

Responsible Financial Officer Reports (9 – 14)**9. RFO Report** - (for information)**Attachment: 9. Earmarked Reserves**

Bank balances - as at 31 October 2022 are as follows:

HSBC	120,596.05
Lloyds Debit card	690.10
Cornwall Council deposit	599,555.33
<u>TOTAL</u>	<u>£720,841.48</u>

Reserves - as at 31 October 2022 are as follows:

General Unallocated Reserves	348,942
Earmarked Reserves (for specific projects)	189,431
<u>TOTAL</u>	<u>£538,373</u>

A breakdown of earmarked reserves is attached and included within individual committee draft budgets for 2023/24. The Town Council reserves policy states:

It is recommended in the 'Good Councillor's Guide to Finance and Transparency' to hold between 3 and 12 months expenditure as a General reserve. However, if the general reserve is too high then local electors have paid a tax which is not being used for the benefit of the local community, and the level will need to be justified to the external auditor.

A General Reserve covering 6 months revenue expenditure is considered appropriate for Liskeard Town Council, but the RFO will advise the Town Council on the level of reserves it should hold. The level of the General Reserve should not exceed the annual precept and will be determined by an assessment of potential risks. The level of the General Reserve should be reviewed each year as part of the budgeting process.

Balancing the annual budget by drawing on reserves must be viewed as a legitimate short-term option only. Such reserves must not be deployed to finance recurrent expenditure.

Six months revenue expenditure based on the proposed budgets for 2023/24 equates to approx. £308,500.

Cattle Market Makers Financial Update

ERDF - The variation of the match funding grant, in line with the variation on the main funding to reflect to removal of the capital build from the project, has now been completed, and 90% of the funding totalling £21,387.52 received on 17 November 2022. Our ERDF grant claim for the quarter 1 Jan – 31 March 2022 was received on 22 November totalling £9,548.18, and we are expecting the claim forms for the next quarter to be released.

ESF – A new claim covering the period 1 April – 30 September 2022 has been submitted. Expenditure totalled £13,512.27 with an eligible grant to be paid of £10,809.82, the balance being covered by the CC match funding already received. The claim process continues to be time consuming, with multiple queries and additional information requested before approval. The RFO is currently dealing with these. See claim details below.

Eligible Expenditure		Total Approved Costs	Total Approved Grant	Total project spend to date	Expenditure Claimed from CLLD in this Claim	Total Spend + Expenditure in this Claim	Balance available	Grant calculation intervention rate 80%
Item	Cap / Rev	As in Offer Letter	As in Offer Letter	As agreed by CC - not inc. this claim			Not to exceed total costs approved	
Projector	Cap	£359.99	£287.99	£ -	£ -	£ -	359.99	£ -
Screen	Cap	£59.99	£47.99	£ -	£ -	£ -	59.99	£ -
Flipchart stand	Cap	£49.99	£39.99	£ -	£ -	£ -	49.99	£ -
IT Equipment	Cap	£1,037.31	£829.85	6.67	£ -	6.67	1,030.64	£ -
Accounts Clerk	Rev	£1,477.88	£1,182.30	247.59	359.47	607.06	870.82	287.58
Project Manager	Rev	£15,449.18	£12,359.34	3,791.03	4,449.84	8,240.87	7,208.31	3,559.87
Project Administrator	Rev	£15,326.66	£12,261.33	3,275.87	4,463.28	7,739.15	7,587.51	3,570.62
15% Overheads (calculated on salaries)	Rev	£4,838.06	£3,870.45	1,097.18	1,390.88	2,488.06	2,350.00	1,112.70
Training Delivery	Rev	£5,400.00	£4,320.00	575.00	£ -	575.00	4,825.00	£ -
Venue costs	Rev	£928.00	£742.40	£ -	£ -	£ -	928.00	£ -
Specialist Creative Resources	Rev	£2,300.00	£1,840.00	142.58	252.08	394.66	1,905.34	201.66
Engagement activities	Rev	£7,632.00	£6,105.60	183.07	2,300.00	2,483.07	5,148.93	1,840.00
Leaflets and advertising	Rev	£3,600.00	£2,880.00	67.25	46.82	114.07	3,485.93	37.46
Participant Support Expenses	Rev	£4,900.00	£3,920.00	£ -	249.90	249.90	4,630.10	199.92
Total CLLD Project Costs/Grant		£63,359.06	£50,687.25	9,386.24	13,512.27	22,891.84	38,959.94	10,809.82

Office Update

The office closed for two days (27 & 28 October) to enable the new data cabling work to be completed, with staff taking leave or working from home on those days. PCs have been checked and speed tested, and all systems are now fully functioning again.

The accounts are in completion to the end of October. The pay award was finally agreed on 3 November, and backpay calculations have been completed and processed in the November payroll.

A new electronic system called iConnect has been introduced for monthly submission of information to the Cornwall Pension fund. The RFO and Accounts Clerk have both completed training and the first return has been successfully transmitted. Now the system has been set up this will save time in the future as there will no longer be a need for regular population data checks, and new starter forms, etc can be completed online, but have had to process the recent leavers manually.

A former member of staff who left the Council in 2006 has contacted the Cornwall Pension Fund to request early payment of pension due to ill health. It is the responsibility of the employer to arrange the necessary occupational health assessments and decide whether this should be permitted and must cover these costs. However, no additional costs are incurred if early payment is agreed since the possibility of ill health retirements is already factored into the actuarial calculations of employer contributions.

A new tri-annual valuation of the pension fund has been undertaken this year and the results are due by the end of November. The RFO is attending a meeting with the Cornwall Pension Fund and Hymans Robertson on 28 November. Contribution rates for 2023 – 2027 should then be confirmed.

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

Attachment: 10. Schedule of Payments

Recommendation: to approve the schedule of payments

11. Budget Monitoring 2022/23 - To receive and accept a budget report to 30 September 2022 for monitoring purposes.

Attachment: 11. Budget Monitoring to 30 September 2022

On target spend should now be at 50%

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

- Salaries (4000) agreed increases are greater than the 2.75% budgeted (4.86 – 10.4% dependent upon the spinal column point), this will have a knock-on effect on employer NI and pension costs.

- PAYE & NI (4010) and Pension (4020) lines include only five month's expenditure – 41.67% as this is paid a month behind until year end. Pensions also includes payment of the annual lump sum contribution of £6,100.
- Staff Expenses (4100) will overspend this year due to the cost of occupational health assessment for current and previous staff.
- Bank Charges (4130) have increased with HSBC and will increase further with the introduction of the new payment system.
- Insurance (4200) will overspend significantly due to increased premiums at approx. £21,500.
- Office Supplies (4250) paper costs have increased significantly, and photocopy/print volumes are increasing – this budget line is likely to overspend.

Recommendation: to note and approve the budget monitoring report

12. Draft Budget and Precept Setting 2023/2024 – To discuss a draft budget and precept
Attachment: 12i. FED&GP Draft Budget 2023/2024, 12ii. C&E Draft Budget 2023/24, 12iii. Facilities Draft Budget 2023/24, 12iv. Budget & Precept Summary

All committees have now considered their budget requirements for 2023/24 and proposed drafts as attached. Salary projections assume a 10% increase as suggested by CALC, other projections are based on known contract agreements/requirements, and where unknown a 10% increase has been assumed on expected spend for 2022/23. When combined, these equate to a precept requirement of £544,426 - an 11.05% increase in the precept (£15.59 p.a. extra for a band D property).

The tax base has increased this year, and a 0% standstill would produce a precept of £490,254, an increase of £17,769 offset by the £9,405 loss of the Council Support Grant. The Town Council has set a 0% increase for the last 3 years, and low-level increases of only 1.19%, 0.93% and 0.54% in the preceding three years. Examples of alternative options for consideration:

Option	Precept	% increase	Band D amount pa	Band D % inc pa		Saving required
1	544,426	11.05	£156.67	£15.59	as per drafts	0
2	531,954	8.51	£153.08	£12.00	£1 per month	12,472
3	514,767	5.00	£148.13	£7.05		29,659
4	504,962	3.00	£145.31	£4.23		39,464
5	490,254	0.00	£141.08	£0.00		54,172

Brief discussions with some other larger towns in Cornwall, suggest Hayle, St Ives and St Agnes need to increase their precept by in excess of 20%, while Bude are hoping to achieve 14%, Newquay 5% and Camborne 0% by postponing works and using earmarked reserves.

There are 10,239 Town & Parish Councils nationally, of which 8,874 raise a precept. In 2022/23 there were 12 Cornish towns in the top 50 highest precepts nationally with

precepts over £220 p.a. The national list was topped by Falmouth at £377.97 and Bodmin second at £316.02 and may reflect the high cost of delivering services in Cornwall.

Last year Looe was the only other large town to set a 0% increase, while only St Agnes and Penryn have lower band D and total council tax charges than Liskeard.

Large Town Precepts 2022/23

Town	% increase	Amount of increase £	Band D rate £	Total Council Tax £	Total Precept £	% of Council Tax
Redruth	16.95	33.77	233.00	2,196.67	1,027,921	10.61
Penzance	16.36	34.62	246.31	2,209.98	1,754,515	11.15
Bodmin	15.18	41.64	316.02	2,279.69	1,530,689	13.86
St Ives	14.95	22.07	169.74	2,133.41	864,914	7.96
St Austell Town	9.95	12.83	141.81	2,105.48	905,520	6.74
St Agnes	7.10	8.50	128.32	2,091.99	415,750	6.13
Launceston	6.62	17.02	274.04	2,237.71	856,041	12.25
Penryn	6.42	8.22	136.20	2,099.87	308,392	6.49
Helston	5.33	8.35	165.04	2,128.71	603,400	7.75
Wadebridge	4.89	10.82	231.93	2,195.60	568,975	10.56
Saltash	4.28	9.39	228.78	2,192.45	1,255,690	10.43
Lostwithiel	4.14	8.37	210.45	2,174.12	238,708	9.68
Camelford	3.93	10.00	264.38	2,228.05	286,255	11.87
Bude-Stratton	3.00	7.23	248.28	2,211.95	976,041	11.22
Truro	2.93	7.84	275.40	2,239.07	2,019,651	12.30
Hayle	2.09	4.54	221.47	2,185.14	682,992	10.14
Callington	1.96	4.61	240.18	2,203.85	479,760	10.90
Falmouth	1.83	6.80	377.97	2,341.64	2,863,663	16.14
Camborne	1.81	3.80	213.49	2,177.16	1,342,147	9.81
Newquay	1.56	3.46	225.78	2,189.45	1,909,000	10.31
Liskeard	0.00	0.00	141.08	2,104.75	472,485	6.70
Looe	0.00	0.00	197.71	2,161.38	441,390	9.15

Recommendation: To agree a draft budget and precept for 2023/24

13. Interim Internal Audit Report 2022/23 – To receive and accept the Interim Internal Auditor Report 2022/23

Attachment: 13. Interim Internal Audit Report 2022/23

The internal auditor carried out an interim inspection visit on Tuesday 8 November, and the report is attached. It includes one recommendation:

- Involvement with the electronic payment process should be expanded, preferably to include Members but as a minimum two logins should be required to make a payment.

The Council purchased the payments system which requires additional authorisations in March 2020, and the Town Clerk, RFO and Accounts Clerk undertook training. However, due to the restrictions of covid that followed it was not possible to roll the training out to members and implement the system. Users have currently been suspended due to lack of logins in the last 13 months, and HSBC have been contacted for advice on resolving this and refreshing training.

Recommendation: To receive and accept the Interim Internal Audit Report 2022/23

14. Active Travel (Minute 310/22 Communications & Engagement Committee 10th November 2022 Refers) – To approve the recommendations that the following improvements are progressed – Charter Way – Plymouth Road – Baytree Hill – Dean Street/Limes Lane – 20mph zone in the town centre.

Following discussion of feedback from the public over summer 2022 at the last meeting of the Active Travel working group on 5 October 2022, and the Communications & Engagement committee on 10 November 2022 these improvements are recommended for progression and support by Council.

These would be funded from a number of sources. CC have put in a bid for £204,600 of DfT capability funding from Active Travel England. The funding is to develop LCWIP schemes further to get them in a position to secure funding - possibly from future rounds of the Active Travel Fund. There are currently 7 LCWIPs completed in Cornwall, and 4 have been selected including Liskeard's route 4 (Charter Way/Plymouth Road). This will include commissioning approx. £40,000 of work from Cormac to firm up the costs and do further design on the work completed by Sustrans, which should be completed by next summer.

Further rounds of active travel funding are expected, it is understood there is a clear commitment to allocate levelling up funding to the project, and some s106 contributions and CIL payments are also available.

CC Public Transport have secured £13.3m from the DfT for its Bus Service Improvement Plan (BSIP). This funding has been confirmed to progress a number of both capital and revenue schemes that are aimed at delivering growth in public transport use. Included within the BSIP is a line for the development of a solution for Liskeard (the cattle market or extending the bus bays on Barras Street) that meets the funding allocation.

Recommendation: To support progression of improvements identified in the Sustrans report to Charter Way, Plymouth Road, Baytree Hill, Dean Street/Limes Lane and a permanent 20mph zone in the town centre