

# KENDAL TOWN COUNCIL

## Audit, Grants and Charities Committee

**Monday 25<sup>th</sup> July 2016 at 6.30 pm  
in The Mayor's Parlour, Town Hall, Kendal**

**PRESENT** Councillors Matt Severn (Chair), Rachael Hogg (Vice Chair), Andy Blackman, Paul Bramham and David Evans

**APOLOGIES** Councillors Guy Tirvengadam and Geoff Cook

**OFFICERS** Jack Jones (Town Treasurer) and Nicky King (Council Secretary)

Councillor Rachael Hogg (Vice Chair) chaired part of the meeting in the absence of Councillor Matt Severn who arrived later in the meeting and resumed his role as Chair.

**248/16/17 PUBLIC PARTICIPATION**

None.

**249/16/17 DECLARATIONS OF INTEREST**

There were no declarations of interest made at this point.

**250/16/17 MINUTES OF THE MEETING HELD ON 25<sup>TH</sup> APRIL 2016**

The Chairman presented the minutes of the meeting held on 25<sup>th</sup> April 2016, which had been approved by full Council on 6<sup>th</sup> June 2016.

Councillor Bramham proposed that the minutes be accepted as a correct record. This was seconded by Councillor R Hogg and carried unanimously.

**RESOLVED** That the minutes of the meeting of the Committee held on 25<sup>th</sup> April 2016 be accepted as a correct record.

**251/16/17 MATTERS ARISING (Not on Agenda)**

None.

**252/16/17 ANNUAL REVIEW OF THE TERMS OF REFERENCE**

Members considered the Terms of Reference for the forthcoming year.

Councillor D Evans proposed that the Terms of Reference be approved without amendment. This was seconded by Councillor R Hogg and carried unanimously.

**RESOLVED** That the Terms of Reference be approved without amendment.

**253/16/17****ANNUAL PROGRAMME OF WORK**

The Treasurer presented the Annual Programme of Work for the Committee for Members' information and guidance.

Changes highlighted were the Review of Investment Policy and Reserves Policy in late October and the Review of Financial Regulations when required.

Councillor R Hogg proposed that the Annual Programme of Work be approved. This was seconded by Councillor Bramham and carried unanimously.

**RESOLVED**

That the Annual Programme of Work be approved as written.

**254/16/17****BUDGETARY CONTROL STATEMENT – THREE MONTHS ENDED 30<sup>TH</sup> JUNE 2016**

The Treasurer presented a report on the Council's financial position as at 30<sup>th</sup> June 2016, being the first quarter of the financial year. He commented that it was too early in the year to pick up any trends from the statement.

The following points from the report were highlighted:

**CIL**

The first instalment of CIL (Community Infrastructure Levy) income had been received from SLDC amounting to £43 for 2015/16.

**Management**

Staff salaries showed a £1,622 overspending, the main reason being due to the Project Manager temporarily working increased hours.

**Bloom**

There was an underspending of approximately £3,500. The Treasurer commented that it was difficult to predict spending at this point and expected a better picture by the next quarter. He further commented that costs were currently split out for the planting tender, filling of planters, vandalism and the various competitions. The Treasurer considered that the split could be improved and advised that he would look at this during the coming year.

**Christmas Lights & Festivals**

There was an underspending of £4,550 due to the favourable variance on Festival Grants which was expected to decrease significantly as the year progressed. The underspending also included £3,500 allocated to the Rotary for the fireworks display which had not been released.

**General Fund**

Overall, the General Fund budget recorded a net underspending of approximately £15,300, with the working balance being this amount higher than profiled.

**Development Fund**

Spend to date was noted as £8,690, considerably below profile for the current time.

Members agreed to endorse the Budgetary Control Statement and recommend that it be approved by Council.

**RECOMMENDATION** That Council approve the Budgetary Control Statement for the three months ended June 2016.

Councillor Matt Severn chaired the remainder of the meeting from this point.

**255/16/17****INTERNAL AUDIT MANAGEMENT LETTER**

The Committee considered a report and management letter from the Council's internal auditors, R F Miller & Co following their internal audit for the year ended 31<sup>st</sup> March 2016. The Treasurer informed Members that it was a positive report and there had been no new issues raised.

The Auditors had noted an issue which had been highlighted previously relating to the majority of investments being held with a single entity, Cumberland Building Society. The Treasurer pointed out that he had fully investigated the matter previously and assessed the risk and alternatives. He had been unable to source a more favourable investment option at that time and considered that KTC were justified in keeping these investments with the Cumberland. The investment was consistent with the Council's Policy and had been reviewed by full Council in November 2015, when the risk had been accepted; since then there had been no change. All Members were in agreement.

**RESOLVED**

That the Report and Management Letter from R F Miller & Co be noted and the continuation of the investment with Cumberland Building Society be confirmed.

**256/16/17****GENERAL GRANTS**

Members were requested to consider three new applications totalling £2,700 in total. It was noted that all three organisations were located outside of Kendal. The Treasurer advised that £1,619 was available for the current year and the Committee considered the requests in the context of this limited amount of funding.

(a) Natland & Oxenholme Pre-School

Amount requested - £400 towards the cost of a 'Safeguarding Bootcamp' to enhance the skills of its professionals.

It was noted that 95% of the current roll of children attending the Pre-School fell within the KTC area. The Treasurer pointed out that accounts submitted were for the year ended 31<sup>st</sup> March 2014 and suggested that any support of the application should be based on up-to-date accounts being supplied.

Members discussed the application in detail. There was a general consensus of opinion that safeguarding training was not something that would directly benefit the children and there were more worthy requests, for example the purchase of new play equipment, which the Committee would be more willing to contribute towards. It was agreed to request a resubmission, along with updated accounts.

(b) Endmoor KGR (Kendal Green Rovers) Football Club

Amount requested - £800 towards pitch improvement costs and the development of a joint grass pitch maintenance service.

The Treasurer advised that the Club is an adult football club which plays at Endmoor. A detailed pitch improvement plan had been drawn up by the Football Association, to tackle poor drainage, based on its inspection of the pitches. The majority of the 40 regular players lived in Kendal.

After considering the application in full, Councillor Bramham recommended that the request be refused as the Club did not directly benefit the residents of Kendal. This was seconded by Councillor Blackman and carried unanimously.

(c) The Bluebell Foundation

Amount requested - £1,500 towards core running costs for the next three years.

The Bluebell Foundation supports families who have suffered bereavement from the death or anticipated death of a baby or child, and also couples who are experiencing fertility problems. Although the charity is based in Barrow, it is the only organisation that offers free at the point of contact support within South Cumbria and had supported 11 families during the last year.

Members agreed not to grant the full amount requested as the Charity was not Kendal based or specifically for the residents of Kendal. Councillor Bramham proposed that £250 be granted. This was seconded by Councillor R Hogg and carried unanimously.

**RESOLVED**

1. That Natland & Oxenholme Pre-School be requested to make a resubmission and provide updated accounts.
2. That the application from Endmoor KGR Football Club be refused.

**RECOMMENDATION** That a grant of £250 be awarded to The Bluebell Foundation.

**257/16/17**

**BUDGET FOR INTERNATIONAL LINKS**

The Treasurer presented a report and explained that the 13<sup>th</sup> June meeting of the Mayoralty and Arts Committee requested the Audit, Grants & Charities Committee to look into the possibility of establishing a budget heading to support international links.

Whilst there was a general consensus of opinion of the twinning sub-group that they were not eager to form any new twinning relationships, there was a desire to form an international links section on the KTC website.

Following a general discussion Members agreed that they were supportive of the proposal. The Treasurer suggested that the next meeting of the Committee would be a good opportunity to consider the matter further as budget variations would be an agenda item and this was agreed.

**RESOLVED**

That the possibility of establishing a budget heading to support international links be explored further at the next meeting of the Committee.

**258/16/17****FINANCIAL REGULATIONS**

The Treasurer presented a report along with draft Financial Regulations for consideration by the Committee. He explained that the National Association of Local Councils (NALC) had published a scheme of Model Regulations earlier this year as guidance for local councils. These had changed considerably from the previous version resulting in significant changes to presentation and content.

The Treasurer highlighted the key changes proposed to the current Regulations, as set out in the report. The Committee's attention was drawn in particular to the following issues:

The model scheme suggests that, at least quarterly, a Member other than the Chairman of the Council or a cheque signatory, should review and approve the bank reconciliations for all accounts. Currently only the Treasurer is involved in preparing bank reconciliations, which represents a potential weakness. The Treasurer suggested that the Chair of the Audit, Grants & Charities Committee would be best to take on this duty. Councillor Severn (the Chair) confirmed that he was happy to do so.

The model scheme assumes annual budget proposals are considered in relation to a three year forecast of revenue and capital expenditure and income. The Treasurer remarked that this was not something that could currently be resourced and suggested that Members consider this something to work towards rather than it being a firm commitment. All Members were in agreement.

Members discussed regulation 4.2 in the draft Financial Regulations regarding the requirement for Committees to seek approval for additional funding (a 'supplementary estimate') from Council for exceptional commitments that will exceed the amount provided in its revenue budget for that class of expenditure. Councillor D Evans expressed disagreement with the regulations and suggested that the Mayor could approve such spending rather than approaching Council. The Treasurer reasoned that this would not be an appropriate course of action as approval of the expenditure was a separate issue to funding of that expenditure.

Following a detailed discussion, Councillor D Evans proposed that Regulation 4.2 be amended to read “.....in which case the Committee is required to seek *prior* approval for additional funding (a “supplementary estimate”) from Council”. This was seconded by Councillor Bramham and carried with 3 Members in agreement and 2 against. The Treasurer was also asked to make a cross-reference to emergency spending. It was noted that the draft Regulations would be reported in full to Council for approval.

**RECOMMENDATION** That Council approves the draft Financial Regulations with the Committee’s proposed amendment to Regulation 4.2.

**259/16/17**

**SCHOOLS OF SCIENCE & ARTS CHARITY – BREWERY ARTS CENTRE**

At its last meeting on 25<sup>th</sup> April 2016, the Committee had requested the Treasurer follow up a grant of £1,000 to the Brewery Arts Centre in support of its bid to the Paul Hamlyn Foundation for funds to establish a Young Brewery Creative Council. The grant had been agreed in October 2014, however the Brewery had not requested the release of the money. The Treasurer confirmed that he had spoken to the Brewery Arts Centre who had advised that its application to the Paul Hamlyn Foundation was still pending. The Centre had asked if the money earmarked for the original initiative could be used for one of three alternative projects as follows:

- (a) *Emotional Warrior* – a revised application to the Paul Hamlyn Foundation focusing on supporting young people at risk of slipping behind in their educational achievements during the transition between primary and secondary school.
- (b) *Accelerator* – application to Esmee Fairbairn Foundation seeking to establish the Brewery’s ongoing work with emerging artists.
- (c) *Hot Potato 2* – a project initiated by youth theatre students who want to use theatre skills to address issues around young people’s mental health.

*Emotional Warrior* had been suggested by the Chief Executive of The Brewery Arts Centre as the preferred option.

Following a detailed discussion Councillor D Evans proposed that the grant of £1,000 previously approved for the Brewery Arts Centre be reallocated to any of the three alternative projects put forward. This was seconded by Councillor Blackman and carried.

**RECOMMENDATION** That the grant of £1,000 previously approved to support the Brewery Arts Centre’s bid to the Paul Hamlyn Foundation for funds to establish a Young Brewery Creative Council be reallocated to any of the three alternative projects put forward.

**260/16/17**

**ITEMS FOR THE NEWSLETTER**

The Treasurer advised that feedback from three organisations that

had been awarded grants, regarding what difference the money had made to them, would be featured in future editions of the newsletter.

**261/16/17**

**ANY OTHER BUSINESS**

None.

**262/16/17**

**DATE OF NEXT MEETING**

The date of the next meeting was agreed as Monday 31<sup>st</sup> October 2016.

**263/16/17**

**MEETING DATES FOR 2017**

Dates were agreed for Committee meetings in 2017 as follows:

Monday 30<sup>th</sup> January  
Thursday 27<sup>th</sup> April  
Monday 31<sup>st</sup> July  
Monday 30<sup>th</sup> October

It was further agreed that all meetings would commence at the later time of 7.00pm starting from the next meeting on 31<sup>st</sup> October 2016.

The meeting closed at 8.00pm.

**Summary of Information, Resolutions and Recommendations to Council**

<b>Min</b>	<b>Subject</b>	<b>Information/Resolution/Recommendation to Council</b>	
<b>252</b>	Annual Review of the Terms of Reference	<b>RES</b>	That the Terms of Reference be approved without amendment.
<b>253</b>	Annual Programme of Work	<b>RES</b>	That the Annual Programme of Work be approved as written.
<b>254</b>	Budgetary Control Statement	<b>REC</b>	That Council approve the Budgetary Control Statement for the three months ended June 2016.
<b>255</b>	Internal Audit Management Letter	<b>RES</b>	That the Report and Management Letter from R F Miller & Co be noted and the continuation of the investment with Cumberland Building Society be confirmed.
<b>256</b>	General Grants	<b>RES</b>	<ol style="list-style-type: none"> <li>1. That Natland &amp; Oxenholme Pre-School be requested to make a resubmission and provide updated accounts.</li> <li>2. That the application from Endmoor KGR Football Club be refused.</li> </ol>
<b>256</b>	General Grants	<b>REC</b>	That a grant of £250 be awarded to The Bluebell Foundation.
<b>257</b>	Budget for International Links	<b>RES</b>	That the possibility of establishing a budget heading to support international links be explored further at the next meeting of the Committee.
<b>258</b>	Financial Regulations	<b>REC</b>	That Council approves the draft Financial Regulations with the Committee's proposed amendment to Regulation 4.2.
<b>259</b>	Schools of Science & Arts Charity – Brewery Arts Centre	<b>REC</b>	That the grant of £1,000 previously approved to support the Brewery Arts Centre's bid to the Paul Hamlyn Foundation for funds to establish a Young Brewery Creative Council be reallocated to any of the three alternative projects put forward.