	896,954	965,231
Reconciliation of funds:					
Total funds brought forward		309,853	9,710,430	10,020,283	9,055,052
Total funds carried forward	15	233,961	10,683,276	10,917,237	10,020,283

The consolidated figures above include the results of the Charity which had income for the year of £7,109,799 (2016: £7,635,823) and a net surplus of £896,951 (2016: £965,231).

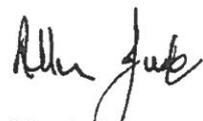
The notes in the appended pages form part of these Financial Statements.

NORTH WEST AIR AMBULANCE

BALANCE SHEETS FOR THE YEAR ENDED 31 MARCH 2017 Registered Company Number: 03752544

	Notes	Group		Charity	
		2017	2016	2017	2016
		£	£	£	£
Fixed Assets					
Tangible Assets	10	108,963	120,711	15,039	52,322
Investments	12	9,578,525	3,572,209	9,590,027	3,583,711
Intangible assets	11	20,000	20,000	-	-
		9,707,488	3,712,920	9,605,066	3,636,033
Current assets					
Stock		40,259	26,549	-	-
Debtors	13	643,497	976,370	1,384,380	6,140,718
Cash at bank and in hand		1,982,097	6,857,255	765,172	1,061,731
		2,665,853	7,860,174	2,149,552	7,202,449
Creditors: amounts falling due within one year	14	(1,456,104)	(1,552,811)	(864,877)	(845,692)
Net current assets		1,209,749	6,307,363	1,284,675	6,356,757
Net assets		10,917,237	10,020,283	10,889,741	9,992,790
Income funds					
Restricted Funds	15	233,961	309,853	233,961	309,853
Unrestricted – General Funds	15	3,838,019	6,309,335	3,810,523	6,281,842
Unrestricted – Designated Funds	15	6,845,257	3,401,095	6,845,257	3,401,095
		10,917,237	10,020,283	10,889,741	9,992,790

The Financial Statements were approved and authorised for issue by the Board of Trustees on 1/11/2017 and signed on its behalf by:


Allan Jude
Trustee

KENDAL TOWN COUNCIL

Grant Application Form

Please check before sending:

Is your project or service based in Kendal?

Have you read the grants criteria?

Have you attached a copy of your latest audited accounts?

(No application will be considered without a copy of your latest audited accounts)

If you have any queries then please contact us on: 01539 793490 or e-mail:office@kendatowncouncil.gov.uk.

Please note: Information which you provide in this application will be considered in an open meeting of the Audit, Grants and Charities Committee and is therefore in the public domain.

Name of your organisation: Space2Create	
Correspondent (and position): MatTurp, Creative Director and Manager	
Address: Unit 31, The Factory, Aynam Road, Kendal, LA9 7DE	
Daytime Telephone: 07833307771	E-mail: mat@space2create.co.uk

1. Please tell us about your organisation:

Space2Create is a registered Charity based in Kendal. We use creative activity to benefit the local community in particular working with vulnerable adults who suffer with any long term mental or physical illness. We aim to improve mood, boost self confidence and esteem as well as reduce isolation and stigma. We also provide space for small groups, NHS (particularly the Community Mental Health Team) to run projects and activities and also provide resources where appropriate. We exhibit service user artwork in a variety of locations such as Doctors Surgeries, Leisure Centre and at our Gallery alongside the work of local artists. We work with a wide range of local charities and organisations involved in supporting vulnerable people and collaborate in a variety of projects for the benefit of the local community, for example running two sessions a week on the Kentmere Ward. We are currently looking to expand our activities to work with younger people, in particular vulnerable teenagers.

2. Briefly describe the project or service you want funding for:

We are seeking to create a much needed one to one space within our unit that is calming, provides confidentiality and opportunity to give support to individuals in distress or needing to talk.

The way the unit is laid out there is opportunity to create a small room where an existing large cupboard and small rectangle of space exist. By moving a stud wall forward and putting in appropriate lighting and sockets a suitable space can be created. We would also like to decorate and furnish the space with carpet, a small table, chairs and a bookcase. The work will be carried out by our Landlords, Mealbank Properties, to the above specification for a contribution of £1000 and fitting out the room a further £500. We currently have five years remaining on our lease.

Total cost of project or service	£ 1500	Amount requested	£ 1500
Funds received to date	£ 0	Funds pledged to date	£ 0

3. Why do you need this grant and how will the people of Kendal benefit?

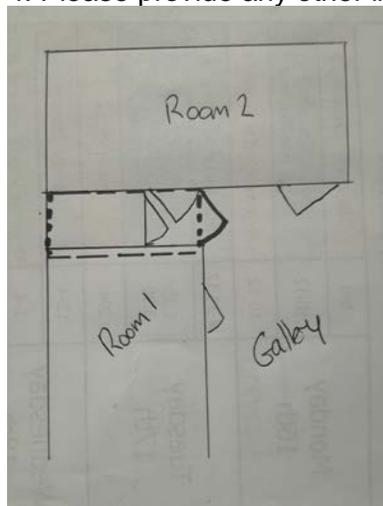
As we develop and grow our services we are reaching a point where the timetable for our unit is regularly getting full in the week and sometimes at weekend. This has meant we have less space to deal with any moments where individuals need quite, confidential one to one support from our volunteers. We urgently need to create a small private room for one to one support that is calm, inviting and relaxing,

We are working with increasingly more vulnerable individuals as we make links with various organisations. We have a number of volunteers with qualifications in counselling, psychotherapy and occupational therapy who need a private space to be able to talk and work with individuals as needed.

We are now working with the James Cochrane Practice who refer individuals they feel would benefit from our services and also Kendal Integrated Care Community (KICC). We are working towards a project with the Integrated Care Community to work on suicide prevention with local teenagers through creative sessions.

A one to one space improves our ability to support members of the local community in distress or in need of additional support outside of our creative activities.

4. Please provide any other information in support of your application.



Door will have safety glass window so occupants can be seen and will be only accessible by appropriately trained volunteers following the policies in place on safeguarding vulnerable people.

5. What other sources of funding have already been raised or promised?

Source	Total
	£
	£
	£
	£
	£
Total Funds Raised	£0

6. How do you propose to evaluate that the service or project has been a success?

This will be assessed by monitoring the use of the space to ensure the needs of individuals will be met.

7. Please provide a copy of your latest audited accounts with your application.

Attached



Signed:

Date: 18/04/2018

Grants are paid, net of VAT, directly to organisations' bank accounts, so we will need the following details from you:

Organisation's Account
 Name.....Space2Create.....

Sort Code 20-45-28 Account Number: 63067491

Completed applications should be sent to:

treasurer@kendaltowncouncil.gov.uk

Jack Jones, Town Treasurer
 Kendal Town Council

SPACE2CREATE

Accounts for Year ending 31st December 2017

Income

Tuesday Sessions	849.45
Thursday Sessions	643.04
Friday Sessions	614.42
Funding Donations	12364.18
Deaf Art	46.50
Creative Writing	3.00
Craft Sales	1130.30
Room Sub Let	3135.00
Sewing Bee	0.00

Opening Balances

Barclays Current Account	12625.26
Petty Cash in Hand	46.00

31457.15

Expenditure

Stationery	248.25
Art Materials	870.19
Equipment	1699.78
Room Hire/Rent	13575.00
Refreshments	716.42
Postage	20.71
Rates	730.02
Printing	767.20
Subscriptions	519.52
Light/Heat	0.00
Telephone	480.00
Insurance	1002.30
Computer	0.00
Session Supports/Visits	3373.00
Training	0.00

Closing Balances

Barclays Current Account	7389.11
Petty Cash in Hand	65.65

31457.15

KENDAL TOWN COUNCIL

Grants Criteria: General and Festival Grants

Guidance for Organisations applying for Grant Funding Financial Year 2019/20

1. Introduction

Every year, Kendal Town Council aims to make funding available to organisations which support its work for the benefit of the residents of Kendal. General grants are administered through the Audit, Grants & Charities Committee and festival grants through the Christmas Lights & Festivals Committee.

2. Statutory Framework

Although Town Councils have a wide range of powers and duties, they are only able to make grants within these statutory restrictions. The Cumbria Association of Local Councils maintains a useful summary of these limits - see the document "Powers and Duties of Local Councils" on its website.

3. Funding priorities

Within this Framework, the Council makes grants available for both *core funding* and for *project work* (see 5. *Funding Provision* for how the Council defines these terms). Each autumn, the Council sets its budget priorities for the forthcoming financial year and will take account of those budget priorities when considering grant applications.

Grants are awarded within two priority areas:

3.1 Festivals - The Council believes that festivals - particularly those recurring annually - play an important part in the social life of the Town, help create a positive image of the Town, and attract tourism income for local businesses and the economic benefit that naturally follows.

Within this category, priority will be given to festivals which involve significant numbers of local residents, particularly young people, in their preparation and delivery, and which attract large numbers of local residents to their events.

Requests under this category may be either for core funding or for project work, and will be considered by the Council's Christmas Lights & Festivals Committee.

3.2 Community Development - The Council wishes to encourage community activities in the town, and recognises the role that arts, cultural, sports, and voluntary charitable activities play in developing community spirit and a sense of place.

Priority will be given to locally based organisations which serve marginalised, disadvantaged or isolated people in Kendal, and which demonstrate an effective use of local volunteers, especially young people.

Requests under this heading will normally be for project work.

In all cases, *organisations must be able to prove that the primary beneficiaries of the funding will be the residents of Kendal.*

Additionally, Town Councillors are trustees of the Schools of Science & Art Charity, which awards grants for the promotion of education in Kendal – further details are on the Town Council's web-site.

4. Types of organisations

The Council is especially interested in helping smaller organisations based in Kendal that offer direct services to Kendal residents.

4.1 Structure - Organisations should have, or should be in the process of acquiring, registered charity or similar not-for-profit status (small bona-fide community groups are exempt from this requirement). Organisations must work directly with beneficiaries (i.e. excluding grant-giving charities, endowment funds, etc).

The Council will not fund commercial organisations, such as registered companies, partnerships, or sole traders. Not-for-profit limited by guarantee and community interest companies are eligible to apply.

4.2 Size of organisation - Grants are relatively modest; to make sure grants of this size have an impact, the Council will prioritise the funding of smaller organisations. For organisations based exclusively in Kendal, this means having an income of less than about £100,000, or those working across the UK, an income of not more than about £250,000.

Applications from educational establishments will be considered on their merits, taking a measured approach to the establishment's financial accounts.

4.3 Capability - Applicants must demonstrate they are able to deliver the activities supported by funding.

4.4 Sustainability - Applicants must show that they have investigated other sources of funding and made plans for the future, which should include replacement funding if appropriate.

5. Funding Provision

5.1 Funding Limit - Grants are usually up to £5,000. Organisations are expected to raise a significant proportion of funding from their own activities.

5.2 Duration of funding - Grants are awarded on an annual basis. *Organisations receiving a grant will not normally be eligible for a further grant in the same financial year.*

5.3 Core funding - The majority of the grants awarded by the Council relate to core funding, to cover running costs such as general administration, premises costs and services. Usually the Council will have an ongoing partnership with the requesting organisation, whose success is judged to be essential to the life and reputation of the town. Organisations should not anticipate or rely on ongoing support from the Council and are expected to raise an increasing proportion of its income; the Council will monitor this as appropriate.

5.4 Project funding - The Council welcomes applications for projects where the grant will be used for an identified purpose. Applications for project funding should make sure they can fund the cost of any overheads associated with the work, such as office/secretarial support, so that the project is not under-funded. It is in the organisation's best interest to ensure that they have realistically assessed the total cost of the project.

- a) **Innovative or pioneering work.** The Council likes to encourage new ideas and to fund projects that could inspire similar work in other areas, and so enhance the reputation of the town.
- b) **Pump-priming.** The Council particularly welcome applications for pump-priming grants from small community-based organisations.
- c) **Continuation funding.** The Council does appreciate the importance of providing ongoing funding for successful projects which have proved their worth; however, the Council will look for evidence that the organisation is generating an increasing proportion of its income from its own fundraising activities.

5.5 Emergency or deficit funding - *in exceptional circumstances*, the Council may provide emergency or deficit funding for an established organisation. Applicants most likely to be granted emergency funding are organisations which the Council knows or has previously supported.

6. What will the Committee not recommend?

6.1 General appeals - sponsorship, marketing or other fundraising activities.

6.2 Retrospective funding - grants for work that has been completed, or will be completed while the application is being considered.

6.3 Personal appeals - grants or sponsorship etc. to individuals either directly or indirectly.

6.4 Organisations

- with available surplus reserves well above the cost of the project or funding requested.
- whose membership is closed and not open to residents as a whole
- with sectarian, political, or purely lobbying objectives.

7. Applying for Funding

7.1 The Council receives many appeals each year, and the most common reasons for it not being able to make a grant are:

- applications not falling within the guidelines;
- organisations considered to have excessive financial reserves; or
- application forms not being filled in correctly and/or completely, or arriving after the deadline for submission.

Applications received usually exceed the funds available, so even if your application meets the Council's criteria, it may not be possible to award a grant in full, or at all.

7.2 Read these guidelines carefully and only apply if your work falls within the Council's priorities. You are recommended to seek the support of a Town Councillor (eg your Ward Member, or the Council's representative on your governing body, if you have one). Organisations seeking funding for festivals should discuss their requests with the Council's Christmas Lights & Festivals Committee.

7.3 Download the application form from the Council's website. It is also available by post or on request at the Town Hall.

7.4 Other sources of funding may be available through the Dowker Bindloss Charity via the Cumbria Community Foundation and the Cumbria County Council's Neighbourhood Forum.

7.5 Read these guidelines carefully before completing the form. It helps to have your application supported by one or more Councillors, who can answer questions about the application if the need arises. The Town Treasurer will be glad to answer specific questions on process, but *the Council cannot accept draft applications*.

7.6 Once the Council has received your application form the process is as follows:

- a) The Town Treasurer will acknowledge receipt of your application and will contact you to deal with any queries, if necessary. **Your application cannot go to the relevant Committee if there are any outstanding issues.**
- b) Town Council staff will contact you within two weeks of the final Council decision, to let you know the outcome of your application.
- c) If your application has been successful, the Town Treasurer will arrange payment via a bank transfer; annual grants are normally paid during July.
- d) Organisations receiving project funding must submit a project completion report for review by the Audit, Grants, & Charities or Christmas Lights and Festivals Committee.

7.7 **When to Apply.** The two Committees meet according to a published timetable (available on the Council's website). The Committees conduct their

main review of funding applications at their October meetings. Your application is most likely to be successful if it is received in time for this meeting. **Applications can only go on the Committee agenda if they have been received - and have had any issues resolved - fourteen days before the Committee meeting.**

The Committee will do its best to process your application as quickly as possible. If the Committee needs further information about your application, it may have to postpone a decision until the next Committee meeting.

Any applications that arrive too late for consideration at one meeting are automatically carried forward to the next. Once the Committee has exhausted its annual budget, no further grants will be available until the next financial year.

The decisions of the Committee go forward as recommendations to the next full Council meeting for a final decision. The Council may accept or reject the Committee's recommendations, approve a different amount of funding, or refer an application back for further consideration by the Committee.

7.8 Emergency procedure. In exceptional circumstances, and only with the support of the Mayor, a funding request may be heard by full Council without going through the relevant Committee. The applicant must be able to show why this is a genuine emergency, with a significant impact on Kendal residents. The criteria in Sections 5 and 6 still apply and the organisation must complete the standard paperwork for audit purposes and meet the timetable for the Council Agenda.

8. Grant Conditions

8.1 The Council will apply certain conditions to the grants it awards:

- a)** The grant must be used for the purpose stated in the organisation's application; the Council reserves the right to require a refund of any grant which is not used appropriately.
- b)** Organisations must acknowledge the assistance granted by the Town Council, eg by displaying its crest in documentation, webpages or project signage.
- c)** The Council may require the organisation to achieve specified outcome or output measures connected with the grant funding.
- d)** For awards over £2,000, the Council requires the organisation to submit a brief report on the use of the grant and the organisation's activities. In the case of core funding, this will relate to a full financial year and, for regularly funded organisations, can accompany the following year's grant application. For project funding, the report is required on completion of the project.

9. Further advice and information

For further advice and information about the Council's Audit, Grants, & Charities or Christmas Lights and Festivals Committee, please contact any

Town Councillor. The Town Treasurer at Kendal Town Council will be happy to answer any technical queries.

Contact details: Kendal Town Council, Town Hall, Kendal, LA9 4DL
<http://www.kendaltowncouncil.gov.uk>

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 30 April 2018

General Grants: Multi-Year Funding Agreements

Report

1. In January 2017, the concept of longer term funding agreements for general grant recipients was referred to this Committee for consideration (Minute 732/16/17). The Committee considered a detailed report in April 2017 and an update in July 2017, but deferred making any recommendations for 2018/19, mainly because, at that stage, multi-year agreements would create a commitment for an incoming Council.
2. The Committee therefore requested that the matter be brought back to this meeting, so that its current membership could propose suitable principles with the benefit of their knowledge of grants, before them being presented for ratification by the newly composed Committee in July 2018. This report repeats much of the information from last year's report, but has been updated for the current year's grant approvals. Any offer of multi-year agreements would apply to grant applications for the 2019/20 financial year, which will be invited this summer.
3. In principle, the Treasurer has no problems with the concept of multi-year agreements: the Council's finances are stable and its Grants budget has been maintained at a consistent or improved level for several years. It would, however, be prudent to include a condition that any multi-year agreement be reviewed if either of these circumstances changes.
4. The Council would also need to apply conditions to individual multi-year grant awards in order to safeguard its interests. Based on the two-year funding agreement applied to the Brewery Arts Centre, these could include requirements that a grant be returned, withheld or withdrawn if an organisation's circumstances change significantly from those stated in its application; for example:
 - a) the organisation ceases to exist or its purpose changes significantly;
 - b) the nature or extent of its service, location and client group changes;
 - c) a major funder withdraws, making the service unviable;
 - d) the organisation's finances change substantially, eg it receives a legacy or windfall income;
 - e) the organisation has not used any previous grant from the Council appropriately or not met the conditions of an earlier award; and
 - f) the organisation or any of its personnel are committed of an offence which adversely affects it or its reputation.

It is suggested that, during a multi-year agreement, the organisation should be required to declare annually that none of these changes had occurred and to

supply a copy of its latest audited accounts. (For grants over £2,000, further information will be provided by the report required by the grants criteria.)

5. Probably a more difficult decision is which organisations should be eligible for a multi-year agreement. Larger organisations may consider that the commitment of a modest grant from the Council will help them secure substantial external funding, however there are smaller organisations which rely on our grants to fund the majority of their core expenditure and would welcome the opportunity of a multi-year agreement.
6. In order to inform a discussion on the organisations where a multi-year agreement might be appropriate, the Annex shows the grants awarded in the last three years, analysed into three categories:
 - routinely funded for core operating costs;
 - regularly funded for projects;
 - (apparently) one-off grants, including recent first applications.

It is suggested that the organisations in the first category, perhaps twelve in number, could be those which the Council might want to consider for multi-year funding agreements. The Committee will notice that, of the twelve suggested grants, five were for £500 or under in 2018/19. A further aspect is whether the Council would wish to label the organisations subject to multi-year agreements as “partners”.

Recommendation

7. The Committee is recommended to consider whether it wishes, in principle, to pursue the concept of multi-year funding agreements for appropriate organisations from 2019/20 onwards and if so, the scope and conditions attaching to such agreements, with a view to considering firm proposals at the July meeting.

KENDAL TOWN COUNCIL GENERAL GRANT AWARDS						
Organisation	Financial Year			Category		
	2016/17	2017/18	2018/19	Routinely funded for core operating costs	Regularly funded for projects/events	One-off grants
SERVICES						
Kendal Brewery Arts Centre	8,000	10,000	10,000	✓		
Abbot Hall - Lakeland Arts Trust	1,000	no application	1,000	✓		
1127 Squadron (Kendal) Air Training Corp	1,626	900	1,000		✓	
Great North Air Ambulance	1,000	250	1,000	✓		
"One Voice" - Kendal & South Lakes Centre for Independent Living	1,500	1,500	1,500	✓		
The Quaker Tapestry at Kendal	3,000	3,000	3,000	✓		
Kendal Community Theatre	1,500	1,000	750		✓	
South Lakes Citizens Advice Bureau	5,000	5,000	5,000	✓		
Sandgate Hydrotherapy Pool	2,500	3,000	3,000	✓		
Kendal Sea Cadets Corps	900	900	0		✓	
Right2Work	400	0	0			✓
South Lakes Foyer Residents	540	0	0			✓
Step by Step	1,000	0	0			✓
Lakes Line Community Rail Partnership	150	0	0			✓
The Bluebell Foundation	250	0	0			✓
Fairoak Housing Association	0	500	500		✓	
Growing Well	0	500	500		✓	
Beck Community Centre	0	500	0			✓
Kendal College	0	500	0			✓
S L Equality & Diversity Partnership	0	100	100		✓	
Cumbria Children's Dyslexia Project	0	875	0			✓
Kirkbie Kendal School	0	1,000	0			✓
Chestnut Community Events	0	0	1,000			✓
Sub-Total/Count	28,366	29,525	28,350	7	6	10

Organisation	Financial Year			Category		
	2016/17	2017/18	2018/19	Routinely funded for core operating costs	Regularly funded for projects/events	One-off grants
CLUBS & SOCIETIES						
Abbot Hall Public Bowling Club	50	50	50	✓		
Kendal Lads & Girls Club	965	588	920		✓	
Kendal Concert Band	0	400	0		✓	
Kendal & District Lions Club	150	150	0		✓	
Dance Ability	100	100	100	✓		
Cumbria Festival Chorus	500	0	200		✓	
With Singing In Mind	500	500	500	✓		
Kendal Rugby Club	1,000	0	0			✓
Kendal Millennium Playing Fields	1,000	0	500	✓		
Kendal-Rinteln Association	500	500	500	✓		
Kendal Amateur Swimming Club	0	500	0			✓
Rotary Club of Kendal	0	1,000	0			✓
Kendal County Football Club	0	0	250			✓
Riversiders Trust	0	0	1,000			✓
Sub-Total	4,765	3,788	4,020	5	4	5
Total	33,131	33,313	32,370	12	10	15

AUDIT, GRANTS & CHARITIES COMMITTEE

Monday 30 April 2018

Schools of Science and Art Charity

a) Introduction

1. This report presents the Schools of Science and Arts' summarised Receipts and Payments Accounts for the year ended 31 March 2018 and a forecast for 2018/19, so that the Committee can review the Charity's financial position prior to it being reported to the Trustees, who meet on 14 May.

b) 2017/18 Accounts

2. The Charity's income for the year was £419, representing interest on its investments, while there was £520 expenditure on awards and grants. The Charity closed the year with accumulated funds of £15,491, of which £8,992 is invested on a long term basis in Charibond fixed interest shares.
3. The Council makes regular annual awards of £50 each to Kendal College, Queen Katherine School and Kirkbie Kendal School, in order to fund a prize in the name of the Mayor of Kendal. Additionally, the following one-off grants were made in the year:
 - Lauren Pender, Gap Medics work experience £250
 - Kendal & District Engineering Society, website costs £120.
4. In August 2016, the Council agreed to provide £1,000 to the Brewery Arts Centre in support of one of its bids to funding organisations (Minute 294/16/17 refers). The Centre has not yet requested the release of this money.

c) 2018/19 Forecast

5. Unlike many charities, the Schools of Science and Art does not have a fixed capital "in perpetuity", such as might be gifted or bequeathed. However, the Council has previously considered that the Charity's capital should remain intact and only interest and investment income used to provide resources for grants.
6. In 2014/15, the Charity benefited from "windfall" income of £2,000 and has since been able to use this to supplement its annual income. Prior to this, the Charity's resources stood at £13,360, and it is reasonable to consider this amount to be the capital value which should remain intact in order to generate annual income. This would suggest that the Charity currently has around

£2,000 of accumulated funds available to “top up” its annual investment income, which is forecast to be around £400 for 2018/19.

7. While the Brewery Arts Centre is expected to call on the pledge of a £1,000 grant, there are sufficient resources, around £2,400, for the Council to continue its three prize making grants to the High Schools and College, as well as considering new applications. The availability of grants is advertised in the Council’s Newsletter and on its website.

d) Recommendations:

8. The Committee is recommended to:
 - i) review the Charity’s Accounts for 2017/18 and its forecast income for 2018/19 and forward them to the Charity’s Trustees for approval; and
 - ii) recommend the payment of the regular annual prize grants of £50 each to the two local High Schools and Kendal College in 2018.

TRUSTEES OF THE SCHOOLS OF SCIENCE & ART CHARITY

Receipts & Payments Account and Schedule of Assets

Year Ended 31 March 2018

		2017/18		2016/17	
		£	£	£	£
	Opening Balance at 1 April		15,592.90		16,323.02
Add:	Receipts:				
	Interest - Charibond	386.36		386.36	
	Interest - Cumberland Building Society	<u>32.21</u>		<u>33.52</u>	
	Total		418.57		419.88
Less:	Payments:				
	School/College Prizes	150.00		150.00	
	Grants	370.00		1,000.00	
	Other	<u>0.00</u>		<u>0.00</u>	
	Total		(520.00)		(1,150.00)
	Closing Balance at 31 March		<u><u>15,491.47</u></u>		<u><u>15,592.90</u></u>
 Represented by:-					
	Long Term Investments at cost:		Note 1		
	Charibond Fixed Interest Common Investment Fund	8,992.00		8,992.00	
	Cumberland Building Society	5,891.98		5,859.77	
	Cash at Bank	607.49		741.13	
	Total at 31 March		<u><u>15,491.47</u></u>		<u><u>15,592.90</u></u>

Notes:

- 1 The market value of the Charity's 8,399 Charibond shares at 31 March 2018 was £10,361.85 (31 March 2017 £10,882.58).
- 2 The Trustees have approved a grant of £1,000 to the Brewery Arts Centre to support one of its projects (Council Minute 294/16/17 refers).

The above statement represents a true & fair view of the financial position of the Charity's Accounts at 31 March 2018 and its receipts and payments during the year.

Approved by the Trustees on 14 May 2018

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Mayor of Kendal

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Town Treasurer