

KIDDERMINSTER TOWN COUNCIL
Vicar Street
Kidderminster
Worcestershire
DY10 1DA



office@kidderminstertowncouncil.gov.uk
www.kidderminstertowncouncil.gov.uk
01562 732680

30th November 2022

The meeting of the **FINANCE AND OVERVIEW COMMITTEE** will be held in the **COUNCIL CHAMBER, KIDDERMINSTER TOWN HALL** on **TUESDAY 6th DECEMBER 2022** at **6:00PM** when Members are summoned to attend.

Yours Sincerely

A handwritten signature in blue ink, appearing to read 'Lee Jakeman'.

Lee Jakeman
Chief Executive

Membership: Councillors: D. Ross (Chairman); J. Smith (Vice Chairman); J. Aston, D. Chambers and F. Oborski MBE.

FINANCE & OVERVIEW COMMITTEE AGENDA – TUESDAY 6TH DECEMBER 2022

1. Apologies for absence

2. Declarations of interest

To receive declarations under consideration on this agenda in accordance with the Localism Act 2011 s32 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Members are reminded that should you declare a pecuniary interest at a meeting, it is your responsibility to inform the Monitoring officer.

3. Public Question Time

In accordance with Standing Order 3(c), to allow members of the public to make representations, ask questions, and give evidence at a meeting which they are entitled to attend in respect of the business on the agenda.

Members of the public will be called in order of receipt of notice of their intention to speak. Please email townclerk@kidderminstertowncouncil.gov.uk or telephone 01562 732680 to give your name and an indication of the topic you intend to raise.

4. Minutes

To approve the minutes of the meeting of Finance and Overview Committee on held on Wednesday 7th September 2022.

5. External Audit

To receive the completion of the limited assurance review (enclosed) for the year ended 31 March 2022 compiled by PKF Littlejohn LLP (attached) which includes 2 'except for' comments

And

To note that the public notice of conclusion of audit was published on the Town Council's website on 30th September 2022.

6. Investments

To welcome representatives from the CCLA.

To consider a report which includes the following recommendations:

- a. To invest £25k at the earliest practicable opportunity with the CCLA Public Sector Deposit Fund.

AND

- b. To delegate to the RFO (*in consultation with the Chair of the Finance & Overview Committee*) the authority to increase the investment to a maximum

total of £100k and withdraw funds to maintain sufficient funds to facilitate cashflow projections.

AND

- c. To request that the CEO produces a draft Treasury Management/ Investment Policy for consideration.

TC/28/22-23

7. Budget and Precept Setting

To receive a report and consider budget estimates for FY 2023/24.

TC/29/22-23

And

To consider the following recommendations:

- a. To recommend that the Full Town Council approves the summary budget attached to the report for FY 2023/24.

(A Precept of £896,006.00, General Reserve at £430,000.00; and Band D equivalent of £51.20, percentage increase of 7.79%)

And

- b. That a precept be issued, requiring Wyre Forest District Council to pay Kidderminster Town Council £896,006.00 (Eight Hundred and Ninety-six Thousand and Six pounds) to meet its expenditure for the financial year 2023/24.

KIDDERMINSTER TOWN COUNCIL

Minutes of the Finance and Overview meeting of Kidderminster Town Council held in the Council Chamber, Kidderminster Town Hall on Wednesday 7th September 2022 at 6:00pm

Present:

Councillors:

Ross (Chair)
Smith
Aston
Chambers
Oborski MBE

In Attendance:
Mr L. Jakeman, Chief Executive

F001/22-23 **APOLOGIES FOR ABSENCE**

Nil.

F002/22-23 **DECLARATIONS OF INTEREST**

Nil.

F003/22-23 **PUBLIC QUESTION TIME**

Members were informed that no public questions had been received.

F004/22-23 **MINUTES**

- a) Members approved the minutes of the Finance and Overview meeting held on Wednesday 28th April 2022.

F005/22-23 **BUDGET UPDATE**

- a) Members considered a report from the Chief Executive that reviewed Town Council revenue budgets and proposed adjustments.
- b) Members noted that the report might prompt some discussion around supplier contracts and staffing related matters. **RESOLVED:** in terms of Schedule 12A, Local Government Act 1972, the agenda item would likely disclose exempt information relating to establishment and contractual matters and it is, therefore, **RESOLVED** that pursuant to the provisions of the Public Bodies (Admissions to Meetings) Act 1960, the public and press be excluded.

(CEO's Note: While the discussions are confidential the decisions made are documented for the public record)

c) Members asked a number of questions to expand and clarify on elements of the report. There was some discussion (to differing degrees of detail) regarding elements of the report including:

- Reviewing the necessity of some exiting SLA's and /or some redefining of them.
- That the temporary transfer of office staff to Wyre Forest did not include double charging for ICT services.
- Balances remaining and planned spends in the Cultural Recovery Fund and the Levelling Up Funding.
- Allowances for the Mayor and Deputy.
- Christmas Lights (timings of operation - rising energy costs).
- Profit and loss for bar activity.
- Non Domestic Rates during the closure of the Town Hall.

Members further noted that much detail would be considered during the formal setting of the FY 2023/24 budget that will occur over the coming months.

RESOLVED: To revise the following in-year budgets as shown:

<u>Cost Centre/Account</u> <u>Account</u>	<u>Short Name</u>	<u>Original Budget</u> £	<u>Revised Budget</u> £
K002/4410	ICT	10,430	13,736
K002/48020	Subscriptions	3,100	3,700
K003/13080	Other Ees expenses	0	2,160
K003/31010	Mayor's Car	4,500	5,000
K003/44450	HR Support	2,520	6,650
K003/48022	Jubilee Event	0	4,100
K004/21030	Statues	1,500	4,590
K004/21031	Clock Tower	0	1,000
K004/21034	Paddling Pool	4,500	13,033
K004/21410	Maintenance/Grounds	4,000	4,664
K004/21430	St Marys Churchyard	12,990	13,086
K004/25010	Public Toilets water	1,330	1,500
K004/27041	Public Toilets Cleaning	18,850	19,320
K006/21010	Repairs	5,000	10,000
K006/21090	Organ service	0	858
K006/21510	Licenses/Rentals	300	1,500
K006/22030	Electricity	8,000	14,000
K006/22040	Gas	7,000	12,000
K006/24010	ND Rates	12,200	30,382

K006/25030	Water	6,000	9,299
K006/26020	Fire and Security	1,500	3,239
K006/27030	Waste Disposal	1,400	2,590
K006/27040	Cleaning	13,000	20,799
K006/27050	Hygiene Services	1,500	2,111
K006/41510	Vending Machines	180	336
K006/41520	Bar Purchases	0	14,000
K006/41530	Sales Expenditure	0	1,930
K006/44068	Sound & Lighting	0	700
K006/44074	Consultancy	30,000	36,000
K006/48021	Christmas Events	0	4,000
K006/49010	Marketing	3,000	7,000
K006/58200	PR Licence	0	500
K008/44074	Consultancy	0	35,000

DRAFT

Section 1 – Annual Governance Statement 2021/22

We acknowledge as the members of:

Kidderminster 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 2022, that:

	Agreed		‘Yes’ means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.
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.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
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.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
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
	✓		has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*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:

28/06/22

and recorded as minute reference:

026

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

Chairman

M. Gale

Clerk

S. A. Taylor

www.kidderminstertowncouncil.gov.uk

Section 2 – Accounting Statements 2021/22 for

Kidderminster Town Council

	Year ending		Notes and guidance
	31 March 2021 £	31 March 2022 £	
1. Balances brought forward	359,899	481,569	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. 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	640,988	734,443	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	329,385	341,002 626,571	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	372,054	326,644	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	476,649	1,068,996	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	481,569	161,314 448,943	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	429,536	130,263	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	348,889	350,890	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	N/A 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 2022 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

T. Redelt

Date

21.6.22.

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

28/06/22

as recorded in minute reference:

P26

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

M. Gale

Section 3 – External Auditor Report and Certificate 2021/22

In respect of

Kidderminster Town Council – WO0162

1 Respective responsibilities of the body and the auditor

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with Proper Practices which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor report 2021/22

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Section 1, Assertion 9 has been incorrectly completed. Information has come to our attention that the 2021 annual return for Kidderminster Educational Foundation, of which the smaller authority is sole managing trustee, was filed with the Charity Commission 87 days late. As a result of this, assertion 9 should have been answered 'No'.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- Information received from the smaller authority indicates that grants receivable totalling £287,569 have been incorrectly accrued and included in Section 2, Box 3. The Practitioner's Guide requires all grants receivable to be accounted for in the year in which they are received regardless of which period they relate to. The figures in Section 2, Boxes 3 and 7 for the current year should read £341,002 and £161,374 respectively.

Other matters not affecting our opinion which we draw to the attention of the authority:

None.

3 External auditor certificate 2021/22

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

26/09/2022

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Kidderminster Town Council

Notice of conclusion of audit

Annual Governance & Accountability Return for the year ended 31 March 2022

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

		Notes
1.	The audit of accounts for Kidderminster Town Council for the year ended 31 March 2022 has been completed and the accounts have been published.	This notice and Sections 1, 2 & 3 of the AGAR must be published by 20 September. This must include publication on the smaller authority's website. The smaller authority must decide how long to publish the Notice for the AGAR and external auditor report must be publicly available for 5 years.
2.	The Annual Governance & Accountability Return is available for inspection by any local government elector of the area of Kidderminster Town Council on application to:	
(a)	<u>MR LEE JAKEMAN, CHIEF EXECUTIVE</u> <u>KIDDERMINSTER TOWN HALL</u> <u>VICAR STREET</u> <u>KIDDERMINSTER DY10 1DA</u>	(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the AGAR.
(b)	<u>12pm to 5pm Mon - Fri</u>	(b) Insert the hours during which inspection rights may be exercised.
3.	Copies will be provided to any person on payment of £ <u>1-</u> (c) for each copy of the Annual Governance & Accountability Return.	(c) Insert a reasonable sum for copying costs.
Announcement made by: (d) <u>L S JAKEMAN</u>		(d) Insert the name and position of person placing the notice.
Date of announcement: (e) <u>30 September 2022</u>		(e) Insert the date of placing of the notice.

**KIDDERMINSTER TOWN COUNCIL
FINANCE & OVERVIEW COMMITTEE MEETING
6th December 2022**

LJ/2022

29th November 2022

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 6 – SHORT TERM INVESTMENTS

AIM

1. To consider investing short-term surplus funds via the CCLA Public Sector Deposit Fund.

BACKGROUND

2. Kidderminster Town Council currently holds almost all of its cash in its business bank accounts which earn little or no interest. With savings rates being almost non-existent in recent years and the current account average balances being relatively low this has not been a matter of much material significance.
3. A representative of CCLA has been invited to the Finance & Overview Committee meeting scheduled for 6th December 2022 to provide an overview of the CCLA and the opportunities available. [Home | CCLA](#).
4. Guidance on Investments for Town Councils is provided by the Society of Local Council Clerks (enclosed) and includes references to Government Guidelines [Guidance on local government investments.pdf \(publishing.service.gov.uk\)](#).

DISCUSSION/ COMMENT

5. The Town Council's Current Bank Account - Business account - interest rate is 0.25%.
6. The CCLA specialise in providing investments to local authorities. One investment vehicle available is the CCLA Public Sector Deposit Fund (PSDF) [The Public Sector Deposit Fund | CCLA](#) and this is currently providing a return of just over 2%. An opportunity exists to increase income. Furthermore, the parking of Town Council funds away from the Council's bank account provides some mitigation of risk in respect of the limits for Financial Compensation Services Scheme.
7. Income from the PSDF is normally paid monthly and that income will fluctuate generally in line with money market rates.
8. Members will have the opportunity to discuss the risks and liquidity with the CCLA representatives to see if the PSDF is a suitable short-term investment vehicle for the Town Council.
9. The minimum initial investment is £25k, thereafter deposits of a minimum of £5k can made.

FINANCIALS

10. The Town Council has significant amounts on deposit in its bank account. Much of this will be required to aid cashflow during the major development stage of the Town Hall Transformation project. Major spends are not likely until May 2023. It is likely that significant sums can be held on account for several months and that opportunity might be extended if LUF funding is paid promptly. The PSDF allows withdrawals without penalty almost immediately and only via a bank transfer to a primary account (e.g. the Council's business bank account).
11. An investment with the CCLA provides an opportunity to increase income for the Town Council.
12. The level of investment should be restricted to below £100k to comply with government guidance. Should opportunities arise to invest more than £100k from time to time there would be a need to produce a Treasury Management / Investment Policy. The Committee might wish to ask officers to draw up an appropriate draft for consideration at a future meeting.
13. It might be prudent to initially invest £25k into the PSDF to ensure that the facility can be tried and tested and income monitored; and retain the option (either by committee resolution or through delegation to the RFO) to invest up to a further £75k over the course of several months subject to balances held and predicted cashflow requirements.

RECOMMENDATION(s)

14. It is recommended that the Finance & Overview Committee RESOLVES:

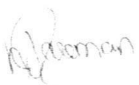
- a. To invest £25k at the earliest practicable opportunity with the CCLA Public Sector Deposit Fund.

AND

- b. To delegate to the RFO (*in consultation with the Chair of the Finance & Overview Committee*) the authority to increase the investment to a maximum total of £100k and withdraw funds to maintain sufficient funds to facilitate cashflow projections.

AND

- c. To request that the CEO produces a draft Treasury Management/ Investment Policy for consideration.



Lee Jakeman
Chief Exec

Encl: SLCC Investments Advice Note.

ADVICE NOTE: Investments (England only)

1. This Advice Note applies only to parish and town councils in England.
2. Councils have the power to invest for any purpose relevant to their functions under any enactment, or for the purposes of the prudent management of their financial affairs (section 12 of the Local Government Act 2003, the '2003 Act').
3. The Government has issued guidance on local government investments under section 15 of the 2003 Act ('the Guidance') and this has statutory force. The latest edition, which applies for accounting periods starting on or after 1 April 2018, can be found at <https://www.gov.uk/government/publications/capital-finance-guidance-on-local-government-investments-second-edition> Clerks/RFOs should download and read both the Guidance and the 'informal commentary' annexed to it.
4. The Guidance is mandatory where investments of a parish or town council exceed or are expected to exceed £100,000 at any point in a financial year (see paragraph 14 of the Guidance on page 2). Note that this is a lower limit than for the previous edition (see paragraph 11 of the non-statutory commentary on page 10). Parish or town councils where investments are expected to exceed £10,000 are encouraged to adopt the principles in the Guidance.
5. 'Investment' in the Guidance is very widely defined (see paragraph 4 of the Guidance on page 1) and includes non-financial investments such as property investments. It follows that where councils own or lease property they need to be clear as to whether the property is held for the purposes of enabling the council to perform its functions or as an investment. This can be a difficult decision where a council expects or hopes to make a profit from property ownership.
6. Where the Guidance is mandatory, or where a council has adopted the principles in the Guidance, the council must, at a Full Council meeting, adopt an investment strategy for each financial year (see paragraphs 15-19 of the Guidance on pages 2-3 and paragraphs 12-17 of the non-statutory commentary on pages 10-11).
7. The key paragraphs in the Guidance are paragraphs 26-29 on page 4, discussing security, liquidity and yield. Yield should always be a much less important factor than security and liquidity.
8. A parish or town council has a number of powers to make loans to organisations and this is covered in paragraph 33-34 of the Guidance on page 5 and paragraph 27 of the non-statutory commentary on page 14. However as local councils do not publish a balance sheet there is no financial benefit to a local council in making a loan and it may put pressure on the borrower: it may be in everyone's interest to make a grant instead.
9. All councils need to have regard to paragraphs 48-50 of the Guidance (on page 8) and paragraphs 38-40 of the non-statutory commentary (on page 16) on capacity, skills and culture. With more devolution of services and assets to local councils many councils may want to consider whether a higher degree of professionalism is required.

**KIDDERMINSTER TOWN COUNCIL
FINANCE & OVERVIEW COMMITTEE MEETING**

6th December 2022

LJ/2022

28th November 2022

REPORT TO FINANCE & OVERVIEW COMMITTEE

AGENDA ITEM 7 - BUDGET AND PRECEPT SETTING FY 2023/24

AIM

1. To consider a draft budget with a view to making a recommendation to Full Town Council to the level of precept required for the financial year 2023/24.

BACKGROUND

2. The Town Council is required to confirm the level of precept to the District Council.
3. It is recommended that the Town Council identifies the level of the precept through the production of a formal budget.
4. The Finance and Overview Committee has delegated responsibility 'to recommend to Council the Annual Budget and the level of the precept levied'.
5. A draft budget has been prepared by the RFO/CEO with due regard to input from all committees of the Kidderminster Town Council (as documented in the most recent meetings of committees).

INTRODUCTION

6. The current level of the precept is £831,160 with a Band D Equivalent of £47.50
7. The standard method of demonstrating the impact on individual residents is by producing a 'Band D equivalent' rate (i.e. the amount that will be paid for a resident whose property is classed as Band D for local Council Tax).
8. The Band D Equivalent is calculated by dividing the precept by the Council Tax Base (CTB).
9. The CTB is calculated by District Council each year and is traditionally published in December of each year. In very general terms the CTB is a figure that represents the number of households in a particular precepting authority area if, all the properties were Band D rated properties and paying the full amount. E.g. A band H house might be considered as 2 Band D's and a 2 band B properties might be considered as 1 Band D. The CTB for 2022/23 year (set in December of 2021) was 17,498. The draft budget assumes that there is no change this, albeit this will

fluctuate slightly depending on any new builds or increases/decreases in discounts (e.g. single occupier discounts).

10. The budget codes and cost centres included in the budget estimate document are based on those that currently exist for accounting purposes. It is envisaged that for clarity a number of budget lines will be expanded to better demonstrate the nature of the costs incurred for a particular service and be less generic. In addition, the splitting of the Events & Services Committee into 2 distinct committees will lead to separate budgets (currently both sit within one Budget Cost Centre).
11. The budget estimates and the recommended level of precept makes an assumption that approval will be given by the Treasury for a £500,000 PWLB. Should that not be approved then the Council will need to consider raising the precept significantly over the next 2 years to pay for the Town Hall refurbishment along with the significant use of reserves.
12. The Budget estimates identify levels of revenue funding required for 2023/24. The revenue account for next year can be funded by direct taxation (the precept) or through a combination of the precept and the use of general reserves.

DISCUSSION/ COMMENT

13. Large parts of the budget are relatively fixed, unless there are fundamental changes to services of the Council or unless they are contractually based with built in increases. In preparing future estimates we have considered current inflationary pressures and or contractual obligations (agreed price rises). These will include budget lines for SLAs with contractors
14. The Town Council is in the process of taking on additional services which include some parks and the market licence. New budget lines have been included to accommodate these. We have no in house historical data to aid our estimates.

15. Committee Recommendations

a. Staffing Committee:

The Staffing Committee considered staffing costs as a whole despite the final costs falling within differing committee cost centres. When first setting budget recommendations the 2022 pay award had not been finalised. Budget estimates have been refined since the pay award was announced at the end of October 2022. Next years estimates are based on the current costs and any contractual increases that might be relevant; £308,934 has been calculated to fund the current established posts of the Town Council staff. Combined training costs across all cost centres has been estimated at £3,200.

It should be noted that following the outcome of the 3 yearly actuarial review of pension liabilities, the Town Council contribution to LGPS pensions has reduced from 25% to 19.9%.

A separate budget line appears within the 'Council' cost centre in the form of a 'Contingency for Pay Award'; this is set at £23k and is based on an estimate of a 7.5% increase in 2023. The contingency for the pay award might be considered the biggest risk to Council finances as staffing costs of £308K are in the region of 37% of the budget, a small percentage increase here will have significant impact.

An additional budget line has been included within the staffing budget for the payment of additional transport costs to eligible staff during the temporary relocation to Wyre Forest House.

b. Events Committee

The Events Committee identified 4 specific events that required budgeting for:

Coronation Celebrations £1,800
Remembrance Sunday £1,000
Christmas Light Switch On £3,500
Santa on Tour £2,000

(All of which have been included in the draft budget and are shown in pink on the Events & Services Cost Centre budget.)

c. Services Committee

The Services Committee identified significant changes to the budget for FY 2023/24 and this is largely due to an increase in Town Council Services e.g. parks, and a desire to breakdown some generic budget lines to provide a more accurate description of where costs are incurred. There is some risk in these new budget lines as we will need to tender for some new services and the responses might be over or under our estimates.

The Services budget makes provision for the removal of the splash pool in St George's Park based on the committee's recommendation rather than incur the indicative expenditure of circa £100k to reinstate the pool to an acceptable standard. (You should note that the decision not to budget £100k for reinstatement was not a unanimous decision of the Committee).

The income budget lines include drawdown funding from WFDC which will taper off over several years.

The Services Committee elements of the budget are highlighted green in the existing Events & Services Cost Centre budget.

d. Town Hall Committee

The impending project to transform the Town Hall over the next 2 years has meant that most historic / routine expenditure (and income) related to the Town Hall will disappear for that period. The notable addition to expenditure is the inclusion of £85k (for each of the next 2 years) to contribute to 'local contribution' element of the LUF grant funding.

FINANCIALS

16. All income and expenditure for the Town Hall is shown as taking place in 2023/24 albeit it will occur across the next 2 years. The income (in the form of grants and a PWLB Loan) should balance with the expenditure to show a net nil spend. However, costs incurred are claimed back retrospectively and we will need to keep significant levels of cash in hand to manage cash flow.
17. Based on the recent levels of the precept, it is recommended that the general reserve should be a figure of between £400k and £500k. With the scale of the expenditure on the Town Hall (several million pounds) and current inflationary pressures; some uncertainty regarding tender prices for new services, wage inflation and the need for the ability to respond to the unexpected in the current climate of economic uncertainty, it is recommended that a target general reserve be at the top end of the £400k - £500k range.
18. We have yet to receive the precise CTB levels from WFDC but, we expect them to be published in the first half of December; it is unlikely that there will be any significant change.
19. Current estimates in the draft budget are for in-year savings to be £8,617 and assumes a fair wind.
20. Should the Committee/Full Council wish to fund additional services, not included in the attached draft budget or expand current services it can:
 - a. Choose to increase the proposed level of the precept to cover the costs.
 - b. Identify current services that might be considered less essentialOr
 - c. A combination of A and B above.

SUMMARY

21. The Draft budget started from a base of delivering like-for-like services in 2023/24. Consideration was then given to major known changes (i.e. transfer of parks, Town Hall transformation). In addition, each Town Council Committee has provided input into the process.
22. The Draft budget (attached) produces a precept requirement of £923,566 and an anticipated general reserve of £457,560 should the Council wish to operate a balanced budget.

OPTIONS

23. Options Include:

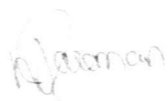
	<u>A</u>	<u>B</u>	<u>C</u>
Precept	£923,566	£896,006	£870,000
Use of Reserves	Nil	£27,560	£53,566
Band D Equivalent	£52.78	£51.20	£49.72
Band D Cash Increase	£5.28	£3.70	£2.22
Band D % Increase	11.12%	7.79%	4.67%
Level of General Reserve	£457,560	£430,000	£403,994

RECOMMENDATION(s)

24. It is recommended that the Finance & Overview:

RESOLVES:

- i. To recommend that the Full Town Council approves the summary budget option B for FY 2023/24.
(Precept of £896,006.00, General Reserve at £430,000.00; and Band D equivalent of £51.20, percentage increase of 7.79%)
- ii. That a precept be issued, requiring Wyre Forest District Council to pay Kidderminster Town Council £896,006.00 (Eight Hundred and Ninety-six Thousand and Six pounds) to meet its expenditure for the financial year 2023/24.



Lee Jakeman
Chief Executive

KIDDERMISTER TOWN COUNCIL - Forward Budget Estimates 2022 to 2027 (Including PWLB)

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual	2022/23 Actual to 31/10/22	2022/23 Original Budget	2022/23 Revised Budget	2022/23 Predicted Outturn	2023/24 Estimate
Summary Page	£	£	£	£	£	£
COMMITTEE						
1. COUNCIL	(724,443)	(826,673)	(779,040)	(779,040)	(765,220)	(865,566)
2. FINANCE	76,227	34,692	71,110	75,016	74,530	69,010
3. STAFFING & CIVIC	206,404	112,217	220,250	228,640	246,899	184,034
4. EVENTS & SERVICES	121,606	73,017	197,830	211,853	165,275	225,267
5. TOWN HALL / TOWN COUNCIL	0	372,123	289,850	353,534	269,899	350,310
6. TOWN HALL / TRUST	314,502	0	0	0	0	0
7. GRANT INCOME	0	(1,655)	0	0	0	0
8. PWLB Loan						36,945
TOTAL NET EXPENDITURE/(INCOME)	(5,705)	(236,279)	0	90,003	(8,617)	0

Gross Expenditure	1,412,090	790,786	911,330	1,019,813	1,098,328	9,532,008
Gross Income	(1,417,795)	(1,027,065)	(911,330)	(929,810)	(1,106,945)	(9,532,008)
Net Expenditure/(Income)	(5,705)	(236,279)	0	90,003	(8,617)	0
	(0)	0	0	0	0	0

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £
1. COUNCIL						
EXPENDITURE						
Contribution to future Election costs	0	0	10,000	10,000	10,000	10,000
Contribution to future Election costs (b/f from 17/18, 18/19, 19/20 & 20/21)	31,957	0	57,720	57,720	57,720	0
Contingency for Pay Award	0	0	8,180	8,180	22,000	23,000
Contingency	0	4,487	33,940	33,940	33,940	25,000
Town Hall refurbishment (grant and PWLB funded)						8,507,442
Creation of Earmarked Reserve	10,000		0	0	0	0
GROSS EXPENDITURE	41,957	4,487	109,840	109,840	123,660	8,565,442
INCOME						
Precepts	(734,443)	(831,160)	(831,160)	(831,160)	(831,160)	(923,566)
PWLB receipt						(500,000)
Levelling Up Funding Grant						(7,807,442)
KEF Grant Funding - Town Hall						(200,000)
Earmarked Reserve - Election costs	(31,957)	0	(57,720)	(57,720)	(57,720)	0
GROSS INCOME	(766,399)	(831,160)	(888,880)	(888,880)	(888,880)	(9,431,008)
TOTAL NET EXPENDITURE / (INCOME)	(724,443)	(826,673)	(779,040)	(779,040)	(765,220)	(865,566)

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £
2. FINANCE						
<u>EXPENDITURE</u>						
SUPPLIES AND SERVICES						
General Office Expenses	11,844	4,455	7,000	7,000	7,000	5,000
print management re-charge						600
mobile phones						500
Audit Fees	1,600	2,000	1,750	1,750	2,000	2,000
Professional Subscriptions	3,076	3,074	3,100	3,700	3,200	3,200
Insurances	6,599	7,163	7,500	7,500	7,500	7,500
Purchase of Artefacts	2,000	0	0	0	0	0
Discretionary Grants	3,000	5,000	5,000	5,000	5,000	0
Ward Grants	7,500	950	9,000	9,000	9,000	9,000
SUPPORT SERVICES						
WFDC Finance support	21,010	5,385	21,540	21,540	21,540	21,790
WFDC ICT	13,947	5,217	10,430	13,736	13,500	13,500
WFDC Legal	5,650	1,448	5,790	5,790	5,790	5,920
TOTAL NET EXPENDITURE / (INCOME)	76,227	34,692	71,110	75,016	74,530	69,010

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £
3. STAFFING AND CIVIC						
<u>EXPENDITURE</u>						
EMPLOYEE COSTS						
Salary Costs	109,596	37,768	116,720	116,720	116,720	115,184
National Insurance	8,248	3,367	12,090	12,090	12,090	9,265
Pension Costs	7,960	5,085	12,800	12,800	12,800	10,525
Other Employee Costs	1,920	7,167	0	2,160		
Temporary office accommodation expenses					6,500	19,500
Supplementary staff					10,164	
Mail redirection					350	600
Relocation costs staff travel					1,600	1,600
Agency Staff	28,608	30,963	40,000	40,000	40,000	0
Town Crier	500	530	500	500	530	500
Town Mayor's allowance	7,713	2,249	6,860	6,860	6,860	6,860
Deputy Mayor's allowance	2,353	1,544	2,260	2,260	2,260	0
Contingency for Tax/NI	(4,122)	0	0	0	0	0
Creation of Earmarked Reserve	4,122	0	0	0	0	0
SUPPLIES AND SERVICES						
Training	3,072	1,501	4,500	2,000	4,500	2,000
Mayoral Car	3,979	2,057	4,500	5,000	4,500	4,500
Mayor and Civic Budget	22,763	11,189	15,000	15,000	15,000	10,000
Jubilee Events	0	4,700	0	4,100	4,700	0
Twinning	0	218	2,500	2,500	1,500	500
HR Advice	9,693	5,805	2,520	6,650	8,750	3,000
GROSS EXPENDITURE	206,404	114,142	220,250	228,640	248,824	184,034
INCOME						
Grant Income	0	(500)	0	0	(500)	0
Income Miscellaneous	0	(1,425)	0	0	(1,425)	0
GROSS INCOME	0	(1,925)	0	0	(1,925)	0
TOTAL NET EXPENDITURE / (INCOME)	206,404	112,217	220,250	228,640	246,899	184,034

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £
4. EVENTS AND SERVICES						
EXPENDITURE						
EMPLOYEE COSTS						
Salary Costs	18,179	22,946	45,650	45,650	45,650	47,573
National Insurance	1,993	2,751	5,500	5,500	5,500	4,757
Pension Costs	0	226	2,280	2,280	2,280	1,427
RUNNING COSTS						
Town Council Parks	690	1,700	41,610	41,610	25,000	
Parks - Grounds Maintenance Contractor Charges						30,000
Broadwaters Park - Repairs and Maintenance						30,000
Baxter Garden Car Park - Re-Surfacing						40,000
Parks - Play Equipment Purchase and Repair						5,000
Parks - Furniture Purchase and Repair						1,000
Parks - Maintenance of Grounds and Trees						5,000
St Mary's Churchyard Contractor Charges	20,399	6,495	12,990	13,086	12,990	13,310
St Mary's Churchyard - Maintenance of Grounds and Trees						5,000
Statues and Memorials	1,305	3,335	4,950	9,040	4,950	1,500
Maintenance of Street Furniture - cleaning and replacement	6,207	2,223	5,200	5,200	5,200	5,200
Clock Tower (Oxford Street & Horsefair) Servicing and Maintenance						600
Clock Tower (Oxford Street) Electricity						600
Clock Tower (Horsefair) Electricity						600
War Memorials Maintenance			0			1,000
St Georges Paddling Pool - Pool Servicing	7,500	13,803	4,500	13,033	13,803	10,000
St Georges Paddling Pool - Repair and Maintenance						10,000
Market Street Public Conveniences Contractor Charges	19,714	11,988	23,400	24,040	24,000	19,500
Market Street Public Conveniences Repairs and Maintenance			0			1,600
Market Street Public Conveniences Electricity						3,300
Market Street Public Conveniences Water and Sewage Rates						1,400
Grounds Maintenance (Allotments) Contractor Charges	4,460	1,655	4,000	4,664	4,000	4,000
Grounds Maintenance (Allotments) Repairs and Maintenance						1,000
Lengthsman	4,830	5,604	200	200	6,500	4,500
Equipment Purchase and Repair						8,000
Direct Materials						1,000
Plant and Vehicle Hire						6,000
Fuel Costs						1,200
Equipment External Storage Unit						4,000
Water Feature - Servicing and Maintenance						3,500
Water Feature - Electricity						600
De - Fib - Waltemash Road - Sundries						200
Creation of Earmarked Reserve	1,783	0				
Grit Bins	792	0	1,000	1,000	1,000	1,000
Town Centre Hanging Flowers and Planting Contractor Charges	12,340	6,325	13,000	13,000	13,000	13,000
Christmas Lights	25,274	575	29,000	29,000	26,000	23,000
Christmas Lights - Electricity						600
Legal Fees					6,000	3,000
Training						1,000
Kidderminster Markets - Direct Materials						1,000
Remembrance Sunday						1,000
Christmas Light Switch on event						3,500
Kidderminster Arts Support	0	0	5,000	5,000	2,000	0
Dementia Services	1,217	1,271	3,000	3,000	3,000	0
Coronation Celebrations						1,800
Christmas - Santa in the Town Hall/ On Tour	2,492	162	0	0	0	2,000
GROSS EXPENDITURE	129,174	81,060	201,280	215,303	200,873	323,267
INCOME						
No Barriers Award Grant Income	(1,000)				0	
Lengthsman Income	(4,318)	(3,770)	0	0	(3,700)	(4,000)
Income - External Works	(2,250)				0	
changes to services - WFDC Tapered Funding over 3 years					(27,000)	(85,000)
changes to services - Estate Income		(3,125)			(300)	(9,000)
Grant Income	0	(100)	0	0	(100)	0
Contribution from External Bodies	0	(750)	0	0	(750)	0
Earmarked Reserve - Dementia	0	(298)	0	0	(298)	0
Earmarked Reserve - Baxter / Rowland Hill Statue	0	0	(500)	(500)	(500)	0
Earmarked Reserve - War Memorials	0	0	(2,950)	(2,950)	(2,950)	0
GROSS INCOME	(7,568)	(8,043)	(3,450)	(3,450)	(35,598)	(98,000)
TOTAL NET EXPENDITURE / (INCOME)	121,606	73,017	197,830	211,853	165,275	225,267

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £
5. TOWN HALL / TOWN COUNCIL	N/A for 21/22					
<u>EXPENDITURE</u>						
EMPLOYEE COSTS						
Salary Costs		68,730	104,960	104,960	125,328	115,164
National Insurance		5,361	9,420	9,420	11,516	11,516
Pension Costs		8,416	17,600	17,600	18,500	18,500
RUNNING COSTS						
Town Hall Net Running Costs		263,433	119,470	177,154	70,155	169,130
Town Hall Project Support		17,782	30,000	36,000	36,000	36,000
ICT Contribution		8,400	8,400	8,400	8,400	0
TOTAL NET EXPENDITURE / (INCOME)	0	372,123	289,850	353,534	269,899	350,310

See 6. Town Hall for detail

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £
6. TOWN HALL						
<u>EXPENDITURE</u>						
EMPLOYEE COSTS						
Salary Costs	120,355	68,730	104,960	104,960	115,164	115,164
National Insurance	9,107	5,361	9,420	9,420	11,516	11,516
Pension Costs	16,155	8,416	17,600	17,600	18,500	18,500
Town Hall Project Support	44,715	17,782	30,000	36,000	36,000	36,000
Honorarium - Town Hall Organist	400	0	400	400	400	0
Staff Car Parking Passes	0	0	1,000	1,000	0	0
Recruitment						10,000
Training	387	0	4,000	4,000	3,000	1,200
RUNNING COSTS						
Mobile Phone Charges	527	615	530	530	1,150	530
Broadband/WIFI	0	0	200	200	200	0
Purchase & Rental of Vending Machines	392	117	180	336	180	0
Clothing and Uniforms	568	33	200	200	200	200
Print Management Recharge	743	232	380	380	380	0
General Office Expenses	1,336	321	630	630	630	500
Bank Charges	986	285	500	500	500	750
Public Performance and Wedding Licence	1,242	1,353	300	2,000	2,000	0
Arts Council Expenditure	8,104	0	0	0	2,280	0
OVERHEADS						
Repairs and Maintenance of Buildings	95,946	9,474	5,000	10,000	13,000	2,000
Maintenance of Town Hall Organ	969	858	0	858	858	0
Lift Maintenance	0	0	1,000	1,000	1,000	0
Electricity	13,983	3,048	8,000	14,000	9,000	4,000
Gas	10,582	1,407	7,000	12,000	9,000	3,000
Non Domestic Rates	25,443	20,503	12,200	30,382	25,000	0
Water and Sewerage Rates	9,570	9,299	6,000	9,299	9,299	9,500
Fire and Burglar Precaution Alarms Maintenance	4,282	4,909	1,500	3,239	5,000	500
Window Cleaning	687	0	700	700	0	0
Waste Disposal Charges	2,463	0	1,400	2,590	1,400	0
Cleaning Contract	26,791	6,933	13,000	20,799	9,000	2,000
Hygiene and Towel Services	3,251	159	1,500	2,111	1,500	0
Insurance	15,771	16,714	19,600	19,600	19,600	17,000
Town Hall Transformation Project	318,095	248,554	0	0	0	85,000
ICT Contribution	8,400	8,400	8,400	8,400	8,400	0
Support Services - Finance	14,100	12,495	14,220	14,220	14,220	15,000
Support Services - ICT	20,902	12,184	19,150	19,150	19,150	17,430
Support Services - Legal	1,430	2,188	1,480	1,480	1,480	1,520
Support Services - Facilities Management	10,140	5,150	10,300	10,300	10,300	1,000
EVENTS AND MARKETING						
Marketing and Design	7,573	5,929	3,000	7,000	6,300	500
Wedding Ceremonies and Receptions Expenditure	0	0	100	100	100	0
Town Hall Event Expenditure	8,697	26,581	0	0	26,581	500
Hirers Ticket Expenditure	18,496	21,856	5,000	5,000	21,856	0
Refreshment Expenditure	458	1,505	0	1,930	1,930	0
Bar Purchases	19,589	8,748	0	14,000	10,000	0
Donation Expenditure	0	535	0	0	535	0
Christmas Events	2,050	1,688	0	4,000	1,688	
Sound and Lighting	0	867	0	700	867	
GROSS EXPENDITURE	844,682	533,227	308,850	391,014	419,164	353,310

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £
6. TOWN HALL (continued)						
INCOME						
Grant Income WFDC Transfer	(43,320)	(14,940)	0	0	(29,880)	0
Grant Income WFDC Stonework	(49,500)	0	0	0	0	
Grant Income HMRC	(1,930)	0	0	0	0	
Grant Income Architectural Heritage	(47,250)	0	0	0	0	
Grant Income LUF	(273,401)	(29,070)	0	0	0	
Refreshment Sales	(133)	(507)	0	0	(507)	
Wedding Ceremonies and Receptions	(13,250)	(9,477)	(8,000)	(8,000)	(9,477)	0
Rents	(11,061)	(12,984)	(7,000)	(7,000)	(12,984)	0
Hirers Ticket Income	(37,225)	(41,897)	0	0	(41,897)	
Delivery Fee	(154)	(148)	0	0	(148)	
Booking Fee	(1,692)	(2,128)	0	0	(2,128)	
Sound and Lighting Income	(433)	(708)	0	0	(708)	
Sales	0	(263)	0	0	(263)	
Bar Income	(24,743)	(23,996)	0	(18,480)	(23,996)	
Town Hall Event Income	(6,639)	(12,092)	0	0	(12,092)	
Registrar Rental Income	(8,000)	(6,000)	(4,000)	(4,000)	(6,000)	(3,000)
Duty Manager Recharge	(2,263)	(1,433)	0	0	(1,443)	
Miscellaneous Income	(1,068)	(4,819)	0	0	(4,819)	
Donation Income	0	(535)	0	0	(535)	
Third Party Hirers Insurance Income	(14)	(108)	0	0	(108)	
Release of Earmarked Reserve	(8,104)	0	0	0	(2,280)	
GROSS INCOME	(530,180)	(161,104)	(19,000)	(37,480)	(149,265)	(3,000)
TOTAL NET EXPENDITURE / (INCOME)	314,502	372,123	289,850	353,534	269,899	350,310

KIDDERMINSTER TOWN COUNCIL	2021/22 Actual £	2022/23 Actual to 31/10/22 £	2022/23 Original Budget £	2022/23 Revised Budget £	2022/23 Predicted Outturn £	2023/24 Estimate £	2024/25 Estimate £	2025/26 Estimate £
7. GRANT INCOME								
<u>EXPENDITURE</u>								
Cultural Recovery Fund Grant Expenditure (K007)	27,266	200	0	0	200			
Cultural Recovery Fund Grant 2 Expenditure (K008)	50,375	14,639	0	0	17,084			
Sustainability Expenditure (K009)	10,000	0	0	0	0			
Light Up Kidderminster Expenditure (K010)	26,007	8,338	0	0	13,993			
GROSS EXPENDITURE	113,647	23,177	0	0	31,277	0	0	0
<u>INCOME</u>								
Earmarked Reserve Release - Cultural Recovery Fund (K007)	(14,176)	(200)	0	0	(200)			
Earmarked Reserve Release - Cultural Recovery Fund 2 (K008)	0	(14,639)	0	0	(17,084)			
Grant Income Arts Council - Cultural Recovery Grant	(13,090)	0	0	0	0			
Grant Income Arts Council - Cultural Recovery Grant 2	(50,375)	0	0	0	0			
KEF								
Grant Income - Sustainability	(10,000)	0	0	0	0			
Grant Income - Light Up Kidderminster (K010)	(26,007)	(9,993)	0	0	(13,993)			
GROSS INCOME	(113,647)	(24,833)	0	0	(31,277)	0	0	0
TOTAL NET EXPENDITURE / (INCOME)	0	(1,655)	0	0	0	0	0	0