

Kendal Town Council

Town Hall, Highgate, Kendal LA9 4ED
www.kendaltowncouncil.gov.uk



20 September 2022

To Members of the Audit Grants and Charities Committee

Cllr J Dunlop (Chair)	Cllr D Evans
Cllr M Helme	Cllr T Perkins
Cllr D Rathbone (Vice-Chair)	Cllr C Russell
Cllr K Blamire	

You are summoned to a meeting of Kendal Town Council Audit, Grants and Charities Committee on Wednesday, 28 September 2022, at 7.00 p.m., at the Town Hall, Highgate, Kendal.

(Distributed to other members of the Council for information only.)

Yours faithfully

Chris Bagshaw
Town Clerk

AGENDA

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 - <http://www.kendaltowncouncil.gov.uk/kendal-town-council/statutory-information/guidance-on-public-participation-at-kendal-town-council-meetings/>. The public are not permitted to speak in other parts of the meeting unless allowed to do so by the chair.

1. Apologies

To receive and accept any apologies. If accepted, apologies will be considered to be for reasons approved by the council under the terms of Local Government Act 1972, s85.

2. Declarations of Interest

To receive declarations by members and/or co-optees of interests in respect of items on this agenda.

3. Exclusion of Press and Public (Public Bodies Admission to Meetings Act 1960)

To consider whether there are any agenda items during consideration of which the press and public should be excluded.

4. Minutes of the Last Meetings

To receive the minutes of the meetings of the Audits, Grants and Charities Committee held on 25 July and 8 August 2022 and to authorise the Chair to sign them as true records (*see attached*).

5. Budget Monitoring

To receive a report on the second quarter's budget and expenditure (*see attached*).

6. Grants Funding

To consider the following grant applications:-

- (a) Grant from Kendal and District Lions for a contribution of £5,000 towards the Kendal and District Lions Charity Bookshop.
- (b) Kendal Brewery Arts for a contribution of Year 1 2022 - £10,000; Year 2 2023 - £15,000; and Year 3 2024 - £15,000 toward core costs and overheads, venue and technical infrastructure.

7. Finance System

To receive an update on the purchase of a new Finance Management system for the Council.

8. Financial Regulations

To receive a brief verbal report on the progress made towards updating the Council's Financial Regulations.

9. Internal Audit

To consider the arrangements for the Internal Audit of the council's governance and accounts.

Background

The Council must regularly review its Internal Audit arrangements. The Internal Auditor's role is specified in the Practitioners' Guide from the Joint Panel on Accountability and Governance (JPAG) (*see attached*). The relevant chapter from the latest (June 2022) edition of the Guide is appended to this agenda. Internal Audit is currently carried out by RFM Ulverston Ltd and cost £900 in 2022. RFM have been auditors since at least 2014.

Recommendation

That the Council seeks to appoint an Internal Auditor (which may be the existing internal Auditor) for a three-year period.

10. Other Audit Matters

To receive a brief report on the current auditing of Council Assets and the external audit, and to make any necessary related decisions.

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Minutes from the Audit, Grants and Charities Committee meeting held at 7.35 p.m. on Monday, 25 July 2022, in the Council Chamber at Kendal Town Hall, Highgate.

Cllr K Blamire	Apologies	Cllr J Dunlop	Present
Cllr D Evans	Apologies	Cllr M Helme	Apologies*
Cllr T Perkins	Apologies	Cllr D Rathbone	Apologies
Cllr C Russell	Present		

In attendance: Chris Bagshaw (Town Clerk) and Inge Booth (Democratic Services Assistant).

The meeting was inquorate and, therefore, adjourned at 7.36 p.m. Arrangements would be made for the meeting to reconvene on Monday, 8 August 2022, at 6.00 p.m.

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Minutes from the Audit, Grants and Charities Committee meeting held at 6.00 p.m. on Monday, 8 August 2022, in the Council Chamber at Kendal Town Hall, Highgate. This was a reconvening of 25 July's meeting which had been adjourned due to the Committee having been inquorate.

Cllr K Blamire	Present	Cllr J Dunlop (c)	Present
Cllr D Evans	Present	Cllr M Helme	Absent
Cllr T Perkins	Apologies	Cllr D Rathbone (vc)	Present
Cllr C Russell	Apologies		

In attendance: Chris Bagshaw (Town Clerk)

AGC 01/2022 Apologies

Apologies were received and accepted from Cllr T Perkins and C Russell

AGC 02/2022 Declarations of Interest

None at the time.

AGC 03/2022 Exclusion of Press and Public (Public Bodies Admission to Meetings Act 1960)

None

AGC 04/2022 Minutes of the Previous Meeting

The Council received the minutes of the Audit, Grants and Charities meeting held on 25 April 2022. It was noted that the Christmas Lights and Festivals Committee had also considered a grant application from Kendal Community Theatre, and the Council had now agreed to fund the organisation from two budgets. This was not good practice and should be avoided in future. The Clerk reported that he expected the recent changes which had been made to the grants system, with a single point of contact, would prevent this from happening in the future.

Resolved: To accept the minutes as a true record.

AGC 05/2022 Budget Monitoring

The Committee considered a budget monitoring report to 30 June 2022. There were no particular issues raised, though the van costs were queried, as they appeared to be forecast to exceed the budget significantly. The Clerk explained that the fuel element was an unknown variable and that repairs had been more expensive than anticipated.

Resolved: To note the report.

AGC 06/2022 Grants Funding

The Committee considered the following grant applications

- a) Abbot Hall Bowling Club
Sum applied for £50
Purpose: To assist in the reinstatement of the Alexander Cup Festival
Committee Comment: Scale and purpose meets criteria
Grant offered: £50

- b) Hallgarth Senior Citizens
Sum applied for £500
Purpose: To take members on a bus trip
Committee comment: The Committee queried whether it was appropriate that the Town Council should be asked to pay the full amount for this trip, with no other sources of income shown and the amount requested a seemingly arbitrary figure. It resolved to offer a grant of £250 towards the trip.
Grant offered: £250

- c) Kendal Debt Centre
Sum applied for £5,000
Purpose: Debt advisory service in Kendal
This application was held over from the previous meeting subject to legal advice on the power of the Town Council to fund a religious foundation. NALC's solicitor had confirmed that this was within the Council's powers under ss137 and 142 of the Local Government Act, 1972. The previous committee meeting had recommended that (subject to this advice) the Council do not offer the full amount requested so as to safeguard future grant funding capacity in the current financial year.
Grant offered: £3,000

- d) Kendal and District Lions
Sum applied for £5,000
Purpose: To re-establish a second-hand bookshop in Kendal
Committee comment: The Committee did not feel able to support this application as it stood. It felt there was insufficient information submitted for a grant of the size requested, with some fields in the application form left largely blank. In deferring the consideration, they invited the applicant to submit the proposal again, but this time with more information and an analysis of how the Council's grant would be multiplied by the project.
Grant offered: application deferred for further information

- e) Kendal South Choir
Sum applied for £500
Purpose: To support a performance of 'Feel the Spirit' and 'Mass in Blue' at St Thomas's Church
Committee comment: The amount requested was specific and targeted to deliver an outcome.
Grant offered: £500

f) Kendal Youth Zone

Sum applied for £500

Purpose: To assist in developing a 'Youth' night at The Venue.

Cllr D Evans withdrew from the meeting for the consideration of this item due to a previously declared Other Registerable Interest.

Committee comment: Targeted and aligned with Council's criteria.

Grant offered: £500

g) Meals for Ukrainian Refugees

Sum applied for £1,000

Purpose: To support the provision of good, nutritious meals to Ukrainian refugees in Kendal.

Committee comment: An additional condition of funding should be for the applicant to show how the Meals for Ukrainian Refugees project is financially separate from the Gateway Church's ordinary accounts.

Grant offered £1,000

h) South Lakeland Hydrotherapy Trust

Sum applied for: £3,000

Purpose: To support the work of the trust.

Committee comment: The Council has been a long-term supporter of the Trust since its inception and it ought to be considered a 'core' fundee.

Grant offered £3,000

i) Lakeland Arts

Sum applied for £5,000

Purpose: To support the MART project

Committee comment: It was unclear whether the money would be required every year for three years, or divided over a three-year project.

Grant offered: £5,000

j) South Lakes Citizen's Advice

Sum applied for £5,000

Purpose: To support the work of the Advice Service.

Committee comment: Core funding

Grant offered: £5,000

Resolved: To offer the grants and/or appropriate feedback as listed above.

AGC 07/2022 Future Grant Funding

The Clerk reported that the process of grant funding was being unified under a single point of contact and anticipated that this would address several of the issues members had raised previously about inconsistency.

Resolved: To note the report

AGC 08/2022 Finance System

The Clerk reported that the new Omega finance system was bedding in, with the purchase ordering system now being introduced. Some further work was required to finally replace the old systems, but it was anticipated this would be cleared by the end of September.

Resolved: To note the report

AGC 09/2022 Standing Orders and Financial Regulations

The Clerk reported that the Council was now using the new Standing Orders and that his review of the Financial Regulations should be complete in time for the Autumn budget setting.

Resolved: To note the report

AGC 10/2022 Audit of Assets and Internal Audit

The Clerk reported that this was proving more complex than anticipated, but that headway was being made on the external assets, and on identifying gaps in the internal asset list and accounting for anomalies.

Resolved: To note the report

The meeting closed at 18.54

Kendal Town Council 2022-23 Budget**4 Months Exp - April-July****Income/Exp**

	22/23 Budget	Exp to Date	Forecast	
<u>Staffing Budget</u>	£242,000		253,574	See Projected Payroll Costs s/s
Gross Staff Costs		£71,289		
Travel		£143	£200	
Staff Expenses		£35	£150	
Staff Training/Course	£3,000	£978	£1,500	
Total Budget	£245,000	£72,445	£255,424	
<u>Premises/Equip Budget</u>	£18,000			
Rent of Old Unison Room (2 quarter)		£570	£2,280	
Service Charge (Rent)/ Heating/Lighting/cleaning/Pa rlour/Picture Store/Use of Chamber (1 quarter)		£2,375	£9,500	
Rent - New Office		£1,760	£1,760	
Use of Telephones			£200	
Other: Garage Rent (still awaiting Invoices from 20-22)			£2,600	
Premises Other		£1,749	£3,000	Includes Repairs to Garage Roof
Alarms - Service & Maint (Payment from 4 & 6 mths)		£1,442	£1,442	
Garage - Electricity		£87	£360	
Total Budget	£18,000	£7,983	£21,142	
<u>IT Budget</u>	£17,500			
Software ITEK - Support (4 Mths) ITEK Annual Costs (License and Annual costs)		£1,550	£3,500	
Back-up and Email Service		£1,411	£1,411	
Cloud Hosting (8 mths)		£1,233	£1,233	
Allotments Software		£821	£821	
Support Sage		£126	£126	
Digital Meetings/Admin Zoom/canva		£83	£343	
Other IT Costs		£459	£459	
New IT System/Comp/Equip (New Laptops and set up)		£1,830	£2,000	
		£9,515	£9,515	
Sub Total	£17,500	£17,028	£19,408	
<u>Insurance & Finance Costs Budget</u>	£12,000			
Public Liability (12 mths Insurance)		£5,732	£5,732	
HR				
Finance Costs (Admin & Audit Fees)		£17	£4,500	
Other - Bk and Voucher fees		£82	£200	
Payroll Services		£103	£412	
Sub Total	£12,000	£5,934	£10,844	

Kendal Town Council 2022-23 Budget4 Months Exp - April-JulyIncome/Exp

	22/23 Budget	Exp to Date	Forecast
<u>Stationery/Office General Budget</u>	£7,500		
PPE	£1,000		£1,000
Printing/Stationery/Postage		£673	£1,500
Office Equip		£29	£1,500
Misc. Office Expenses		£28	£100
Photocopier		£348	£1,000
Subscriptions		£2,581	£3,000
<u>Sub Total</u>	£8,500	£3,659	£8,100
<u>Vehicle Budget</u>	£2,500		
Fuel		£316	£900
Tracking Fee		£28	£84
Repairs		£269	£800
Van Ins		£916	£1,221
Other		£266	£500
<u>Sub Total</u>	£2,500	£1,794	£3,505
Newsletter	£11,500	£225	£11,500
Elections	£2,777		£2,777
Election Fund	£5,000		£5,000
Misc.	£2,500		£2,500
Wainwright Fund	£250	£250	£250
Emergency Planning	£0		£0
Promoting Quality & Diversity	£150		£150
Kendal Futures & Vision Budget	£31,750	£15,200	£31,750
Visit Kendal/Promoting Kendal Budget	£0	£0	
Contribution to Levelling up (funded out of Contingency)		£5,000	£5,000
<u>Total Management</u>	£357,427	£129,518	£377,350

Kendal Town Council 2022-23 Budget4 Months Exp - April-JulyIncome/Exp

<u>AUDIT, GRANTS & CHARITIES:</u>			
<u>Community Grants</u>	<u>£41,000</u>	<u>£0</u>	<u>£41,000</u>
Bro Room Grant		£1,000	
Autus Grant		£1,000	
Growing Well Grant		£500	
Kendal Window on Art Grant		£500	
Kendal Debt Centre Grant		£3,000	
Kendal Youth Zone Grant		£500	
Kendal South Choir Grant		£500	
Abbot Hall Bowling Club Grant		£50	
South Lakes Citizens Advice		£5,000	
Hallgarth Senior Citizens		£250	
South Lakes Hydrotherapy Trust		£3,000	
Gateway Church		£1,000	Approved, awaiting info to pay
Lakeland Arts		£5,000	Approved, awaiting info to pay
Kendal & District Lions		£5,000	Subject to further information
<u>Remaining Budget</u>			<u>£14,700</u>
<u>Total Community Grants</u>	<u>£41,000</u>	<u>£26,300</u>	<u>£41,000</u>

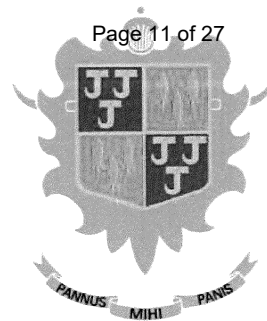
Kendal Town Council 2022-23 Budget4 Months Exp - April-JulyIncome/Exp

	22/23 Budget	Exp to Date	Forecast	
<u>MAYORALTY & ARTS</u>				
Mayoral (Mayor & Deputy Mayor) Allowance	£5,250	£5,125	£5,250	** Paid July
Mayoral Travel	£800	£197	£800	
Mayoral Functions	£7,500	£2,609	£7,500	
Twinning	£2,500		£2,500	Trip to Rintelin
Exhibitions	£2,000		£2,000	
Museum	£2,000		£2,000	** Note: We haven't paid for the Museum for 2 years now .CB Emailed
Other				
<u>Total Mayoralty & Arts</u>	<u>£20,050</u>	<u>£7,931</u>	<u>£20,050</u>	

Kendal Town Council

Community Funding Proposal 2022-2023

28/9/22



Please use this form to make a Community Funding Proposal for your organisation from Kendal Town Council. You must complete all the boxes on the form and submit it along with the required paperwork. On receipt of this form you will be given a date when your application will be considered by the relevant committee. You can use additional pages if you require.

Name of Project	Principal Contact
Kendal and District Lions Charity Bookshop	Liz Axten
Address of organiser	Address of contact
[REDACTED]	[REDACTED]
Date of application	23/8/22
Telephone	[REDACTED]
E-mail	[REDACTED]
Organisation website	Kendal & District Lions Club - Home Facebook

Description of proposal

Since 2015 Kendal and District Lions Club have been provided with a charity bookshop within Kendal Town Centre first by Elephant Yard then by Westmorland Shopping Centre with funding provided by Skipko Ltd. In both situations Lions only had to pay utilities and no rent or rates. Unfortunately due to the redevelopment of the Westmorland Shopping Centre the organisation is now without a bookshop so are now seeking funding in order to pay rates and rent on new premises. A premises is in the process of being secured until December 2022 in which no rent is payable however rates and utilities will need to be paid. This premises is only available short term.

During the last 3 years the bookshop has raised the following amounts which have been donated directly to charitable organisations, most of whom are within the local area. Donations have also been made to local individuals in need and to Lions disaster funds.

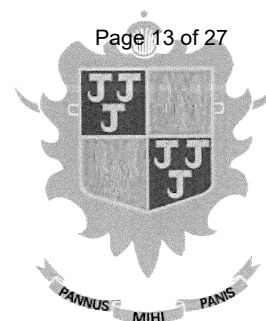
1st July 2019 to 30th June 2020 - £14,409.19

1st July 2020 to 30th June 2021 – £15,384.11

1 st July 2022 to 20 th June 2022 - £19,695.19	
It must be noted that 2020 and 2021 proceeds were impacted by the Covid 19 pandemic. Donations have been made to a number of local charities including Manna House, Selside School, Kings Food Bank, Derien House and Kirkbarrow and Hallgarth residents association.	
How much funding do you require in total?	This amount is currently unknown as no premises has been found in the long term, it is hoped that a grant of £5000 will cover this amount.
How much funding are you requesting from the Town Council (maximum £5,000)	£5000
Over how many years would you like this funding to be in place? (max 3 years)	One year <input checked="" type="checkbox"/> Two years <input type="checkbox"/> Three years <input type="checkbox"/>
Have you approached other funding sources? If so, please list them and the amount you have applied for.	No other funders have been approached thus far.
Tell us what you will do with funding from Kendal Town Council. Please include a breakdown of how it will be spent.	
The funding will be spent on business rates, rents and utilities for a premises for the next 12 months. This assumes that a premises can be found that supports Kendal and District Lions charitable aims. Lions are hoping to find a premises in the centre of the town which enables customers, many of whom are elderly, easy access.	
How will your proposal benefit the people of Kendal?	
The proposal will provide a place where affordable books can be purchased by the local population. The shop will also have a children's reading corner providing a space where children can come to read with their parents. Previous bookshops has also displayed art exhibitions and works from other local organisations and charities. The book shop will also provide a meeting place for elderly customers, for some of whom the previous book shop was the only place where they had contact with other people. The shop will be, and always has been, staffed entirely by volunteers which minimises costs and has provided work experience to a number of young people and those unable to work. Funds raised will go directly to benefit charitable organisations including those local organisations listed above.	
How will your proposal address the challenges of Climate Change and help Kendal reduce its carbon footprint?	

Kendal Town Council

Community Funding Proposal 2022-2023



Please use this form to make a Community Funding Proposal for your organisation from Kendal Town Council. You must complete all the boxes on the form and submit it along with the required paperwork. On receipt of this form, you will be given a date when your application will be considered by the relevant committee. You can use additional pages if you require.

Name of Project	Principal Contact
Kendal Brewery Arts – Annual Grant	Paul Singleton
Address of organiser	Address of contact
122a Highgate Kendal LA9 4HE	122a Highgate Kendal LA9 4HE
Date of application	18 August 2022
Telephone	[REDACTED]
E-mail	paul.singleton@breweryarts.co.uk
Organisation website	www.breweryarts.co.uk
Description of proposal	
<p>Brewery Arts (BA), which is celebrating its 50th anniversary this year, sits at the very heart of Kendal's creative and cultural scene. A welcoming, inclusive hub presenting an ambitious and forward-looking artistic and cultural offer that serves the aspirations and needs of all the town residents and communities. Over the last 10 years, we have presented close to 23,000 film screenings, 1,450 live events and 60+ major arts exhibitions in our main gallery spaces. These have delivered overall over 940,000 visits. In terms of Creative Learning and Community Engagement for young people and adults over 200,000 visits have been estimated over the decade, approx. 70% of which were from Kendal residents and the surrounding areas. This scale of activity was only made possible with the generous and unstinting support of Kendal Town Council and are our other statutory funders Arts Council England, South Lakeland District Council, and Cumbria County Council. As we continue to build back from the devastating impact of pandemic, these unrestricted grants from our core funders are more vital than ever. Collectively, these funds support our core operating costs and overheads, including employment of our team of highly skilled, experienced arts professionals, practitioners and artists, and maintaining our large venue infrastructure which occupies one of Kendal's most iconic buildings. The core resources are central to our capacity and ability to devise, curate and deliver a comprehensive, year-round cultural offer that spans cinema/film culture, live screenings (NT Live), music, theatre, dance and exhibitions. Alongside, a broad range of community engagement activities, including creative learning courses and workshops for young people and adults, talent development programmes, collaborations with local schools, and third sector organisations working with marginalised and disadvantaged groups. BA is a vital part of Kendal's festival ecosystem, supporting and hosting Kendal Mountain Festival and emergent Kendal Poetry Festival. You will notice that our ask is for £40k over three years, £10k for this year, rising</p>	

to £15k per annum in 2023 and 2024. This is not only to retain the real term value of the grant in the face of the high inflationary headwinds, but also to ensure we can build back fully following the aftermath of the pandemic, recovering our organisational resilience and capacity and take further steps to bring back audiences. It will also help us to pivot our programme to ensure it addresses and responds effectively to the needs of all the town's local communities, particularly those who are marginalised and disadvantaged. Finally, it will help us use our position as a leading Kendal institution to demonstrate our progress in reducing our carbon emissions and movement toward our net zero goal and environmental responsibility through our investment decisions, our operational practices and our programming choices.

How much funding do you require in total?	£40,000
How much funding are you requesting from the Town Council (maximum £5,000)	Year 1 (2022): £10,000; year 2 (2023) £15,000 Year 3 (2024) £15,000
Over how many years would you like this funding to be in place? (Max 3 years)	One year <input type="checkbox"/> Two years <input type="checkbox"/> Three years <input checked="" type="checkbox"/>
Have you approached other funding sources? If so, please list them and the amount you have applied for.	Arts Council England – NPO £321,776 (year 1 – 22-23), Application for new 3-year agreement, 24-25 - 26-27, pending decision October 22. South Lakeland District Council - Strategic Cultural Partnership - £67,500 per annum (year 1 – 22-23 and year 2 23-24) – Confirmed. Cumbria County Council – Cumbria NPO Grant - £10,000 (year 1 – 22-23) Film Hub North/BFI - Strategic Award (year 1 – 22-23 - £28,000)

Tell us what you will do with funding from Kendal Town Council. Please include a breakdown of how it will be spent.

Support for the Brewery core costs and overheads: employment of a team of arts professionals, including executive/senior management team, programmers, marketing/sales staff and creative learning/community engagement practitioners. Support for venue and technical infrastructure and key overheads such as heating and lighting. All these are essential to operate BA as a successful artistic-led, community-focused contemporary art centre. The support of Kendal Town Council will facilitate the following objectives, amongst others, over the next 3 years:

- Look to build back audiences after the pandemic with new programme strands, proactive marketing campaigns and audience development initiatives.
- Deliver a programme of creative learning classes, workshops and performances for children and young people, adults, older people, providing accessible opportunities for creative exploration, personal fulfilment, confidence building, and positive mental health and wellbeing.
- Build an increasing digital component in our creative learning and community engagement in film making, music production, animation among other artforms.
- Deliver annual School Dance Platform for ages 4-18 from local primary, secondary and SEN schools. An accredited national U-Dance initiative, this platform enjoys the active participation of over 30 local schools, presenting pieces alongside in-house BA youth dance groups.
- Expansion of flagship contemporary music programme with year-round live performances by nationally and internationally renowned artists presenting ambitious and exceptional music as part of national or international tours.
- Support and rebuild over the next three years an innovative and ambitious programme of performing arts (theatre, dance and spoken word), featuring respected touring creatives and companies presenting content that resonates and engages with local communities of Kendal.
- Return of an annual family Christmas show in December with Topsy Turvy Theatre.
- Celebrate our 50th anniversary year with the community throughout 2022-23.
- World class cultural film of specialised, topical, international and British independent film.

- Livestreamed theatre and dance performances with NT Live and RSC.
- Providing a community stage for students at Kendal College and other local schools to perform in a professional venue.
- Introduction of subsidised bursaries to our youth arts programme for marginalised and disadvantaged children and young people in Kendal from 2023.
- Investigate with Kendal Mountain Festival the potential for new strands and collaborations.
- Explore opportunities for new festival development in Kendal.
- Work with partners to raise the profile of Kendal as a destination for cultural tourism and festivals.

How will your proposal benefit the people of Kendal?

- Primary creative and community hub for Kendal.
- A programme of year-round events across music, theatre, dance, spoken word and exhibitions which is at a scale that is rare for a town the size of Kendal.
- Deliver an imaginative and inclusive programme of creative learning and community engagement for children and young people, adults and community outreach that reaches to marginalised and disadvantaged groups across Kendal. Provision that not only fosters first-hand engagement and love for arts and culture, but builds new skills, confidence, belonging, improved health and social wellbeing working where possible with third sector partners.
- Develop youth art provision that builds a range of knowledge and skills for those who young people who aspire to have a career in creative and cultural industries.
- Building stronger dedicated community provision for older people (Act Your Act/Mature Movers).
- Operates Kendal's only cinema providing the best of mainstream, British, Independent and International film. Supporting by Film Hub North/BFI, BA is building a reputation as the leading regional venue for film culture, adding further to Kendal's cultural offer.
- Support new artist development initiatives and training for the next generation of young creatives
- Key driver of the visitor and night-time economies, attracting day visitors and tourists into the town, not just from BA's own year-around activity, but also supporting and staging other festivals and events such as Kendal Mountain Festival.

Annual Output Targets (2023-25):

Delivery Outputs (per annum)

- 2,600 film and digital screenings, to include 6 festivals. Total number of audiences: 77,000.
- 84 ticketed live music performances in the BA Theatre and Malt Room, and 6 free outdoor live music performances. Number of performers: 295. Number of audiences: 18,000.
- 25 theatre and dance performances, 16 comedy shows, 12 performances of spoken word and literature events. Number of performers: 250. Number of audiences: 16,800.
- 300 classes across the year with 12 participants at each. Total number of participants: 4500.
- 30 new dance and music pieces created at 60 workshops taking place over 6 weeks in schools which are performed live across 10 days of public events in the BA theatre. Total number of CYP participants: 750.
- Programme of club nights, talks, screenings, Q&As and panel events to increase representation and celebration of diversity and open dialogue with local community. Developed in partnership with the community and with local diversity partners. 6 club nights, 20 community screenings, 8 Q&As, 6 talks and 4 panel events across the year. Total number of panel guests and speakers: 32. Total number of audiences: 4,200
- Future Creatives professional development for age 16-30 to build knowledge, networks and skills from connecting with established creative professionals via training, placements, events, performance and exhibitions in partnership with Kendal College. Number of students supported per year: 300.
- 2 Associate Artist companies/collectives to access 16 sessions for R&D.

How will your proposal address the challenges of Climate Change and help Kendal reduce its carbon footprint?

- We are committed to working to zero carbon footprint by 2050.
- As part of our ACE NPO, we have an active, ongoing programme to grow our environmental responsibility, introduce measures to reduce our carbon footprint by lowering our energy usage, better waste/water management, more recycling and promoting green transport. Measurement towards these goals is conducted annually using the Julie's Bicycle analytics tools. We aim to function as exemplar of best practice and promote awareness of the impact of climate change where we can across our programme.
- Over the next year we will be researching best practice and benchmarking our performance against other comparable arts and cultural institutions.
- Use this research alongside outcome of internal discussions to formulate a new ambitious three-year Environmental Policy and Environmental Action Plan.
- Support artists, creative and projects that explore environmental themes and practices.

How does your proposal address the needs for diversity and equality?

- Continue to offer an inclusive and accessible creative learning offer for children and young people including greater use of digital technologies.
- Work more with SEND school sector in Kendal and the surrounding areas.
- Look to engage more with marginalised and disadvantaged communities across Kendal with initiatives such as our new 'Kendal Presents' community film screenings.
- Continue to promote greater inclusivity and diversity of our programme working in partnership with the local community, diversity and social change partners Anti-Racist Cumbria, Cumbria Pride, Brathay Trust and Cumbria Deaf Association.
- Improved diversity of our trustee board to include more inclusive representation of wider society with 2 Black people and 3 young people under 30 now on our board of trustees. More appointments to follow over the next 3 years.
- Equality Action Plan which covers recruitment, work culture and customer experiences.
- Cultural partner to Anti Racist Cumbria, hosting their annual conference, and running joint cultural projects with them such as Animated Futures.
- Providing relaxed film screenings for people with dementia and who are neurodivergent
- More audio description, BSL and caption performance performances.
- Develop new initiatives such as Kendal Presents where we reach out to engage marginalised and disadvantaged communities in Kendal who are under-represented in our audience and participants.
- Seek to ensure that our programme is responsive and adapted to the needs of older people working with local organisations across the third sector.

How will you evaluate the success of your proposal?

- Box Office/CRM data recording number of events, audience numbers, average attendance, income across all activity. Analysis of customer demographics, segmentation and behaviour.
- Audience Agency survey to benchmark our performance against other local cultural venues.
- The Insight and Impact Toolkit to measure the quality and user perceptions of our work.
- Audience feedback surveys / group evaluation in terms of participatory work.
- Reflective practice by creative practitioners and artists.
- Management and financial data reporting.

Bank Details – How does the name of your organisation appear on your bank account?

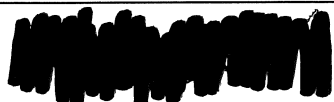





This is who we will transfer funds to, should your application be successful. You will need to state the name, sort code and account number. Please note the Council cannot make payments to personal accounts.

Account Name: [REDACTED]

Name of bank: [REDACTED]

Account number: [REDACTED]

Sort Code: [REDACTED]

Please include the following documents with your application					
<ul style="list-style-type: none"> • Constitution of your organisation • Last accounts and most recent bank statements 					
Declaration					
<ul style="list-style-type: none"> • I/we understand that grant money from Kendal Town Council must be used for the agreed purpose. • I/we will abide by the conditions of funding. 					
<i>Please note that we require three signatures in order to present your application to Committee.</i>					
Signature		Name		Position	Chief Executive / Artistic Director
Signature		Name		Position	Director of Finance & Business Development
Signature		Name		Position	Development Manager

Please return completed forms by e-mail or post: Kendal Town Council, Town Hall, Kendal, LA9 4ED. Email: office@kendaltowncouncil.gov.uk **Form ref KTC CFP2/22**



SECTION FOUR — BEST PRACTICE GUIDANCE FOR INTERNAL AUDIT

Introduction

- 4.1. This section intends to provide members and officers of smaller authorities as well as those offering to provide internal audit services to such authorities, details of the legal framework, regulations and guidance to be followed.
- 4.2. Smaller authorities are required by the Accounts and Audit Regulations 2015 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'.
- 4.3. The public sector internal audit standards have not been applied to smaller authorities. The information in this section is therefore guidance and should be considered by smaller authorities in undertaking a best practice effective internal audit.
- 4.4. It is not the purpose of either internal or external audit to detect or prevent fraud. However if internal auditors identify concerns as part of the review, they may wish to contact the authority's external auditor who are a 'prescribed body' under the Public Interest Disclosure Act.
- 4.5. It is not the role of any internal auditor to complete Section 1 or Section 2 of the AGAR, that is the responsibility of the authority.

Selecting and appointing an internal audit provider

- 4.6. In addition to ensuring the appointed internal auditor has relevant knowledge of the public sector, there are two key principles an authority must follow in appointing an internal audit provider: independence and competence.
- 4.7. There are various ways for an authority to source an internal audit service, for example:
 - Purchasing an internal audit service from a local firm or specialist internal audit practice with an understanding of the local government legal framework
 - Purchasing an internal audit service from a principal local authority
 - Engaging a competent internal auditor with sufficient organisational independence to undertake the role
 - Appointing a local individual or a member of a panel of individuals administered by a local association affiliated to NALC, SLCC or ADA.
- 4.8. There is no requirement for a person providing the internal audit role to be professionally qualified, however essential competencies to be sought from any internal audit service should include:
 - understanding basic book-keeping and accounting processes; where an authority exceeds the £200,000 threshold, this understanding must include accrual accounting and balance sheets



- understanding the role of internal audit in reviewing systems rather than undertaking detailed checks that are more appropriately the responsibility of management
- awareness of relevant principles and practice of financial and other risk management
- understanding proper practices in relation to governance and accounting requirements within the legal framework and powers of smaller authorities, as set out in Sections 1 and 3 of this guide (knowledge of which is a prerequisite)
- awareness of the most recent model Standing Orders and model Financial Regulations as published by NALC and how they are adopted by authorities
- awareness of the relevance of VAT and PAYE/NIC rules as applied to the authority
- for larger authorities, a clear understanding of the risks and controls associated with 'cut off' procedures, particularly with respect to revenue-generating activities

Independence

- 4.9. Independence requires the absence of any actual or perceived conflict of interest. It means that whoever carries out the internal audit role does not have any involvement in, or responsibility for, the financial decision making, management or control of the authority, or for the authority's financial controls and procedures.
- 4.10. A current or recent authority member, who cannot demonstrate independence from decisions in the year to be audited, cannot be its internal auditor. Similarly, it would not be appropriate for any individual or firm with a personal connection to a member or officer of the authority to be appointed. Conflicts of interest must be avoided, such as in cases where an external provider of accounting software or services to the authority, also offers internal audit services through an associate company, firm or individual.
- 4.11. There is no requirement to rotate auditors but the independence of the appointed person or firm should be reviewed every year with regard to; personal independence, financial independence, and professional independence.

Competence

- 4.12. Evidence as to competence might include letters of recommendation from other similar authorities.

Engagement

- 4.13. Every authority should ensure that they have a letter of engagement which would normally include:
- roles and responsibilities
 - audit planning and timing of visits



- reporting requirements
 - rights to access to information, members and officers
 - period of engagement
 - remuneration
 - any other matters required for the management of the engagement by the authority
- 4.14. Most internal auditors will have professional indemnity insurance cover which provides both the authority and the person or firm engaged, with protection and assurance.

Planning and oversight

- 4.15. It is a matter for the authority to determine how best to meet the statutory requirement for internal audit, having regard to its size, scope of services and complexity of financial arrangements.
- 4.16. Authorities should, at least annually, carry out a review of the effectiveness of their overall internal audit arrangements. It should be designed to provide sufficient assurance for the authority that standards are being met and that the work of internal audit is effective. Authorities should judge the extent and scope of the review by reference to their own individual circumstances.
- 4.17. As with any review, it should be evidence based.
Wherever possible this should be gathered throughout the year.
Sources may include:
- previous review and action plan
 - annual report by internal audit
 - other reports from internal audit, including internal audit plan, monitoring reports, and the results of any investigations
 - any reports by the external auditor
 - the results of any other external reviews of internal control
- 4.18. As part of the review the internal auditor should produce a report to the authority highlighting areas for improvement or development. An action plan should be produced setting out the areas of improvement required, any proposed remedial actions, the members or officers responsible for delivering improvement, and the deadlines for completion of the actions.

Internal Audit Checklist

- 4.19. The following sets out the basic requirements for conduct of an effective internal audit review of an authority's financial and governance records and controls facilitating the completion of the Internal Audit Report in an authority's Annual Governance and Accountability Return (AGAR). The detail is not exhaustive but aims to provide Proper Officers and internal auditors with a basic guide to the controls that should ideally be in place and physical checks/testing that should be applied. Where records examined



include personal detail, such as in the case of staff salaries, allotment records and detail of hall hirers on invoices, care should be taken to ensure compliance with the requirements of the General Data Protection Regulations (GDPR).

- 4.20. Internal auditors should also, as part of the overall check on the authority's governance arrangements, review all full authority and committee minutes (and supporting papers) to gain an overview of the authority's financial and governance controls, monitoring that no actions of a potentially unlawful nature are being considered or any such decisions have been taken and that approval of all minutes is in accordance with the legislation.

This particular facet does not align to an individual section of the internal audit report in the AGAR but serves to give a degree of high-level indication as to the effectiveness of an authority's overall controls and decision-making process.

AGAR certificate reference	Internal Audit action for expected controls
<p>A. Appropriate accounting records have been properly kept throughout the year.</p> <p>AND</p> <p>I. Periodic bank account reconciliations were properly carried out during the year.</p>	<ul style="list-style-type: none"> • Ensure the correct roll forward of the prior year cashbook balances to the new financial year • Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained • Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members • Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8. • Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</p>	<ul style="list-style-type: none"> • Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the <u>SOs and FRs</u> which should be based on the latest version. • Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents) • Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place



	<p>providing for evidencing of these checks and payment authorisation</p> <ul style="list-style-type: none"> • Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments • Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements • Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<ul style="list-style-type: none"> • Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc • Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security • Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation • Review the effectiveness of internal control carried out by the authority
<p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<ul style="list-style-type: none"> • Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable • Ensure that current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances • Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances • Ensure that the Authority has considered the



	<p>establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process</p> <ul style="list-style-type: none"> • Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the <u>public record of precepted amounts</u>
<p>E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.</p>	<ul style="list-style-type: none"> • Review “Aged debtor” listings to ensure appropriate follow up action is in place • Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored. • Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (<u>Authorities should also acquire and retain copies of Burial / Cremation certificates</u>) • Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised • Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time • Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income • Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked
<p>F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for</p>	<ul style="list-style-type: none"> • A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a “Not covered” response is frequently required in this area. • Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc) • Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held



	<ul style="list-style-type: none"> ● Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held ● Ensure that VAT is identified wherever incurred and appropriate ● Physically check the petty cash and other cash floats held ● Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till “Z” total readings
G. Salaries to employees and allowances to members were paid in accordance with the authority’s approvals, and PAYE and NI requirements were properly applied.	<ul style="list-style-type: none"> ● Ensure that, for <u>all staff</u>, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract ● Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability ● Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the <u>NJC</u> scale or hourly rate, if off-scale, and also with the contracted hours ● Ensure that appropriate tax codes are being applied to each employee ● Where <u>free</u> or <u>paid for</u> software is used, ensure that it is up to date. ● For the test sample of employees, ensure that tax is calculated appropriately ● Check the correct treatment of Pension contributions ● For NI, ensure that the correct deduction and employer’s contributions are applied: NB. The <u>employers allowance</u> is not available to councils but may be used by other authorities ● Ensure that the correct employers’ pension percentage contribution is being applied ● Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.
H. Asset and investment registers were complete and accurate and properly	<p>Tangible Fixed Assets:</p> <ul style="list-style-type: none"> ● Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at



maintained.

This section/assurance should be extended to include loans to or by the authority

historic cost price, net of VAT and removing any disposed of / no longer serviceable assets

- Physically verifying the existence and condition of high value, high risk assets may be appropriate
- Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement
- Additions and disposals records should allow tracking from the prior year to the current
- Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals
- Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or “self-insured” by the Authority

Fixed asset investments:

- Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the “Investment Strategy” and reported as Assets in the AGAR at section 2, line 9.

Borrowing and Lending:

- Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired
- Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt
- Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5
- Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the DMO website)
- Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt

J. Accounting statements

Whilst IAs are not required to verify the accuracy of detail to be



prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at <u>section 2 of the AGAR</u> reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should <ul style="list-style-type: none"> • Ensure that, where annual turnover exceeds <u>£200,000</u>, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein • Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	IAs should ensure that, <u>all relevant criteria are met</u> (receipts and payments each totalled less than £25,000) <ul style="list-style-type: none"> • the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline • that it has been published, together with all required information on the Authority's website and noticeboard
L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant transparency code requirements	This test applies only to those councils covered by the £25,000 <u>External Audit exemption</u> IAs should review the Authority's website ensuring that all required documentation is published in accordance with the <u>Transparency Code</u> .
M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory <u>30 working day period when the Authority's records are available for public inspection</u> . IAs may also check whether councils have minuted the relevant dates at the same time as approving the AGAR
N. The authority complied with the publication requirements for the prior year AGAR.	IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee	<ul style="list-style-type: none"> • Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements • that the council is the sole trustee on the <u>Charity</u>



	<p><u>Commission register</u></p> <ul style="list-style-type: none"> • that the council is acting in accordance with the <u>Trust deed</u> • that the Charity meetings and accounts recorded separately from those of the council • review the level and activity of the charity and where a risk based approach suggests such, review the <u>Independent Examiners</u> report
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Reporting on Internal Audit

- 4.21. The duties of internal audit relate to reporting on the adequacy and effectiveness of an authority's system of internal control. The minimum reporting requirement for internal audit to the smaller authority is met by completing the annual internal audit report on the Annual Governance and Accountability Return.
- 4.22. In most cases, particularly for larger authorities, an additional narrative report to the full council would be expected and then be published with the AGAR along with any comments from the external auditor.
- 4.23. Any narrative report should have conclusions that are compatible with the entries on the AGAR.
- 4.24. The annual internal report will inform the authority's response to Assertion 2 and Assertion 6 in the annual governance statement.
- 4.25. An authority should minute their review and actions planned from the outcomes of the AGAR tests and content of any narrative reports from Internal Auditors.