

**Responsible Financial Officer Reports (10 – 13)**

**10. RFO Report** - (for information – balances, Cattle Market Makers financial update, banking and budget setting process)

**Bank balances** - as at 31 January 2023 are as follows:

HSBC	59,880.85
Lloyds Debit card	515.80
Cornwall Council deposit	552,889.52
<b>TOTAL</b>	<b>£613,286.17</b>

**Cattle Market Makers Financial Update**

The table below shows a summary of project expenditure and claims to date, and percentage of overall project spend which CLLD are closely monitoring against percentage of outputs achieved before payment of claims.

To ensure we do not put LTC at risk of not being able to recover expenditure it should be ensured that expenditure is limited to total expected achievements.

**CMM Project Expenditure Summary**

ERDF - Total Project Expenditure approved £88,442.53 (Intervention rate 72%)

<b>Claim/spend period</b>	<b>Expenditure</b>	<b>Exp to date</b>	<b>% of total project</b>	
Start - 31/12/21	11,871.51	11,871.51	13	Paid
01/01/22 - 31/03/22	13,261.36	25,132.87	28	Paid
01/04/22 - 30/06/22	8,653.86	33,786.73	38	Paid
01/07/2022 - 30/09/22	9,003.11	42,789.64	48	Awaiting payment
01/10/22 - 31/12/22	8,394.36	51,184.00	58	Awaiting claim form
01/01/23 - 31/03/23				

ESF - Total Project Expenditure approved £63,359.06 (Intervention rate 80%)

<b>Claim/spend period</b>	<b>Expenditure</b>	<b>Exp to date</b>	<b>% of total project</b>	
Start - 31/12/21	3,684.43	3,684.43	6.8	Paid
01/01/22 - 31/03/22	5,695.14	9,379.57	14.8	Paid
01/04/22 - 30/09/22	13,513.34	22,892.91	36	Double claim - Paid
01/10/22 - 31/12/22	3,987.09	26,880.00	42	Paid
01/01/23 - 31/03/23				

The ERDF project has two targeted outcomes: P11 (potential entrepreneurs assisted to be enterprise ready), and C1 (enterprises receiving support)/C5 (new enterprises receiving support). It has been spending approx. 10% per quarter, however due to the reduced salary costs this will be less in the final quarter. The

P11 target is 58% complete (7 out of 12 achieved), with a further 4 participants to complete the full 12 hours of support. **At least one more completion is required to valid our claim for the final quarter.** The C1/C5 target is currently 70% complete (7 out of 10 achieved) with a further one participant to complete their full 12 hours support. It is possible one of the completed P11s will also transition to C5. **The position for expected expenditure against projected outputs for this target looks secure.**

The ESF project spent 6% in the last quarter, and this will reduce considerably in the final quarter due to reduction in the project staff, therefore overall spend is not expected to exceed 50%. The project target is 32 participants, with 14 achieved to date (43.75%) and two more pending acceptance by CLLD. Eight participants have become results (entered employment, self-employment or full-time education) and the requirement is 50%. **At least one more participant acceptance is required to valid our claim for the final quarter.** ESF projects across Cornwall and nationally are struggling to recruit participants that meet the restricted criteria, and it is possible projects may be granted a reduction in target for a smaller reduction in approved spend.

### Banking

With the closure of HSBC bank in town on 23 May 2023, the Council will require a business deposit card to pay in via the Post Office and this has been applied for. Transaction charges via the Post Office are the same as using the bank counter, but cash and cheques must be processed on separate credits so the number of transactions will double – this will result in a small increase. Petty cash will now be transacted via the Lloyds Bank account.

### Budget Setting Process

After a prolonged process to set the budget and precept for 2023/24 which involved four committee meetings, an all-Councillor budget meeting, several internal officer and committee chair meetings, discussion at three meetings of full Council culminating in seven proposals at the final meeting to reach agreement, Councillor Dorling has proposed a system which would result in three reasoned budget choices.

*Aim: To utilize an equitable and systematic process for setting the precept that provides Councillors with clear facts and options available for maintaining a low tax burden.*

- 1. Participants will enter the process with an open mind without being guided to work towards an arbitrary figure for setting the precept.*
- 2. Each committee responsible for setting a budget will provide a realistic budget including all new projects and ongoing costs their committee is responsible for.*
- 3. RFO - collate the budgets and provide the projected gross budget and required precept figure and this will be the maximum precept figure that could be considered (option 1). [This would have resulted in a proposed increase of 6.8% for 2023/24.]*
- 4. RFO - estimate the unallocated reserves not including six months expenditure in the general reserve. This figure will represent the lowest precept figure that will be considered unless the council decides to reduce the services provided (option 2). [This would have resulted in a proposed reduction of 1.36% for 2023/24 but no remaining funds for other projects which might come up during the year such as those proposed on the agenda this month.]*
- 5. A midpoint figure can be calculated by adding an additional 5% of the current budget to the lowest precept figure to provide contingency for additional projects or unforeseen additional costs (option*

3). *[This would have resulted in a proposed increase of 5.34% for 2023/24.]*

6. *The figures are to be shared with Councillors prior to precept setting discussions and they are to be actively encouraged to provide their views.*

7. *In the event that Councillors are unable to agree any of the proposed figures each committee setting budgets will go through a round of cost cutting, removing costs where possible.*

Please provide thoughts or suggestions to this approach before we begin considering the next round of budget setting in September 2023.

**11. Budget Monitoring 2022/23** - To receive and accept a budget report to 31 January 2023 for monitoring purposes.

**Attachment: 11. Budget Monitoring to 31 January 2023**

*On target spend should now be at 83.33%*

The following points should be noted on the Administration (101) budget (other budgets monitored within the relevant committees):

- Interest Received (1090) is more than budgeted due to rising interest rates
- PAYE & NI (4010) and Pension (4020) lines include only nine month's expenditure – 75% as this is paid a month behind until year end. New salary rates have taken the PAYE & NI line a little over budget. Pensions also includes payment of the annual lump sum contribution of £6,100, so should even out further towards year end.
- Staff Expenses (4100) has overspent this year due to the cost of medical assessments.
- Training (4110) will overspend by at least £500 due updating health & safety, fire and first aid related training for new and existing staff.
- Bank Charges (4130) have increased with HSBC and will increase further with the introduction of the new electronic payment system.
- Insurance (4200) has overspent significantly due to increased rates.
- Equipment & IT M'tnce/Support (4240) has overspent but includes a 2 year anti-virus subscription, and some computers have been upgraded rather than replaced, reducing spend on line 4230 Equipment Purchase.
- Office Supplies (4250) has overspent due to significant increases in paper costs and increasing volumes of photocopy/printing.
- Defibrillators Monitoring (4320) will fully spend with invoices due imminently.
- Civic Duty & Members Expense (4350) has overspent significantly due to the purchase of Honoured Burgess medals (£1,625)
- Active Travel (4395) all expenditure was fully grant funded, with payment received in the previous financial year.
- Covid Emergency Expenses (4430) no further expenditure is anticipated on this line.

**Recommendation: to note and approve the budget monitoring report**

**12. Schedule of Payments** - To receive and approve the schedule of payments.

**Attachment: 12. Schedule of Payments**

**Recommendation: to approve the schedule of payments**

**13. Aged Debtors** - To receive a report on aged debtors and agree any further action required

As at 31 January 2023 the following amounts were outstanding:

Outstanding	31 - 60 Days		61 - 90 Days		91+ Days	
	No. of customers	Amount	No. of customers	Amount	No. of customers	Amount
Public Hall Standard	1	70.10				
Public Hall Discount	1	41.70				
Guildhall rents	1	451.00			1	41.70
Guildhall utilities						
Allotments						
Miscellaneous						
<b>Totals</b>	<b>3</b>	<b>£562.80</b>	<b>0</b>	<b>£0.00</b>	<b>1</b>	<b>£41.70</b>

The Facilities Manager and Town Clerk are due to meet with the client responsible for the Public Hall Standard invoice, the other two amounts outstanding for 31 – 60 days are not a cause for concern. The Guildhall invoice relates to a former tenant and has been outstanding since March 2022. The debt has been pursued in accordance with the Credit Management Procedure. It is not deemed cost effective to pursue this further and therefore write off is recommended.

**Recommendation - To accept the report on aged debtors and agree to write off an invoice for £41.70 outstanding since March 2022.**