

KENDAL TOWN COUNCIL

**Minutes of the proceedings at a meeting of
Kendal Town Council
held on Monday, 21st November 2016 at 7.30 p.m.
in the SLDC Council Chamber, the Town Hall, Kendal**

PRESENT The Mayor (Councillor S Coleman) in the Chair;
Councillors A Robinson, T Clare, G Cook, P Bramham, J Brook, C
Feeney-Johnson, S Emmott, D Evans, S Evans, M Severn, L Oldham, A
Blackman, K Bracey, J Robinson, R Sutton, K Teasdale and J Owen.

APOLOGIES Councillors G Vincent, J Veevers, G Archibald, C Hardy, C Hogg, R
Hogg

OFFICERS Liz Richardson (Town Clerk), Jack Jones (Town Treasurer) and Nicky
King (Council Secretary)

626/16/17 PUBLIC PARTICIPATION

None.

627/16/17 DECLARATIONS OF INTEREST

None.

628/16/17 INVOICES OVER £3,000

The Treasurer presented one invoice over £3,000 for Council approval as follows:

- Cumbria County Council for footpath improvements from Dean Gibson School to Collin Road - £10,000.00 (no VAT).

It was proposed by Councillor A Robinson and seconded by Councillor Bracey that payment of the invoice be approved. This was carried unanimously.

RESOLVED That payment of the invoice over £3,000 be approved.

629/16/17 REVISED PETTY CASH PAYMENTS SCHEDULE: JULY TO SEPT 2016

At the Council meeting held on 7th November 2016 Councillor Feeney-Johnson had queried a petty cash item of £2.50 for cleaning materials from Poundland. The Treasurer presented a revised schedule and explained that he had omitted the VAT column showing VAT at £0.50, making a total payment of £3.00 for this item.

It was proposed by Councillor Clare and seconded by Councillor Brook that the revised petty cash schedule be approved. This was carried unanimously.

RESOLVED That the revised Petty Cash Payments Schedule for July to September 2016 be approved.

630/16/17 EXTERNAL AUDITOR'S REPORT TO COUNCIL

The Treasurer presented Members with the External Auditor's Report on the audit of the Council's Accounts for the year ended 31st March 2016. There were no matters arising to report to Councillors.

Councillor Severn proposed that the report be received. This was seconded by Councillor Cook and carried unanimously.

RESOLVED That the External Auditor's Report for year ended 31st March 2016 be received.

631/16/17 BUDGETARY CONTROL STATEMENT – SIX MONTHS ENDED 30TH SEPTEMBER 2016

The Treasurer presented the Budgetary Control Statement for six months ended 30th September 2016, being half way through the financial year. He reported an underspending of approximately £23,500 across all budget headings, which was normal at this time of year. A trend for overspending on staff salaries was highlighted which was expected to continue. The Treasurer anticipated that he expected that the overall underspend would decrease as the year progressed, leaving a smaller underspend at year end. He added that the Statement confirmed that the Town Council was in a sound financial position.

The Mayor commented that it would be useful to see a column for commitments to date and asked the Treasurer for an explanation. The Treasurer explained that the Budgetary Control Statement differed to Committee statements as it did not address future projections. The budget is split and apportioned for 6 months expectations, showing the 6 months budget and 6 months actual income and expenditure; the latter figures included known commitments relating to that 6 month period.

Councillor Severn proposed that Council approve the Budgetary Control Statement. This was seconded by Councillor Cook and carried unanimously.

Councillor Severn expressed his concern regarding significant underspendings, particularly in respect of the Flooding Recovery budget.

RESOLVED That the Budgetary Control Statement for six months ended 30th September 2016 be approved.

632/16/17 DRAFT INVESTMENT POLICY

The Treasurer presented a draft Investment Policy 2017/18 which had been considered by the Audit, Grants & Charities Committee at their meeting on 31st October 2016.

One amendment was suggested by the Treasurer which was highlighted red on the draft document. The amendment addressed non-specified investments. It was recommended that KTC did not use non-specified investments as they are generally considered to be of higher risk and would require specialist advice.

The Treasurer advised that the draft Investment Policy was reviewed annually.

Councillor Clare proposed that the draft Investment Policy be approved. This was seconded by Councillor J Robinson and carried unanimously.

RESOLVED That the draft Investment Policy 2017/18 be approved.

**633/16/17 LOCAL GOVERNMENT PENSION SCHEME:
TRIENNIAL VALUATION OF CUMBRIA PENSION FUND**

The Treasurer explained that KTC is a member of the Cumbria Pension Fund and offers membership to its employees. Every three years, Cumbria County Council is required to value each segment of the overall County Fund to ascertain whether its assets and income are sufficient to meet its potential liabilities. Ongoing employer's contribution rates for the coming three years are then recommended. A further lump sum adjustment is made for the historical deficit or surplus in the Fund.

It was noted that the next valuation had been completed and was due to take effect from 1st April 2017. The Treasurer advised that the employer's contribution rate currently being paid by KTC was 17.7% of salaries. This would increase to 18.3%. The effect of this increase on the Council's budget was an extra cost of £650 in 2017/18. However the Treasurer observed that this would be more than compensated by a £1,300 increase in the surplus adjustment, from £800 to £2,100.

RESOLVED Members noted the results of the Pension Fund valuation.

634/16/17 AUDIT, GRANTS & CHARITIES COMMITTEE

The minutes of the Audit, Grants & Charities Committee meeting held on 31st October 2016 were presented by Councillor Severn who proposed that they be approved as a correct record. This was seconded by Councillor Blackman and carried with 2 abstentions.

RESOLVED That the minutes of the Audit, Grants & Charities Committee meeting held on 31st October 2016 be approved as a correct record of the meeting.

Councillor Severn then presented recommendations of the Committee as follows:

635/16/17 Grant Applications 2016/17

Minute 535/16/17 (b)

That a grant of £400 be awarded to Natland and Oxenholme Preschool.

Minute 536/16/17 (c)

That, in view of the demands on the Council's grants budget, no grant be awarded to K Shoes Male Voice Choir.

Minute 537/16/17 (d)

That, in view of the demands on the Council's grants budget, no grant be awarded to Cumbria Victims Charitable Trust.

Councillor Severn proposed that the recommendations be approved and this was seconded by Councillor Bramham.

Councillor Emmott referred to Minute 564/16/17 and was concerned to note the recommendation that no grant be awarded to Kendal Concert Band in view of the demands on the Council's grants budget. She commented that in her experience Kendal Concert Band had always been very helpful to KTC.

Councillor Feeney-Johnson agreed with Councillor Emmott. She also raised her concern regarding a recommendation that no grant be awarded to Kendal College towards re-using a doorway at Castle Dairy (Minute 555/16/17). She further observed the recommendation to grant £400 to Natland & Oxenholme Pre-school (Minute 535/16/17) and questioned the decision, given that the Pre-School was outside the Kendal parish boundary.

Councillor Severn explained that, in the case of Kendal Concert Band, the recommendation had been based on the policy of not awarding grants to groups that primarily consisted of wage earning adults. He also advised that whilst Natland & Oxenholme Pre-school was located in Natland, 85% of the pupils in attendance came from the Kendal parish area. He pointed out that the Pre-school was a Registered Charity and although a contribution of £1,000 had been requested, the Committee had proposed a grant of £300.

A detailed discussion then ensued regarding the concerns raised. There was strong support amongst Members for Kendal Concert Band to receive an award. Several Members also expressed their support for the application by Kendal College for works at Castle Dairy, given the historical importance of the building. The Treasurer advised that the College had substantial resources of approximately £600,000 showing in their accounts. Councillor Emmott commented that this was money to be spent on the education of the young people of the town and it would be wrong to use this information to determine a decision on the application by the College for work at Castle Dairy.

There was also a general consensus of opinion that Natland & Oxenholme Pre-school should not receive an award due to their location being outside the Kendal parish. There was concern that this may set a precedent for other schools/nurseries etc outside the boundary and KTC did not have the resources to support them all. The Treasurer clarified that the grants criteria referred to grants being awarded to organisations that benefit the residents of Kendal, not restricted by geographical area.

Councillor Feeney-Johnson made a counter proposal to reduce the allocation to Natland & Oxenholme Pre-school to zero. This was seconded by Councillor Clare. Members voted with 3 against and 1 abstention.

There was a subsequent vote on the three recommendations originally put forward by Councillor Severn. Members voted unanimously that Minute 535/16/17 (b) be amended to a nil grant and minutes 536/16/17 (c) and 537/16/17 (d) remain.

RESOLVED

1. That no grant be awarded to Natland and Oxenholme Pre-school.
2. That no grant be awarded to K Shoes Male Voice Choir.
3. That no grant be awarded to Cumbria Victims Charitable Trust.

636/16/17

Grant Applications 2017/18 – Brewery Arts Centre
(Minute 540/16/17)

- (a) That a grant of £10,000 be awarded.
- (b) That the concept of a multi-year agreement not be pursued.

Councillor Severn explained that the Brewery Arts Centre had applied to the Committee for a grant of £5,000 and would also be making a separate application for a festival grant of £5,000. They had also requested that Committee considered entering into a three-year funding agreement, which would assist them in seeking substantial funding from Arts Council England. Councillor Severn proposed that Council approved the recommendations made by the Audit, Grants & Charities Committee. This was seconded by Councillor A Robinson.

Councillor Emmott expressed her disappointment that the concept of a multi-year funding agreement was not being pursued as it would help the Brewery Arts Centre to secure future funding. A general discussion then ensued regarding multi-year agreements with differing opinions raised by Members.

Councillor J Robinson and Cook did not consider multi-year agreements appropriate.

Councillor Brook observed that significant sums are awarded by KTC and suggested that consideration should be given to awarding multi-year agreements to certain key organisations that KTC support.

Councillor Bracey suggested that Council considered the concept for the next financial year in the case of the Brewery Arts Centre only.

Councillor Bracey proposed that Council supported the Brewery for the next two years. This was seconded by Councillor Emmott. Members voted in favour with 5 against and 2 abstentions. He felt that, in the current climate, KTC were duty bound to support organisations such as the Brewery with longer term funding agreements. In light of this he requested Councillor Severn, via the Audit, Grants & Charities Committee, to consider the concept of multi-year agreements further for such organisations.

Members then voted on the two recommendations originally put forward by Councillor Severn. Members voted unanimously that The Brewery Arts Centre be granted an award of £10,000 for the next two years and that the conditions of a two year funding agreement should be considered by the Audit, Grants & Charities Committee for the Brewery Arts Centre.

RESOLVED

1. That the Audit, Grants & Charities Committee consider the concept of multi-year agreements further for organisations such as the Brewery.
2. That the Brewery Arts Centre be granted an award of £10,000 for the next two years and that the conditions of a two year funding agreement be considered by the Audit, Grants & Charities Committee.

637/16/17**General Grant Applications 2017/18**

(Minutes 543/16/17 to 566/16/17)

Recommendations from the Committee for grants to organisations in 2017/18.

Councillor Severn proposed that the recommendations made by the Committee be approved and this was seconded by Councillor Bramham.

Councillor Emmott proposed that, following earlier discussions, a grant of £400 be awarded to Kendal Concert Band (Minute 564/16/17). This was seconded by Councillor Clare and carried with 1 Member against.

Councillor Feeney-Johnson proposed that, following earlier discussions, a grant of £500 be awarded to Kendal College towards works at Castle Dairy (Minute 555//16/17). This was seconded by Councillor Emmott and carried with 7 Members against and 1 abstention. It was further proposed that no award be granted to Natland & Oxenholme Pre-school towards resurfacing the outdoor safety surface (Minute 562/16/17).

The Treasurer advised that the amendments proposed would leave £4,762 available for future applications received for the 2017/18 financial year. In view of concerns expressed earlier in the meeting about the adequacy of the budget, he suggested using the unallocated funds in the current financial year's budget (approximately £3,000) to make advance payments of 2017/18 grants. , which would release funds in that year.

Members then voted on the full amended recommendations for grants which was proposed by Councillor Severn and seconded by Councillor Bracey. This was carried unanimously.

Councillor D Evans commented that it would be useful if the Audit, Grants & Charities Committee were provided with clarification in respect of the policy of awarding grants to organisations outside of the Kendal parish boundary.

RESOLVED That the recommendations made by the Audit, Grants & Charities Committee at its meeting on 31st October 2016 for grants to be awarded to organisations in 2017/18 (Minutes 543/16/17 to 566/16/17) be approved, subject to the amendments agreed.

638/16/17 SCHOOLS OF SCIENCE AND ART CHARITY

(Minute 567/16/17)

That a grant of £500 be awarded to Springfield (Westmorland Association for Social and Moral Welfare).

Councillor Severn reported that the Audit, Grants & Charities Committee had considered a request from Springfield (Westmorland Association for Social and Moral Welfare) for a grant of £500 from the Schools of Science and Art Charity. The Committee had recommended that Council approve the grant.

Councillor Severn proposed that the grant be awarded. This was seconded by Councillor S Evans and carried unanimously.

RESOLVED That the grant of £500 be awarded to Springfield (Westmorland Association for Social and Moral Welfare) from the Schools of Science and Art Charity.

639/16/17 DRAFT BUDGET 2017/18

The Treasurer presented the draft budget for 2017/18 which had been circulated to Members prior to the meeting. He explained that the budget could not be finalised until key information, principally the Council Taxbase and related grant, were notified by SLDC in late December. The draft budget assumed current committed levels of service, known or expected inflation and a precept based on a nil increase in Council Tax. A separate summary showed proposals for new revenue items (“growth bids”) and Development Fund bids.

It was noted that the current Council Tax rate for a Band D property was £34.24 (the average home in Kendal is Band C). By way as a guide for Councillors the Treasurer advised that a 1% increase (34p) in Council Tax would raise approximately £3,500 in extra income. Alternatively a £1.00 increase would raise an additional £10,000 income. These amounts were calculated on the current Taxbase and would alter once the 2017/18 figure was known.

Members discussed the Growth Bids and Development Fund Bids (Appendix E in the Draft Budget 2017/18). The Treasurer advised that submitted bids for 2017/18 totalled £71,500, with an amount of £34,150 available in base budget. Measures that were available to fund some/all of the bids were discussed.

The Treasurer explained that the Council's Reserves Policy sets a target level of £25,000 to £50,000 for the General Fund working balance. It was considered prudent to hold more than the minimum £25,000 in the working balance, therefore the 2017/18 Draft Budget assumed that the balance would be £30,000.

A separate document entitled "2017/18 Budget Proposals – Financing Summary" had been produced by the Treasurer based on information provided by Councillor Brook and this was circulated at the meeting. The summary proposed reductions to growth items relating to Kendal Futures Projects, Restoration of Assets and Twinning – Rinteln 25th Anniversary. The overall effect of these adjustments would see a reduction in proposed growth items from £71,500 to £67,300. An increase in precept equivalent to £1 increase in Band D Council Tax was also proposed to provide additional funding.

Members discussed Community Infrastructure Levy (CIL). The Treasurer advised that, to date, Council had received £646 income from SLDC for the period October 2015 to September 2016. It was recommended that a reserve be established to account for expenditure using CIL monies. Councillor D Evans referred to the fact that the Draft Budget 2017/18 assumed no further income from this source due to its unpredictability. He asked whether SLDC would provide any indication of what the income from CIL was likely to be. Councillor A Robinson commented that CIL income should be treated separately. The Treasurer agreed with Councillor A Robinson and said that he could make enquiries with SLDC.

Councillor D Evans noted that it had been proposed to use unspent monies from the Flooding Recovery budget to fund, or part fund, some flooding related items from the 2017/18 growth list (Appendix E). He queried the underspend from that budget and asked the Treasurer whether the Flooding Recovery Fund had achieved its objectives. The Treasurer replied that Council increased the Council Tax in 2016/17 in order to create a Flooding Recovery budget of £20,000. This was subsequently reduced to £18,400 by the transfer of £1,600 to help fund the costs of the initial Strategic Transport Infrastructure study. A further £7,200 had been committed from the budget for projects including £1,000 for Kendal BID's city dressing project as part of the 'Open for Business' campaign, £4,000 for new planters along Shap Road, £200 for an event at IBIS club, £1,500 for promotional leaflets and £500 for the Pots of Joy project. The draft budget assumed that a specific Flooding Recovery budget would not be required in 2017/18 on the basis that appropriate proposals are now absorbed into projects which appear in the main list of growth proposals. This left £11,200 unspent 2016/17 allocation which could be used to fund growth items for 2017/18.

Councillor A Robinson questioned whether the £1 increase in Band D Council Tax would be sufficient to cover any unforeseen needs. Councillor Brook confirmed that he considered that to be the appropriate amount. The Treasurer considered that the proposed budget provided

for all foreseen expenditure and also contained some contingencies which could be used for unforeseen items.

Councillor Brook proposed approval of the Draft Budget 2017/18 and the Budget Proposals as outlined in the financing summary. This was seconded by Councillor Cook and carried unanimously.

Councillor Cook commented that the Draft Budget was not set in stone and there would be further opportunity in January to amend the decisions made once the Taxbase figure had been confirmed by SLDC.

RESOLVED

1. That the 2016/17 Forecast and 2017/18 Draft Base Budget be approved.
2. That a Community Infrastructure Levy Reserve be created.
3. That the General Fund working balance be set at a minimum of £30,000 for 2017/18.
4. That the precept for 2017/18 be increased by an amount equivalent to an increase of £1.00 in the Band D Council Tax.
5. That the growth and financing proposals summarised in the "2017/18 Budget Proposals – Financing Summary" document, as appended, be agreed.

The meeting ended at 9.55 p.m.

Signature

Date