

Responsible Financial Officer Reports (9-13)**9. RFO Report** - (for information – bank balances)

Bank balances - as at 31 December 2023 are as follows:

HSBC	33,884.56
Lloyds Debit card	1,198.96
Cornwall Council deposit	248,033.93
HSBC Money Market Deposit	375,000.00
TOTAL	<u>£658,117.45</u>

10. Budget Monitoring 2023/24 – To receive and accept a budget report to **30 November 2023** for monitoring purposes**Attachment: 10. Budget Monitoring to 30 November 2023**

On target spend should now be at 66.67%

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

- Interest Received (1090) interest is due in February on the maturing HSBC Money Market deposit of £9,784 which will bring the final total to well in excess of the budgeted amount
- Staff Salary (4000) the 2023/24 pay award has now been processed with back pay
- PAYE & NI (4010) and Pension (4020) lines show only seven month's expenditure (58.33%) as it this is paid a month behind until year end. The annual lump sum (secondary) pension contribution of £4,900 was paid in May. NB – within the Facilities budget reclaim of statutory maternity pay has been made against employer NI payments which has put this budget line into credit.
- Professional Fees (4160) will be fully committed at year end with the costs of VAT advice and updated building reinstatement values
- Insurance (4200) following the recent reinstatement cost assessment of our buildings, a refund of £635.26 is due on premiums already paid.
- Telephone & Broadband (4210) will overspend by a small amount due to the introduction of the caretakers mobile
- Youth Council (4225) final spend is expected to be approx. £450
- Defibrillators (4320) annual invoices due February 2024 which will fully use this budget line
- Sports Pitch Working Party (4380) all expenditure has been reclaimed from s106 monies held by Cornwall Council and the income is shown in the Grants and Donations Received (1100)

Recommendation: to note and approve the budget monitoring report

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

Attachment: 11. Schedule of Payments

Recommendation: to approve the schedule of payments

12. Budget & Precept Setting 2024 – 2025 – To agree the budget and precept for 2024/2025

Attachments: 12i. Admin Draft Budget 2024/25, 12ii. C&E Draft Budget 2024/25, 12iii. Facilities Draft Budget 2024/25, 12iv. Budget Summary

The net budgets submitted by the committees following review are as follows:

Committee	Net Budget
Administration	247,528
Communications & Engagement	101,170
Facilities	256,499
Total Precept Requirement	605,197

The use of earmarked reserves has now been fully considered by committees. The general reserve currently stands at £337,415 with commitments of £49,858 which would reduce the balance to £287,557 which is below the level considered appropriate in the Reserves policy (6 months revenue expenditure) and therefore it is not recommended this is used to support proposed budget expenditure.

This would result in a precept increase of 16.13% or £23.67 per annum at band D. While band D is the required comparison, almost 80% of Liskeard households are in bands A to C. The table below shows the increase at all bands. Liskeard would continue to have one of the lowest band D rates of the larger towns in Cornwall.

Liskeard Council Tax band breakdown:

Band	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
No. of households	1,055	1,839	1,296	698	290	74	16	0
Current Annual Precept	£97.81	£114.12	£130.42	£146.72	£179.32	£211.93	£244.53	£293.44
Proposed Annual Precept 2024/25	£113.59	£132.52	£151.45	£170.39	£208.25	£246.11	£283.98	£340.77
Annual precept increase	£15.78	£18.40	£21.03	£23.67	£28.93	£34.18	£39.45	£47.33
Monthly precept increase	£1.32	£1.53	£1.75	£1.97	£2.41	£2.85	£3.29	£3.94

Large Town Council Tax and Precept levels 2022/23

Town	% increase	Amount of increase £	Band D rate	Total Council Tax	Total Precept	% of Council Tax
Falmouth	11.93	45.09	423.06	2,487.41	3,276,355	17.01
Bodmin	3.73	11.79	327.81	2,392.16	1,622,158	13.70
Truro	16.33	44.98	320.38	2,384.73	2,382,665	13.43
Penzance	21.74	53.55	299.86	2,364.21	2,150,252	12.68
Camelford	8.92	23.57	287.95	2,352.30	316,759	12.24
Launceston	0.02	0.05	274.09	2,338.44	879,251	11.72
Wadebridge	8.31	19.28	251.21	2,315.56	631,562	10.85
Bude-Stratton	0.00	0.00	248.28	2,312.63	992,356	10.74
Callington	2.30	5.52	245.70	2,310.05	504,666	10.64
Hayle	8.47	18.77	240.24	2,304.59	756,339	10.42
Saltash	3.66	8.38	237.16	2,301.51	1,307,753	10.30
Newquay	5.00	11.29	237.07	2,301.42	2,038,810	10.30
Redruth	0.00	0.00	233.00	2,297.35	1,045,261	10.14
Lostwithiel	3.00	6.32	216.77	2,281.12	247,175	9.50
Camborne	-1.44	-3.08	210.41	2,274.76	1,349,956	9.25
St Ives	23.69	40.20	209.94	2,274.29	1,067,182	9.23
Looe	5.00	9.89	207.60	2,271.95	461,590	9.14
Helston	22.98	37.92	202.96	2,267.31	746,350	8.95
Torpoint	9.61	15.47	176.49	2,240.84	417,739	7.88
St Austell Town	15.90	22.55	164.36	2,228.71	1,067,220	7.37
<i>Cornwall average</i>	<i>8.14</i>	<i>11.82</i>	<i>157.04</i>	<i>2,221.39</i>		<i>7.07</i>
Liskeard	4.00	5.64	146.72	2,211.07	509,853	6.64
St Agnes	8.81	11.31	139.63	2,203.98	458,500	6.34
Penryn	-0.91	-1.24	134.96	2,199.31	313,450	6.14

Recommendation: to approve a gross budget of £765,497 and a precept of £605,197

13. HSBC Money market Deposit – To agree maturity instructions for the deposit maturing 05/02/24

An indication of rates given on 16/01/2024 are:

Term	Rate	Monthly interest earned per £100,000
1 month	4.59%	£382.50
2 months	4.60%	£383.33
3 months	4.60%	£383.33
4 months	4.67%	£389.17
6 months	4.61%	£384.17
1 year	4.25%	£354.17

The existing 6 month deposit is currently paying 5.12%

The deposit with Cornwall Council provides instant access, and can be topped up at anytime, e.g. on receipt of the first precept instalment in April 2024. Drawdowns are made in tranches as required to top up the HSBC current account, to cover monthly payroll and bacs runs. It has a daily fluctuating interest rate, based on the monthly average interest rate Cornwall Council receives, less a 0.25% admin fee. Interest is calculated on a daily balance and capitalised monthly. In December 2023 the rate fluctuated between 4.48% and 4.61%. There is no minimum balance on this deposit, and the maximum balance is £1 million.

While there is currently little difference between the rates offered by the two deposits, the HSBC option is fixed and offers security of interest rate. The lower rate for a 12 month deposit suggests the markets anticipate interest rates will fall by the end of 2024.

The Council currently has £337,415 in the General reserve, and after commitments in the current year will leave a balance of approx. £290,000. After allowing for a 20% contingency £232,000 could be transferred to a fixed term deposit.

Earmarked reserves total £199,417 after commitments in the current and future financial year a balance of £144,000 will remain. Allowing a further 20% contingency, £115,000 could be transferred to a fixed term deposit.

This gives a total deposit of £347,000 which if placed for 6 months at the indicated rate will earn approx. £8,000 in interest.

Recommendation: To approve the reinvestment of £347,000 in an HSBC Business Money Market Fixed Deposit Account for 6 months, to mature ahead of receipt of the second instalment of the precept (noting that the interest rate will not be set until the deposit is placed).

14. Internal Audit Interim Report – To consider and accept the Internal Auditor's Interim Report

Attachment: 14 Internal Audit Interim report

The Internal Auditor carried out a visit on 23 November to inspect our records, and some earlier checks had already been carried out remotely on electronic documents.

Under Risk the report identifies that our Fidelity Guarantee is too low at some points in the year. Once the precept has been agreed for 2024/2025 the need going forward can be fully assessed with some headroom built in, and our insurers asked to increase the cover – they have indicated that there should be no problem in obtaining the increase.

Under Bank Reconciliation the report notes that a Member should review the monthly bank reconciliations on a quarterly basis as per the Financial Regulations. As a minimum this involves checking the balance on the bank statement against the reconciliation to confirm

they agree. Councillor Goldsworthy has carried out this check comprehensively for several years but can find it difficult to get into the office during the working day and another volunteer would be helpful.

Recommendation: To accept the internal auditor's interim report and agree to action the highlighted points (an increase in the Fidelity Guarantee and a Member to check bank reconciliations quarterly)

15. IT Equipment and Service Contract – To approve the equipment purchase and provision of IT contractor.

Some of our existing IT hardware is now dated, and computers are running slow. Not all functionality is available on software applications and there are some issues with synchronisation. Some mailboxes are near capacity. Standardisation is needed across all machines. The current IT system has evolved over time, and hardware has been replaced sporadically. A full audit of our systems is now required, with costed recommendations.

Based on an informal quote of £1,075 to carry out an audit of both the Public Hall and Foresters Hall a brief was circulated to seven local IT consultants (including our existing provider) and advertised via our website, social media, notice boards, etc.

The following responses were received, which are very different.

1. Contractor A (Redruth) – quoted £600 for the audit, plus ongoing support at £325 per month, and £75 per hour for works not included in the Managed Service Agreement. References are from an engineering company and a chartered accountant.
2. Contractor B (Plymouth) – sent 2 engineers (IT and cabling specialist) to undertake a site visit and have submitted a proposal with recommendations which totals £5,783.20 for all implementation work, plus £4,814 for new hardware, and an ongoing monthly cost of £598.50 which would replace some of the existing payments we make to Microsoft, Zoom, AVG and Rackspace but would still result in an increased monthly outgoing. References include three Cornish Town Councils.
3. Contractor C (Plymouth) contacted us after the closing date to say they had not had time to submit a quote but would still be interested.

In the current financial year there is approx. £4,000 remaining across the Equipment & IT Purchase and Support budgets. Discussion and prioritisation with Contractor B may also result in some reductions, however additional provision of up to £7,000 may be needed in 2024/25 to complete necessary works. This is included in the proposed 2024/25 Admin budget presented in the earlier agenda item, with some small savings on other budget lines to offset the full additional cost, since Council last considered this budget.

It is recommended that budget provision is made, and discussion is initially commenced with Contractor B with a maximum budget of £10,000 plus ongoing monthly costs, over the current and next financial year, to further define needs and prioritise these for implementation.

Recommendation: To agree a budget of up to £10,000 plus ongoing monthly costs to progress IT improvements and to commence discussion with Contractor B