

KENDAL TOWN COUNCIL

Notice of Meeting

AUDIT, GRANTS & CHARITIES COMMITTEE

Tuesday 12th May 2020 at 7.00 p.m.
(Via Teleconferencing)

Committee Membership (7 Members & 1 Vacancy)

Matt Severn (Chair)
Rachael Hogg
Graham Vincent

Julia Dunlop (Vice Chair)
Geoff Cook

Pat Gibson
Douglas Rathbone (Deputy Mayor)

AGENDA

1. APOLOGIES

2. PUBLIC PARTICIPATION

Any member of the public who wishes to ask a question, make representations or present a deputation or petition at this meeting should apply to do so before the commencement of the meeting. Information on how to make the application is available on the Council's Website - <http://www.kendaltowncouncil.gov.uk/kendal-town-council/statutory-information/guidance-on-public-participation-at-kendal-town-council-meetings/> or by contacting the Town Clerk on 01539 793490.

3. DECLARATIONS OF INTEREST

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

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

4. MINUTES OF PREVIOUS MEETING AND MATTERS ARISING (not otherwise on the agenda). Minutes of meeting held on 27th January 2020 (*attached*)

5. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT (*attached*)

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

7. FINANCE OUTTURN REPORT – YEAR ENDED 31ST MARCH 2020 (*attached*)

8. ANNUAL ACCOUNTS 2019/20 (*attached*)

9. GENERAL GRANTS CRITERIA 2021/22 (*attached*)

10. SCHOOLS OF SCIENCE AND ART CHARITY – 2019/20 ACCOUNTS AND 2020/21 FORECAST (*attached*)

11. ITEMS FOR THE NEWSLETTER

- Summer 2020 Edition – deadline 12th June, publication 20th July
- Autumn/Winter 2020 Edition – deadline 18th September, publication 26th October

KENDAL TOWN COUNCIL

12. ANY OTHER BUSINESS
13. DATE OF NEXT MEETING – MONDAY 27TH JULY 2020 AT 7PM

Liz Richardson
Town Clerk

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

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

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

KENDAL TOWN COUNCIL

Audit, Grants and Charities Committee

**Monday 27th January 2020 at 7.00 pm
in The Mayor's Parlour, Town Hall, Kendal**

- PRESENT** Councillors Matt Severn (Chair), Julia Dunlop (Vice Chair), Pat Gibson, Geoff Cook and Douglas Rathbone (Deputy Mayor)
- APOLOGIES** Councillor Rachael Hogg
- OFFICERS** Judith Lomax (Town Treasurer) and Nicky King (Council Secretary)
- 764/19/20 PUBLIC PARTICIPATION**
- None.
- 765/19/20 DECLARATIONS OF INTEREST**
- Councillor Cook declared an interest in respect of a grant application from Sandgate Hydrotherapy Trust. He is a Councillor for CCC who own the building occupied by the Hydrotherapy Pool.
- 766/19/20 MINUTES OF THE MEETING HELD ON 28TH OCTOBER 2019**
- The Chairman presented the minutes of the meeting held on 28th October 2019, which had been approved by full Council (Budget) on 25th November 2019.
- Councillor Dunlop proposed that the minutes be accepted as a correct record of the meeting. This was seconded by Councillor Cook and carried unanimously.
- RESOLVED** That the minutes of the meeting of the Committee held on 28th October 2019 be accepted as a correct record.
- 76719/20 MATTERS ARISING (Not on Agenda)**
- None.
- 768/19/20 BUDGETARY CONTROL STATEMENT – NINE MONTHS ENDED 31ST DECEMBER 2019**
- The Treasurer presented the Budgetary Control Statement for nine months ended 31st December 2019. The following points were brought to Committee's attention:
- Allotment rentals are currently being received.
 - IT expenditure is expected to remain over budget for the remainder of the financial year.
 - Miscellaneous costs are over budget due to one off items not budgeted for elsewhere. These include £1,800 sponsorship for the Tour of Britain and £350 for a surveyor report in respect of the museum lease.

The Treasurer also informed Committee of an underspend in the General Grants budget of £9,510. As in previous years, some approved grants have been paid in the previous financial year; approved grants paid in financial year 2018/19 totalled £7,000 which is included in the underspend value of £9,510. Members were advised that this amount would be lost if it was not spent by the end of the current financial year.

Members then considered the list of general grant applications for 2020/21 and discussed whether some of these (up to the value of £9,510) could be paid early from the 2019/20 budget if the applicants were amenable. Councillor Severn declared an interest as the applicants included Manna House and his wife is employed by them. He left the room and took no part in the discussion.

Following a general discussion Councillor Cook proposed that the Treasurer contact applicants reference 6-17 inclusive on the list of general grant applicants and offer to award the grant monies early. It was noted that the total amount of the 12 applications would exceed the available budget of £9,510, however the Treasurer will assess as it may be that some applicants are not amenable to receiving the monies early. The proposal was seconded by Councillor Gibson and carried unanimously.

Councillor Cook further proposed that the Budgetary Control Statement ended 31st December 2019 be approved and recommended for acceptance by Council. This was seconded by Councillor Gibson and carried unanimously.

RESOLVED

1. Treasurer to contact the 12 applicants on the list of general grant applications for 2020/21 and offer to award the grant monies early (up to the available budget of £9,510).
2. That the Budgetary Control Statement ended 31st December 2019 be approved and recommended for acceptance by Council.

769/19/20

GRANT APPLICATIONS

The Treasurer reported that grants already approved for 2020/21 total £33,250, leaving a balance of £7,750 in the grants budget for 2020/21. Members considered the following applications:

(a) Carer Support South Lakes

Request for £2,000 to be put towards a pilot Life Skills Programme for adult carers. It was noted that a previous application had already been submitted for funding, however following discussion at Budget Council a request was made that they be invited to reapply. Councillor Cook pointed out that the programme covers the whole of South Lakeland, although there are 46 carers in Kendal (from a total of 63). Following a general discussion it was suggested that £2,000 be awarded.

(b) The Birchall Trust

Request for £4,185 to help provide 1:1 counselling and therapy sessions for adults and children affected by sexual abuse or rape in Kendal. Again it was noted that a previous application for £8,750 had

already been submitted for funding, but due to the large size of the organisation a sum of £750 had been awarded. Following subsequent discussion at Budget Council a request was made that they be invited to reapply. Councillor Dunlop suggested £2,250 be awarded as this matches grants awarded to similar organisations.

(c) South Lakeland Hydrotherapy Trust

Request for £3,000 towards financing the general running of the pool. It was noted that a grant of £3,000 has been awarded to the Trust for the last three years. It was suggested that the same amount be awarded on this occasion.

(d) Dignity in Dementia

Request for £1,500 towards funding for a series of one hour long weekly dementia friendly walks around the wider Kendal area. Following a general discussion Committee agreed to decline the application for the time being due to insufficient budget. Application to be reviewed again in the next financial year.

(e) South Lakes Dementia Community

Request for £600, being two thirds of the cost towards a dementia bus to visit Kendal in May 2020. Committee agreed to award the remaining budget of £500 to this applicant.

Councillor Cook proposed the grants be awarded as discussed. This was seconded by the Chair and carried unanimously.

RECOMMENDATION That Council approve the award of grants for 2020/21 as discussed.

770/19/20

REVIEW OF RISK ASSESSMENTS

Committee considered the Review of Risk Assessments report previously circulated. Risk Assessments are reviewed annually by the Committee before being signed by the Treasurer and submitted to full Council for approval. The Treasurer advised that the interim Project Manager had recently conducted a review of the Assessments and suggested some amendments, the majority of which related to additional or amended wording to ensure clarity and consistency.

A new assessment for Kendal in Bloom has been added, relating to the risk of theft, damage or injury in relation to the Town Council Van. Amendments had also been proposed to the Lone Worker risk assessment with regard to staff working off site. Members were asked to note that the Christmas Lights Switch On Event risk assessment is reviewed each year depending on the event proposed.

Councillor Dunlop referred to Section 19 of the Schedule of Risk Assessments, Manual Handling 6, and pointed out that '**Where** suitable clothing' should be '**Wear** suitable clothing'.

Councillor Gibson proposed that the Treasurer be authorised to sign the Risk Assessments and forward to Council for approval. This was seconded by Councillor Gibson and carried unanimously.

RESOLVED That the Treasurer sign the Risk Assessments and forward to Council for approval.

RECOMMENDATION That Council approve the Risk Assessments.

771/19/20 ITEMS FOR THE NEWSLETTER

Summer edition – invitation for grant applications.

772/19/20 ANY OTHER BUSINESS

None.

773/19/20 DATE OF NEXT MEETING – MONDAY 27TH APRIL 2020 at 7PM

The meeting closed at 7.50pm.

Summary of Information, Resolutions and Recommendations to Council

Min	Subject	Information/Resolution/Recommendation to Council	
768	Budgetary Control Statement	RES	<p>1. Treasurer to contact the 12 applicants on the list of general grant applications for 2020/21 and offer to award the grant monies early (up to the available budget of £9,510).</p> <p>2. That the Budgetary Control Statement ended 31st December 2019 be approved and recommended for acceptance by Council.</p>
769	Grant Applications	REC	That Council approve the award of grants for 2020/21 as discussed.
770	Review of Risk Assessments	RES	That the Treasurer sign the Risk Assessments and forward to Council for approval.
		REC	That Council approve the Risk Assessments.

Area 1: Meeting Standards

Standard	Evidence of achievement
1. Scope of internal audit	<p>The appointment of RF Miller and Co as internal auditors was confirmed by Council in April 2019.</p> <p>The terms of the firm's engagement are formally agreed and documented.</p> <p>The internal auditors follow proper practice and meet national auditing standards.</p> <p>Internal audit work takes into account both the Council's risk assessment and wider internal control arrangements.</p> <p>Internal audit work considers the Council's anti-fraud and corruption arrangements.</p> <p>The internal auditors have unfettered access to all areas of the Council's activities.</p>
2. Independence	<p>The audit service provided by RF Miller and Co is independent from the Council and has no involvement in financial controls, procedures or decision making. The same company provides payroll services to the Council; this is not considered to represent a conflict of interests as the two functions are separate parts of the organisation.</p> <p>Internal audit has direct access to those charged with governance and can seek information or explanations from any officer of Member of the Council</p> <p>Reports are made in the auditors' own name to management.</p>
3. Competence	<p>RF Miller and Co are a reputable local firm of accountants with substantial experience in auditing and knowledge of auditing standards. They work to strict procedures which include appropriate quality control.</p> <p>The Audit Manager for the Council assignment is a qualified accountant with considerable experience and occupies a senior position within the firm.</p> <p>There is no evidence of a failure to carry out internal audit work ethically, with integrity and objectivity.</p>
4. Relationships	<p>The Responsible Financial Officer is consulted on the internal audit coverage.</p> <p>Respective responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters (job description and engagement letter).</p> <p>The responsibilities of Council members are understood, in particular the Audit, Grants and Charities Committee; training of Members is available as required.</p>
5. Audit Planning and Reporting	<p>The annual internal audit plan properly takes account of all the risks facing the Council. Internal audit will provide their own opinion to the Council by 31 July 2020.</p>

Area 2: Characteristics of Effectiveness

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

KENDAL TOWN COUNCIL

AUDIT, GRANTS & CHARITIES COMMITTEE

Tuesday 12 May 2020

Review of the System of Internal Control and Annual Governance Statement 2019/20

Report

Governance Requirements

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

Internal Audit

3. The Regulations also state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. A separate report considers the adequacy and effectiveness of the Council's internal audit during 2019/20.

Internal Control Framework

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

Review of Effectiveness

5. During the year 2019/20 the Council has maintained and updated its policies and procedures, eg its Reserves and Investment Policies. It has complied fully with all of the controls identified within the framework and has responded appropriately to new responsibilities, eg the calling of Parish meetings and the new General Data Protection Regulations.
6. Proper accounting and governance arrangements are set out by NALC and related organisations in their publication "Governance and Accountability for Smaller Authorities", known as the Practitioners Guide.

7. The separate report on Internal Audit indicates that the Council has maintained an effective internal audit of its activities during the 2019/20 financial year. This contributes to Officers' opinion that the controls identified in the framework are adequate and effective and that they have operated consistently throughout the 2019/20 financial year.

Annual Governance Statement (AGS)

8. The proper practice for preparing the AGS is prescribed in the Practitioners Guide and the required format of the statement is contained in the Council's Annual Governance and Accountability Return (AGAR). A draft statement is attached which, based on the assurance gained from this review of the internal control framework, contains positive responses to each of the governance questions. Guidance from the External Auditors, PKF Littlejohn, states that the results of the internal audit review for the year must be considered before the AGS can be approved by the full Council and signed by the Mayor and Town Clerk. The Internal Auditors have been informed that the Council needs at least an informal opinion from them before the Council meeting on 1 June.

Recommendations

9. The Committee is recommended to consider this report and to recommend to Council that it:
 - a) formally adopts the NALC publication "Governance and Accountability for Smaller authorities 2020", as representing best practice in these areas, with effect for 2020/21;
 - b) approves the review of the effectiveness of the council's system of internal control for 2019/20;
 - c) approves the Annual Governance Statement for 2019/20; and
 - d) authorises the Mayor and Town Clerk to sign the Statement at Section 1 of the Annual Return.

Kendal Town Council

Internal Control Framework

Statutory & Constitutional	Financial Management	Audit	Risk Management	Employees
Legislation: Local Government Health & Safety Equalities Data Protection Freedom of Information Councillors: Standing Orders Acceptance of Office Code of Conduct Register of Interests Declaration of Interests Annual Assembly Annual Report Newsletter	Financial Regulations Financial Procedures Proper Accounting Practices Procurement Rules Approval of expenditure Approved Budget Budgetary Control Reserves Policy Investment Policy Transparency Reports Asset Register	Internal Audit Public Sector Internal Audit Standards External Audit Public Right of Inspection	Risk Assessments Health & Safety Advice IT Security Business Continuity arrangements Security of Assets Insurance Cover Kendal Action Plan Project Management and Reporting	Approved establishment Contracts of employment Job Descriptions Employee Handbook Health & Safety Handbook Performance Appraisals

KENDAL TOWN COUNCIL

AUDIT, GRANTS & CHARITIES COMMITTEE

Tuesday 12 May 2020

Finance Outturn Report – Year ended 31 March 2020

1. Income & Expenditure Account

Appendix A

The attached statement shows actual income and expenditure for 2019/20 compared to the Approved Budget for the year; the previous year's outturn is also shown, for information only. The variance column indicates the under or overspending against the revised budget. In this report and the statement, underspendings, ie favourable variances, are shown as positive figures, with overspendings, ie adverse variances, as negatives or (bracketed).

a) Income +£13,860

Precept and grant income from SLDC was received in accordance with the budget, while there was a variance of £13,860 on other headings, as follows:

- Investment income was £2,183 higher than expected, due to interest rates remaining favourable.
- Allotment rent income was £687 higher than expected.
- Two instalments of Community Infrastructure Levy (CIL) were received in the year, totalling £2,437, which has been transferred to the earmarked reserve.
- Proceeds of the sale of heritage assets were received in the amount of £8,603. This has been transferred to the Arts and Heritage Reserve.

b) Gross Expenditure +£12,396

After transfers to and from reserves, gross expenditure recorded a net underspending of £12,396. The principal reasons for the net underspending are summarised below.

Management -£1,235

- Staff Salaries currently show a £2,805 overspending against the profiled budget. The overspend primarily relates to the two handover periods relating to a staff member's maternity leave, which had not been budgeted for.
- The salaries heading is partially recharged to the budgets of other Committees, based on an analysis of staff time spent on their services. The amount recharged was £1,745 more than estimated, due to revised time apportionments; the variance is recorded in the staffing headings of the other Committees.
- IT and Website shows an overspending of £1,531. Two new laptops were purchased during the year, along with an upgrade of the finance software, totalling £2,603.
- Miscellaneous expenditure was over budget by £1,638. Expenditure under this heading included £1,800 sponsorship of the Tour of Britain,

Mayoralty & Ceremonies +£1,505

- Expenditure on staffing was to budget.
- There was a slight overspending on Functions, which was due to the road closure notice cost of £317 for Mayor's Sunday.

Allotments -£1,782

- General expenses show an overspending of £1,589. The overspending included back rent relating to previous years of £682 paid to SLDC for Castle Hags allotments, and expenditure of £2,644 on pest control.

Bloom +£2,561

- There was an overspend of £703 on Bloom competitions.
- Sponsorship income of £1,170 was received during the year.

Christmas Lights & Festivals +£8,152

- Spend on Christmas lights displays was under budget by £2,610.
- There was also an underspending of £5,443 in Festival Grants.

Highways & Infrastructure +£2,998

- To an extent the Committee's budgets are reactive, responding to identified maintenance or replacement of items. Further, the budget generally benefits from the availability of the Development Fund, which is able to finance schemes which would otherwise fall to be met from this heading.

General Grants +£3,517

- General Grants expenditure totalled £31,983 during the year.

Action Plan Schemes Expenditure -£56,153 Income +£17,677

- Details of Action Plan transactions are given in the statement at Appendix B. The statement shows the latest available revision of the Plan, with programmed expenditure of £147,050, rather than the Approved Budget of £105,910. Of the income £7,677 is ring-fenced for the Citizens' Jury on Climate Change. There has been some slippage on projects this year, which will now run into next year.

Contingency +£5,000

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

c) Contributions to and Use of Reserves

For clarity, these headings list the contributions made to reserves in the year and the monies transferred from the same reserves to fund 2019/20 expenditure. The following transactions have not already been referred to above:

- A transfer of £8,603 has been made to the Arts & Heritage Reserve towards the cost of restoring assets.

- Contributions of £1,096 and £172 have been made to the Allotments and Wainwright Funds respectively to reflect interest earned on investing these monies.
- A contribution of £10,321 has been made to the Election Reserve to bring it up to its target level at the year end.
- Costs of £920 for a box for the Katherine Parr book of devotions and £439 relating to the sale of heritage assets have been met by a contribution from the Arts and Heritage Reserve.
- Costs of £1,495 for Parks and Open Spaces have been met by a contribution from the Environment Reserve.
- Finally the £320 Wainwright Award has been met from the corresponding Fund.

d) Use of the General Fund Balance

- The Approved Budget assumed that the working balance would be decrease by £8,174; there was an actual increase of £16,113.

2. Action Plan

Appendix B

A separate statement shows the detailed actual expenditure for the year on Action Plan schemes. As mentioned earlier, this is compared to the latest Plan programme rather than the Approved Budget. The programmed is entirely funded by the Development Fund: the closing balance of £95,795 in the Fund is fully committed or allocated to schemes which will incur expenditure in 2020/21 and subsequent years.

3. Reserves Statement

Appendix C

The Reserves Statement shows the transactions on individual funds and reserves for the financial year. Earmarked funds increased from £171,698 to £209,849 in the year.

The General Fund working balanced closed the year at £73,275.

4. Balance Sheet

Appendix D

Although the Balance Sheet as at 31 March 2020 is provided largely for information, the following points may be noted:

- The Debtors balance of £7,417 includes £3,677 VAT for the 4th Quarter of the year, which will be reclaimed from HMRC.
- The Prepayments figure reflects payments in 2019/20 which are correctly chargeable to 2020/21, eg alarm rentals, van insurance and IT and Website costs.
- Allotment rent deposits of £2,899 are included in the Creditors and Accruals balance, as are accruals of £24,589 for goods and services received in 2019/20 which will not be paid for until 2020/21.
- The Receipts in Advance figure of £16,170 consists entirely of the portion of 2020 allotment rent income which relates to 2020/21.

5. Conclusion

The outturn statement confirms that net expenditure for 2019/20, excluding expenditure on Action Plan projects, was contained within budget. This “underspend” on Action Plan projects was the result of slippage from the previous year. Reserves remain at a healthy total level, currently £283,123.

Similarly, there are no concerns relating to the Council's Balance Sheet at 31 March 2020, and overall the Council remains in a sound financial position.

6. Recommendation

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

KENDAL TOWN COUNCIL				
2019/20 OUTTURN STATEMENT				
INCOME & EXPENDITURE ACCOUNT				
2018/19 OUTTURN	2019/20 APPROVED BUDGET	HEADING	2019/20 ACTUAL OUTTURN	Favourable/ (Adverse) Variance
£	£		£	£
		INCOME		
		Precept:		
373,965	390,865	Council Tax	390,865	0
2,267	2,441	SLDC - Lighting	2,441	0
0	16,322	SLDC - Elections	16,322	0
376,232	409,628	Sub-Total	409,628	0
30,149	30,246	SLDC - Grant	30,246	0
0				
3,683	1,935	Other Income:		
22,187	22,262	Investment Interest	4,118	2,183
8,209	0	Allotment Rents	22,949	687
0	50	Community Infrastructure Levy	2,437	2,437
34,079	24,247	Miscellaneous	8,603	8,553
		Sub-Total	38,107	13,860
440,460	464,121	TOTAL INCOME	477,981	13,860
		EXPENDITURE		
		Management:		
174,053	171,120	Staff Salaries & Expenses (including travel)	173,925	(2,805)
(77,134)	(83,250)	Staff Recharges to Services	(84,995)	1,745
16,360	16,140	Premises	16,254	(114)
5,291	6,060	Supplies & Services	5,105	955
9,765	11,360	Audit, Subscriptions & Insurances	10,352	1,008
0	16,322	Elections	16,322	0
9,641	10,147	Newsletter	9,003	1,144
5,393	4,700	IT & Website	6,231	(1,531)
9,916	2,020	Miscellaneous	3,658	(1,638)
153,285	154,619	Sub-Total	155,855	(1,236)
		Mayoralty & Ceremonies:		
17,941	15,820	Staffing	15,651	169
5,149	5,150	Mayor's Allowance & Christmas Cards	5,120	30
213	800	Mayor's Travel	392	408
6,951	5,810	Functions	6,041	(231)
1,520	2,500	Twinning Expenses	1,371	1,129
31,774	30,080	Sub-Total	28,575	1,505
		Arts & Heritage:		
172	0	Exhibitions	0	0
1,549	1,500	Restoration of Heritage Items	1,359	141
2,000	2,000	Kendal Museum	2,000	0
3,721	3,500	Sub-Total	3,359	141
		Allotments:		
19,456	19,850	Staffing	20,043	(193)
11,939	11,150	General Expenses	12,739	(1,589)
0	0	Improvements & Developments	0	0
31,395	31,000	Sub-Total	32,782	(1,782)
		Bloom:		
15,707	17,190	Staffing	17,591	(401)
20,742	22,700	Floral Displays (incl. Community Projects)	20,205	2,495
1,213	1,200	Bloom Competitions	1,904	(704)
(980)	0	Receipts from Sponsors	(1,170)	1,170
36,682	41,090	Sub-Total	38,530	2,560
		Christmas Lights & Festivals:		
6,730	8,010	Staffing	8,047	(37)
23,202	19,030	Christmas Lights Displays	16,420	2,610
3,992	3,000	Christmas Lights Switch - On Event	2,863	137
27,306	35,000	Festival Grants	29,557	5,443
61,230	65,040	Sub-Total	56,887	8,153
		Environment:		
17,300	22,380	Staffing	23,663	(1,283)
0	500	Somervell Garden	0	500
849	0	Parks & Open Spaces Programme	1,495	(1,495)
18,149	22,880	Sub-Total	25,158	(2,278)
		Highways & Infrastructure:		
2,494	2,700	Infrastructure Maintenance	1,971	729
1,329	2,500	Litter Bin Emptying	1,329	1,171
500	3,500	New Infrastructure	2,403	1,097
2,267	2,441	Lighting - running costs	2,441	0
6,590	11,141	Sub-Total	8,144	2,997
		General Grants	31,983	3,517
35,395	35,500			
0				
129,859	143,050	Action Plan:		
(10,100)	0	Allocated Schemes	56,153	86,897
119,759	143,050	Development Fund Income	(17,177)	17,177
0	0	Sub-Total	38,976	104,074
0	0	Flooding Recovery	0	0
0	5,000	Contingency	0	5,000
0	320	Wainwright Award	320	0
498,280	543,220	DIRECT EXPENDITURE	420,567	122,651

£	£		£	
		CONTRIBUTIONS TO RESERVES:		
46,650	77,143	Development Fund - Support to Action Plan	77,143	0
10,100	0	Development Fund - External Income	17,177	(17,177)
0	0	Development Fund - Committee Underspendings	0	0
2,000	2,000	Arts & Heritage Reserve	8,603	(6,603)
1,116	1,100	Allotments Reserve	1,096	4
2,500	4,000	Election Reserve	10,322	(6,322)
8,209	0	Community Infrastructure Levy Reserve	2,437	(2,437)
180	170	Wainwright Fund	172	(2)
70,755	84,413		116,950	(32,537)
		USE OF RESERVES:		
(129,859)	(143,050)	Development Fund: Action Plan Expenditure	(56,153)	(86,897)
(756)	0	Environment Reserve	(1,495)	1,495
(1,549)	0	Arts & Heritage Reserve	(1,359)	1,359
0	(10,000)	Election Reserve	(16,322)	6,322
(300)	(320)	Wainwright Fund	(320)	0
(132,464)	(153,370)		(75,649)	(77,721)
436,571	474,263	GROSS EXPENDITURE	461,868	12,393
3,889	(10,142)	Increase/(Decrease) in General Fund Balance	16,113	26,255
440,460	464,121		477,981	13,860
		GENERAL FUND BALANCE:		
50,122	48,174	Brought forward 1 April	54,012	5,838
3,890	(10,142)	Increase/(decrease) in year	16,113	26,255
54,012	38,032	Balance carried forward	70,125	32,093

KENDAL TOWN COUNCIL			
DEVELOPMENT FUND (ACTION PLAN) MONITORING: EXPENDITURE TO 31 MARCH 2020			
RESOURCES:		Latest Programme	Actual 31 March 2020
		£	£
Development Fund:			
Opening Balance 1 April 2019		57,628	57,628
Contributions from/(to) Revenue:			
Budgeted Contribution		77,143	77,143
External Income:			
Kendal BID - Contribution to Leaflet Reprint		4,000	4,000
LIP Funding - Green Wall Project		10,000	0
SLDC - Contribution to CCTV camera - Gooseholme			2,500
PCC Cumbria - Contribution to CCTV camera - Gooseholme			3,000
Contributions/Donations re Citizens' Jury			7,677
Resources for Year		148,771	151,948
LESS: EXPENDITURE ON PROJECTS:			
	As at 1 April 2019	Latest Programme	Actual 31 March 2020
	£	£	£
Action Plan for Kendal:			
1 EH1a Green Wall Project	1,134	19,866	0
2 EH1b Leaflet Reprint	0	7,041	2,256
3 EH1c Signage Improvements	3,334	870	0
4 EH3 Strategic Transport Infrastructure Study	20,000	0	0
5 EH Yard Signage Enhancements (incl Woolpack Signage)		5,000	374
Kendal Futures Funding:			
6 MG2 Support for Co-ordinator	0	8,500	7,750
7 MG4 Delivering the Action Plan	0	3,500	3,500
8 MG16 Kendal Destination Website (funded by Kendal Futures)	0	4,000	4,000
Tourism Support in Kendal:			
9 MG6 Support for Kendal TIC	5,000	5,000	5,000
Green Spaces Improvement Projects:			
10 EH9 Kendal Castle Environmental Improvements	23,767	233	0
11 EH9 Kendal Castle Directional Signage		5,000	2,185
12 KB1 SLACC Pollinator Project	7,100	1,900	1,900
13 EH Fletcher Park Fencing Enhancements (SLDC led)		2,000	500
14 EH Nobles Rest Entrance Improvement (Kendal Civic Society led)		5,000	0
15 EH Beck Community Centre Trim Trail (SLDC led)		5,000	5,000
Public Realm Improvement Projects:			
16 CL2 Christmas Lights, Wildman Street		2,000	1,518
17 CL3 Building Flag & Tree holder maintenance and replacement (Christmas Plus)	916	1,084	0
18 EH Tree Planter Cladding		4,000	915
19 CL Annual Christmas Trees in Holders		3,000	0
20 KB Increase Kendal in Bloom Community Budget by £2K		2,000	475
Other Schemes:			
21 MG9 Lancaster Canal Regeneration Partnership	500	250	0
22 MG12 Community Emergency Planning Group	5,000	10,000	0
23 AL1 Improve Boundary Wall/Fences, Greenside/Rinkfield Allotments		10,000	9,555
24 EH17 Blackhall Road Bus Shelters KADBUS scheme	20,437	1,063	942
25 MG Increase in Staffing Budget		20,000	2,530
26 AGC Increase Audit Committee Budget from £36K to £41K		5,000	0
27 EH New gates to Hallgarth Play Area (SLDC led)		3,000	0
28 EH Youth Activity Equipment (Community Group/SLDC led)		6,993	6,993
29 EH Scoping working towards Kendal becoming Carbon Neutral		5,000	0
30 EH Right of way wall, Stonecross		750	760
	87,188	147,050	56,153
Resources: Balance carried forward		1,721	95,795

Appendix C

KENDAL TOWN COUNCIL
2019/20 OUTTURN STATEMENT
FINANCIAL RESERVES

	Balance	2018/19 Actual		Balance
	1 April 2019	Contribution to Reserve	Use of Reserve	31 March 2020
	£	£	£	£
Earmarked Reserves:				
Development Fund	57,628	94,320	(56,153)	95,795
Allotments	73,112	1,096	0	74,208
Arts & Heritage	5,645	8,603	(1,359)	12,889
Environment	1,638	0	(1,495)	143
Election	10,000	10,322	(16,322)	4,000
Community Infrastructure Levy	12,167	2,437	(3,149)	11,455
Wainwright	11,508	172	(320)	11,360
EARMARKED RESERVES	<u>171,698</u>	<u>116,950</u>	<u>(78,798)</u>	<u>209,850</u>
GENERAL FUND WORKING BALANCE	<u>54,012</u>	<u>0</u>	<u>19,263</u>	<u>73,275</u>
TOTAL RESERVES	<u>225,710</u>	<u>116,950</u>	<u>(59,535)</u>	<u>283,125</u>

KENDAL TOWN COUNCIL
2019/20 OUTTURN STATEMENT
BALANCE SHEET AS AT 31 MARCH 2020

	£	£
Short Term Investments		293,909
Current assets		
Debtors	7,417	
Deposits	50	
Prepayments	3,394	
Cash at bank and in hand	27,032	
	37,893	
Current Liabilities		
Creditors and Accruals	32,509	
Receipts in Advance	16,170	
	48,679	
Net Current Assets	-	10,787
		283,122
Represented by:		
Earmarked Reserves		
Development Fund		95,795
Allotments		74,208
Arts & Heritage		12,888
Environment		143
Election		4,000
Community Infrastructure Levy		11,455
Wainwright		11,360
		209,848
General Fund Working Balance		73,274
Total Reserves		283,122

KENDAL TOWN COUNCIL

AUDIT, GRANTS & CHARITIES COMMITTEE

Tuesday 12 May 2020

Annual Accounts 2019/20

1. Introduction

This report presents the 2019/20 Annual Accounts, and the accompanying statements, for the Committee's review prior to seeking Council's approval. It seeks to explain the Accounts and, where appropriate, the reasons for significant variations from the 2018/19 figures. The Accounts are currently being audited by our Internal Auditors; any initial observations from the process will be reported to your meeting.

2. The Accounting Statements

The following statements for the financial year 2019/20 are attached:

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

3. Income & Expenditure Account

Income for the year totalled £477,981, which was £57,414 more than the total expenditure of £420,567. The difference has been added to reserves and the General Fund working balance.

a) Income

Total income for the year increased by £37,521 from its 2018/19 total, due to the following factors:

- An increase in the Town Council's council tax produced an additional £33,395 in the precept income, while the council tax grant increased by £97, both from SLDC;
- Interest rates remained relatively stable, and interest income increased slightly to £4,118 from £3,683 in 2018/19;
- Allotment rent income was £762 higher than the previous year; and
- Community Infrastructure Levy income decreased year on year, with receipts of £2,437 in the year compared to £8,209 in 2018/19.

b) Expenditure

The total expenditure of £420,567 for the year was £77,712 lower than that for the previous year. The following variations should be noted:

Staffing

Employee costs remained stable at £173,925 compared with £174,053 for the previous year.

Recharges of £84,995 have been made to the following services to better reflect the true cost of the various activities undertaken by the Town Council:

	£
Mayoralty & Arts	15,651
Allotments	20,043
Bloom	17,591
Christmas Lights & Festivals	8,047
Environment & Highways	23,663
	<u>84,995</u>

The remaining staff time is spent on general management and administration.

Audit, Subscriptions and Insurance

Costs totalled £10,352, compared to £9,765 in 2018/19, an increase of £587. The increase in the CALC subscription makes up most of this variance.

Elections

Election costs of £16,322 were charged to the 2019/20 accounts. No election costs were incurred in 2018/19.

Civic Functions - Staffing

Staff recharges decreased by £2,290, due a change in the allocation of the Mayor's attendant's time.

Mayor's Travel

Mayor's Travel remained within budget, with a slight year on year increase of £179.

Functions & Twinning Expenses

These costs reduced from £8,470 in 2018/19 to £7,412 in 2019/20. There was no Freedom Parade is not an annual event in 2019/20, as this is not an annual event.

Allotments

In 2019/20, staff recharges increased by £587, which is explained by the annual inflationary pay award. General expenses recorded an increase of £800, which are largely attributed to the increased spend on pest control and back rent charged by SLDC covering previous years.

Bloom Activities

Bloom activities spent £1,846 more in 2019/20. There was an increase in external sponsorship from £980 in 2018/19 to £1,170 in 2019/20.

Christmas Lights

Overall, there was an decrease of £6,594 on this heading. Costs relating to displays reduced from £23,702 in the previous year to £16,420 in 2019/20. Staffing costs increased by £1,317, due to a change in the allocation of payroll costs to services.

Environment & Highways

Expenditure on these services increased by £8,562. This can be explained by higher staffing allocation, along with increased expenditure on new infrastructure.

Festival Grants

Festival Grants increased by £2,251, due to a higher take up of available funds.

Action Plan Schemes

In 2018/19, there was expenditure of £129,859 on Action Plan Schemes, after income of £10,100 was taken into account; by their nature, these were not repeated and the 2019/20 expenditure was £56,153, with income of £17,177.

Details of the 2019/20 expenditure on individual schemes can be found in the outturn report.

4. Balance Sheet at 31 March 2020

Short Term Investments

The Council's main investments are £180,000 with the Cumberland Building Society and £111,484 in the Barclays Bank Business Reserve Account; the latter figure varies on a day to day basis as transactions pass through the current account. A small balance of £2,426 is still in a Reserve Account with the NatWest Bank. Overall, there is a net increase from last year as less funds have been used to pay for Action Plan schemes

Debtors

This balance, £7,417, includes £3,677 to be claimed from HMRC in respect of VAT incurred on purchases in the final quarter of 2019/20.

Prepayments

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

Cash at Bank and In Hand

The Current Account balance of £26,960 is £24,982 is £1,978 more than the 2019 figure. This Barclays account has a target level of £25,000.

Creditors and Accruals

Invoices totalling £24,589 for goods and service received in March 2020 were not paid until April; overall, there was an increase of around £3,843 in accruals,

reflecting the timing of payments. This heading also includes Allotment deposits of £2,899.

Receipts in Advance

This heading comprises the 2019 Allotment rents of £16,170 received for the period April to December 2020.

5. Reserves Statement

This statement shows the movement on each of the seven earmarked reserves during the year and that for the General Fund working balance. Taken together, the balance on these reserves increased from £225,709 at 31 March 2019 to £283,124 at 31 March 2020. This increase of £57,415 is a direct result of the surplus of income over expenditure referred to at the start of this report, which predominantly relates to this year's expenditure on non-recurring Action Plan schemes.

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

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

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

The Accounts must be signed by the Treasurer as Responsible Financial Officer before being approved by the whole Council on 1 June, which has to take place after approval of the Annual Governance Statement (AGS). New guidance suggests that the AGS should not be approved until the Internal Auditors, R F Miller, have completed their review of the financial year. It is not clear whether the firm will be able to meet this timescale, but they have been asked to give at least an informal indication of the outcome.

Due to new legislation during the outbreak of Covid-19, there has been an extension to the timescales for the exercise of public rights. The AGAR must be approved and published by 31 August 2020 at the latest.

The AGAR comprises the AGS, the Accounts and the Internal Auditor's report. The full AGAR has to be submitted to PKF Littlejohn by the revised deadline. After their sign-off, the audited Return must be published on the Council's website by 30 November.

8. Recommendations

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

KENDAL TOWN COUNCIL

2019/20 Accounts

Income and Expenditure Account

	2019/20		2018/19	
	£	£	£	£
Income				
Council Tax Precept		409,627.94		376,232.64
SLDC Council Tax Grant		30,245.79		30,148.62
Interest on Investments	4,117.98		3,682.95	
Allotment Rents	22,948.97		22,186.99	
Community Infrastructure Levy	2,437.09		8,208.85	
Miscellaneous	8,602.80	38,106.84	0.00	34,078.79
		<u>477,980.57</u>		<u>440,460.05</u>
Total Income				
Expenditure				
General Administration				
Staff Salaries & Expenses	173,924.77		174,053.45	
Staff Recharges to Services	(84,995.00)		(77,134.00)	
Premises	16,253.89		16,360.06	
Supplies & Services	5,105.46		5,290.52	
Audit, Subscriptions & Insurance	10,351.72		9,764.71	
Elections	16,321.89		0.00	
Newsletter, IT & Website	15,233.42		15,033.80	
Miscellaneous	3,657.79	155,853.94	9,916.12	153,284.66
Civic Functions				
Staffing	15,651.00		17,941.00	
Mayor's Allowance	5,119.95		5,148.67	
Mayor's Travel	391.75		213.04	
Functions	6,041.06		6,950.70	
Twining Expenses	1,371.13	28,574.89	1,519.92	31,773.33
Arts & Heritage				
Restoration of Heritage Items	1,359.15		1,548.67	
Exhibitions	0.00		172.45	
Kendal Museum	2,000.00	3,359.15	2,000.00	3,721.12
Allotments				
Staffing	20,043.00		19,456.00	
General Expenses	12,739.17	32,782.17	11,938.96	31,394.96
Kendal Improvement Schemes				
Bloom Activities	38,528.59		36,682.38	
Christmas Lights	27,330.40		33,923.99	
Environment & Highways	33,300.94		24,738.49	
General Grants	31,983.00		35,395.00	
Festival Grants	29,557.39		27,306.21	
Action Plan Schemes	38,976.39		119,759.06	
Flooding Recovery	0.00	199,676.71	0.00	277,805.13
Wainwright Award		320.00		300.00
Total Expenditure		<u>420,566.86</u>		<u>498,279.20</u>
Surplus/(Deficit) of Income over Expenditure added to/ (taken from) General Fund Working Balance and Reserves		<u>57,413.71</u>		<u>(57,819.15)</u>

KENDAL TOWN COUNCIL

2019/20 Accounts

Balance Sheet as at 31 March 2020

	2020		2019	
	£	£	£	£
Short Term Investments		293,909.59		238,398.58
Current assets				
Debtors	7,417.06		5,647.30	
Deposits	50.00		50.00	
Prepayments	3,394.45		2,218.25	
Cash at bank and in hand	<u>27,031.50</u>		<u>25,091.44</u>	
		37,893.01		33,006.99
Current Liabilities				
Creditors and Accruals	(32,509.28)		(29,344.45)	
Receipts in Advance	<u>(16,170.25)</u>		<u>(16,351.76)</u>	
		(48,679.53)		(45,696.21)
Net Assets		<u>283,123.07</u>		<u>225,709.36</u>
Represented by:				
Reserves				
Development Fund	95,794.81		57,628.20	
Allotments	74,207.79		73,111.79	
Arts & Heritage	12,888.38		5,644.73	
Environment	142.85		1,637.85	
Election	4,000.04		10,000.04	
Community Infrastructure Levy	11,454.74		12,166.89	
Wainwright	<u>11,360.31</u>		<u>11,508.31</u>	
	209,848.92		171,697.81	
General Fund Working Balance		73,274.15		54,011.55
		<u>283,123.07</u>		<u>225,709.36</u>

I certify that, for the year ended 31 March 2020, these Accounts present fairly the financial position of Kendal Town Council and its income and expenditure

..... Town Treasurer Date

Approved by the Town Council on 1 June 2020

..... Mayor

KENDAL TOWN COUNCIL

2019/20 Accounts

Financial Reserves

	2019/20 Transactions			Balance 31 March 2020
	Balance 1 April 2019	Contribution to Reserve	Use of Reserve	
	£	£	£	
Development Fund	57,628.20	94,320.05	(56,153.44)	95,794.81
Allotments	73,111.79	1,096.00	0.00	74,207.79
Arts & Heritage	5,644.73	8,602.80	(1,359.15)	12,888.38
Environment	1,637.85	0.00	(1,495.00)	142.85
Election	10,000.04	10,321.89	(16,321.89)	4,000.04
Community Infrastructure Levy	12,166.89	2,437.09	(3,149.24)	11,454.74
Wainwright	11,508.31	172.00	(320.00)	11,360.31
EARMARKED RESERVES	<u><u>171,697.81</u></u>	<u><u>116,949.83</u></u>	<u><u>(78,798.72)</u></u>	<u><u>209,848.92</u></u>
GENERAL FUND WORKING BALANCE	<u><u>54,011.55</u></u>	<u><u>19,262.60</u></u>	<u><u>0.00</u></u>	<u><u>73,274.15</u></u>
TOTAL RESERVES	<u><u>225,709.36</u></u>	<u><u>136,212.43</u></u>	<u><u>(78,798.72)</u></u>	<u><u>283,123.07</u></u>

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

KENDAL TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

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

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

and recorded as minute reference:

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

Chairman

Clerk

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

Section 2 – Accounting Statements 2019/20 for

KENDAL TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	283,528	225,709	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	376,233	409,628	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	64,227	68,353	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	174,053	173,925	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	324,226	246,642	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	225,709	283,123	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	263,490	320,941	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,685,666	1,666,320	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
	✓		N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

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

as recorded in minute reference:

Signed by Chairman of the meeting where the Accounting Statements were approved

KENDAL TOWN COUNCIL

Grants Criteria: General and Festival Grants

Guidance for Organisations applying for Grant Funding Financial Year 2021/22

1. Introduction

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

2. Statutory Framework

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

3. Funding priorities

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

Grants are awarded within two priority areas:

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

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

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

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

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

Requests under this heading will normally be for project work.

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

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

4. Types of organisations

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

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

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

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

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

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

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

5. Funding Provision

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

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

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

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

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

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

6. What will the Committee not recommend?

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

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

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

6.4 Organisations

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

7. Applying for Funding

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

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

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

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

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

7.4 Other sources of funding may be available through the Dowker Bindloss Charity via the Cumbria Community Foundation and Community Grants through South Lakeland District Council..

7.5 Read these guidelines carefully before completing the form. It helps to have your application supported by one or more Councillors, who can answer questions about the application if the need arises. The Town Treasurer will be glad to answer specific questions on process, but *the Council cannot accept draft applications*. Ensure that a copy of your organisation's latest accounts are included with your application.

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

- a) The Town Treasurer will acknowledge receipt of your application and will contact you to deal with any queries, if necessary. **Your application cannot go to the relevant Committee if there are any outstanding issues.**
- b) Town Council staff will contact you within two weeks of the final Council decision, to let you know the outcome of your application.
- c) If your application has been successful, the Town Treasurer will arrange payment via a bank transfer; annual grants are normally paid during July. Please note the requirement for a bank account in the name of the organisation applying. Kendal Town Council cannot make payment into an individual's bank account.

d) Organisations receiving project funding must submit a project completion report for review by the Audit, Grants, & Charities or Christmas Lights and Festivals Committee.

7.7 When to Apply. The two Committees meet according to a published timetable (available on the Council's website). The Committees conduct their main review of funding applications at their October meetings. Your application is most likely to be successful if it is received in time for this meeting. **Applications can only go on the Committee agenda if they have been received - and have had any issues resolved - fourteen days before the Committee meeting.**

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

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

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

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

8. Grant Conditions

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

- a)** The grant must be used for the purpose stated in the organisation's application; the Council reserves the right to require a refund of any grant which is not used appropriately.
- b)** Organisations must acknowledge the assistance granted by the Town Council, eg by displaying its name in documentation, webpages or project signage.
- c)** The Council may require the organisation to achieve specified outcome or output measures connected with the grant funding.
- d)** For awards over £2,000, the Council requires the organisation to submit a brief report on the use of the grant and the organisation's activities; this should be received by 31 March of the year to which the grant relates. In the

case of core funding, this will relate to a full financial year; for project funding, the report is required on completion of the project.

9. Further advice and information

For further advice and information about the Council's Audit, Grants, & Charities or Christmas Lights and Festivals Committee, please contact any Town Councillor. The Town Treasurer at Kendal Town Council will be happy to answer any technical queries.

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

AUDIT, GRANTS & CHARITIES COMMITTEE

Tuesday 12 May 2020

Schools of Science and Art Charity

a) Introduction

1. This report presents the Schools of Science and Arts' summarised Receipts and Payments Accounts for the year ended 31 March 2020, so that the Committee can review the Charity's financial position prior to it being reported to the Trustees.

b) 2019/20 Accounts

2. The Charity's income for the year was £291 interest on its investments. There was £150 expenditure on regular annual awards to 3 local schools and £5,250 expenditure on grants. Grant expenditure was paid out to Kendal Brewery Arts Centre (£1,000); Sandgate School for the provision of Music Therapy (£3,500); Heron Hill Primary School towards the Artsmark Award Scheme (£250) and Miss SJ Neill towards an expedition to the High Arctic in November 2020 (£500). In view of the current situation regarding the Covid-19 pandemic it is possible the expedition will not go ahead as planned. Any updates will be reported to the Trustees.
3. The Charity closed the year with accumulated funds of £15,515, of which £8,992 is invested on a long term basis in Charibond fixed interest shares.
4. The Council makes regular annual awards of £50 each to Kendal College, Queen Katherine School and Kirkbie Kendal School, in order to fund a prize in the name of the Mayor of Kendal.

c) 2020/21 Forecast

5. Unlike many charities, the Schools of Science and Art Charity does not have a fixed capital "in perpetuity". However, the Council has previously considered that the Charity's capital should remain intact and only interest and investment income used to provide resources for grants.
6. The capital value on which the annual income is generated is £13,360. Income for 2020/21 is forecast to be £200.

d) Recommendations:

7. The Committee is recommended to:
 - i) review the Charity's Accounts for 2019/20 and its forecast income for 2020/21 and forward them to the Charity's Trustees for approval; and
 - ii) recommend the payment of the regular annual prize grants of £50 each to the two local High Schools and Kendal College in 2020.

TRUSTEES OF THE SCHOOLS OF SCIENCE & ART CHARITY

Receipts & Payments Account and Schedule of Assets

01 April 2019 to 31 March 2020

		2019/20		2018/19	
		£	£	£	£
	Opening Balance at 1 April		20,623.49		15,491.47
Add:	Receipts:				
	Interest - Charibond	235.16		235.16	
	Interest - Cumberland Building Society	55.85		46.86	
	Legacy -	0.00		5,000.00	
	Total		291.01		5,282.02
Less:	Payments:				
	School/College Prizes	150.00		150.00	
	Grants	5,250.00		0.00	
	Other	0.00		0.00	
	Total		(5,400.00)		(150.00)
	Closing Balance at 31 March		<u>15,514.50</u>		<u>20,623.49</u>
 Represented by:-					
	Long Term Investments at cost:		Note 1		Note 1
	Charibond Fixed Interest Common Investment Fund	8,992.00			8,992.00
	Cumberland Building Society	5,994.69			5,938.84
	Cash at Bank	527.81			5,692.65
	Total at 31 March		<u>15,514.50</u>		<u>20,623.49</u>

Notes:

- 1 The market value of the Charity's 8,399 Charibond shares at 31 March 2020 was £10,346.73 (31 March 2019 £10,358.49).

The above statement represents a true & fair view of the financial position of the Charity's Accounts at 31 March 2020 and its receipts and payments during the year.

Approved by the Trustees on

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Mayor of Kendal

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Town Treasurer