

Workington Town Council

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2 November 2017

To Members of Policy and Resources Committee

A Bales	D Rollo
B Cannon (chair)	M Rollo
M Fryer (vice chair)	N Schofield
A McGuckin	J Wright
J Osborn	

(Copy for information only to other members of Workington Town Council)

You are summoned to a meeting of Workington Town Council Policy and Resources Committee on **Thursday 9 November 2017** at 6pm in the Town Hall, Workington.

Yours faithfully

A handwritten signature in black ink, appearing to be 'CB', with a long, sweeping horizontal line extending to the right.

Chris Bagshaw
Town Clerk

AGENDA

1. Apologies

To receive and accept any apologies for absence.

2. Declarations of Interest

To receive any declarations of interest relating to matters which appear on this agenda, but which have not been previously declared on members' declarations of pecuniary interest and other interests.

3. Exclusion of Press and Public (Public Bodies Admission to Meetings Act 1960)

To consider whether there are any agenda items during consideration of which the press and public should be excluded.

4. Minutes of the Last Meeting

To receive the minutes of the meeting on 19 September 2017 and affirm them as a true record.

5. Co-option of a Member

To consider co-opting a member of the committee.

6. Provisional Outturn 2017-18

To review the provisional estimated outturn figures for 2017-18 and the current Medium Term Financial Plan.

Background

The estimated out-turn for the current financial year can be seen in Appendix A. Alongside this are potential values going forward to 2020.

7 Reserves and Investment Policy

To consider the council's Reserves and Investment policy.

Background

The council is required to review its reserves and investment policies on a regular basis. See Appendix B.

8. Three year Plan

To review the council's plan for the next three years.

Background

The Council has been reviewing its plans for the last 18 months. Attached is a draft statement of overarching aims. The council plan which emerges from these statements will inform the budget setting round of committees in the coming month.

Decision Required

The committee should agree the overarching aims of the council plan, which will allow the committees to plan their programmes effectively and show how they fit into the council's overall aims.

9. Community Governance Review

To receive an update on the progress being made towards a Community Governance Review.

Background

The Council has now formally requested a Community Governance Review from Allerdale Borough Council. It is expected that this will be an item at a meeting of the Borough Council on 15 November, where it will be proposed that the Borough establishes a working group to facilitate and inform the review.

Policy and Resources 9 November 2017

Appendix A

Draft Budget Proposals November 2017

FPE	2016	outturn	outturn over budget	2017	% of 2016	estimated outturn	estimated outturn over budget	Proposed 2018	% of 2017 budget	2019	2020	2021
Accommodation	22,000	15,901	72%	22,000	100%	15259	69%	16,000	73%	16,320	16,646	16,979
Advertising civic/employment	3,300	2,989	91%	3,500	106%	3500	100%	3,500	100%	3,570	3,641	3,714
Annual Meeting	1,800	1,872	104%	2,000	111%	2118	106%	2,000	100%	2,040	2,081	2,122
Apprenticeship programme				20,000		4515	23%	10,000	50%	10,000	10,200	10,404
Audit fees	2,200	1,739	79%	2,244	102%	1750	78%	2,250	100%	2,295	2,341	2,388
Car Park	1,000	0	0%	0	0%	0	0		0		0	0
Civic Functions	4,000	4,522	113%	4,500	113%	4000	89%	4,000	89%	4,080	4,162	4,245
Election Fund	4,500	8,977	199%	4,500	100%	4500	100%	4,500	100%	4,590	4,682	4,775
Elections	0	0		0	0%	0				0	0	0
Fleet	4,500	4,641	103%	5,000	111%	5000	100%	5,000	100%	5,100	5,202	5,306
Insurance	4,500	2,963	66%	4,590	102%	4000	87%	4,500	98%	4,590	4,682	4,775
Mayoral Allowance	3,000	3,000	100%	3,100	103%	3100	100%	3,100	100%	3,162	3,225	3,290
Mayoral benches	600	0	0%	500	83%	500	100%	500	100%	510	520	531
Mayoral Travel	1,000	295	29%	1,000	100%	200	20%	1,020	102%	1,040	1,051	1,082
NI and Pensions	28,000	29,469	105%	41,500	148%	33527	81%	36,000	87%	36,720	37,454	38,203
Office general	3,750	3,784	101%	3,800	101%	2000	53%	3,000	79%	3,060	3,121	3,184
PPE	0	0	0%	750	0%	750	100%	1,000	133%	1,020	1,040	1,061
Postage	1,500	1,716	114%	1,750	117%	1750	100%	1,785	102%	1,821	1,857	1,894
Printing and stationery	1,750	1,247	71%	1,800	103%	1800	100%	1,836	102%	1,873	1,910	1,948
Repairs and renewals	5,000	9,842	197%	5,100	102%	5100	100%	5,000	98%	5,100	5,202	5,306
Robes	660	2,774	420%	0	0%	0		0	0	0	0	0
Salaries	160,000	142,895	89%	192,000	120%	158711	83%	165,000	86%	168,300	171,666	175,099
Staff Training	2,000	1,534	77%	3,000	150%	3000	100%	3,060	102%	3,121	3,184	3,247
Subscriptions	1,400	1,395	100%	1,800	129%	1326	74%	1,838	102%	1,873	1,910	1,948
Telecoms and IT	5,000	14,095	282%	7,500	150%	6500	87%	7,650	102%	7,803	7,959	8,118
Town Hall Development	10,000	2,545	25%	5,000	50%	1000	20%	0	0%	0	0	0
Website and newsletter	5,750	356	6%	5,750	100%	4000	70%	5,865	102%	5,982	6,102	6,224
Total	277,210	258,549	93%	342,684	124%	267906	78%	288,402	84%	293,970	299,849	305,846
Environment	2016	est. outturn		2017				2018		2019	2020	2021
Workington in Bloom – Displays	15,000	16,231	108%	15,000	100%	15000	100%	15,000	100%	15,300	15,606	15,918
Workington in Bloom – Development	3,500	2,277	65%	3,500	100%	3400	97%	3,750	107%	3,825	3,902	3,980
Play Area Development	25,000	58,616	234%	30,000	120%		0%	25,000	83%	25,500	5,000	5,100
Workington Nature Partnership	20,500	20,500	100%	21,000	102%	21000	100%	21,000	100%	21,420	21,848	22,285
Nature Areas	10,000	7,200	72%	10,000	100%	10000	100%	5,000	50%	5,000	5,100	5,202
Allotments Running	9,600	5,992	62%	8,000	83%	8000	100%	8,000	100%	8,160	8,323	8,490
Allotments Development	35,000	21,126	60%	7,500	21%	7500	100%	7,500	100%	7,500	0	1
Back Lane Environmental Improve	5,000	12,860	257%	0	0%	0		5,000		5,000	5,100	5,202
Flood resilience	10,000	2,500	25%	5,000	50%	5000	100%	0	0%	0	0	0
Vulcan Park Development	20,000	492	2%	20,000	100%	20000	100%	10,000	50%	10,000	10,200	10,404
Harrington Marina Development	10,000	0	0%	0	0%	0		0	0	0	0	1
Additional Improvements	5,000	0	0%	5,000	100%	5000	100%	0	0%	0	0	0

Play area r&r	0	147,794	88%	8,000	0%	38%	5,000	63%	5,100	5,202	5,306
Total	168,600	147,794	88%	133,000	79%	74%	105,250	79%	107,355	80,281	81,889
Culture	2016	outturn	% outturn	2017	% increase	2018	2019	2020	2021		
Festivals	20,000	42,592	213%	30,000	50%	30,000	20,000	25,000	25,500		
Youth sport	5,000	3,432	69%	5,000	-100%	0	0	0	0		
Heritage projects	20,000	10,170	51%	5,000	-75%	3,000	3,000	0	0		
Town Band	1,200	1,200	100%	1,200	0%	1,200	1,200	1,224	1,248		
Christmas lights	45,000	47,763	106%	48,000	7%	48,000	48,000	48,960	49,939		
Christmas festival	15,000	17,074	114%	20,000	33%	20,000	20,000	20,400	20,808		
Remembrance	1,000	1,313	131%	1,000	0%	2,000	2,000	1,020	1,040		
Town Centre Music	4,500	3,315	74%	4,500	0%	4,000	4,000	4,080	4,162		
Twinning	5,000	5,000	100%	5,000	0%	5,000	5,000	5,100	5,202		
Promoting Workington	2,000	11,262	563%	3,000	50%	2,000	2,000	2,000	2,001		
Community Grants	5,000	5,243	105%	3,500	-30%	3,500	3,500	3,570	3,641		
Fun Days	14,500	13,667	94%	16,000	10%	15,000	15,300	15,606	15,918		
Arts promotion	15,500	20,000	129%	0	-100%	0	0	0	1		
Carnegie				10,000		10,000	10,000	10,200	10,404		
Helena Thompson Museum				5,000		5,000	5,000	5,100	5,202		
Cultural groups				7,000		7,000	7,000	7,140	7,283		
Tech fest/tournament				1,200		200	500	510	520		
Big lunch etc				3,000		500	500	510	520		
Total	153,700	182,031	118%	163,400	106%	156,700	159,834	150,420	153,391		

P&R	2016	est outturn	% of budget	2017	% of 2016	2018	2019				
Community Planning											
Community Development	28,000	25,450	91%	15,000	75%	10,000	10,000	10,000	10,000		
Community Information facilities	10,000	10,000	100%	10,000	100%	5,000	5,000	20,000	20,000		
Community service grants											
Commissioned service											
Member development	2,000	1,839	88%	2,500	125%	2,000	2,000	2,500	2,500		
Youth Provision				15,000		10,000	10,000	15,000	15,000		
Total	40,000	37,289	101%	42,500	114%	27,000	27,000	47,500	47,500		
Total	639,510	625,663	98%	681,584	107%	577,352	588,159	578,051	588,627		

Income	2014	2015	2016	2017	2018	2019	2020
Precept	332,848	332,848	349,490	349,490	384,439	439,030	531,226
CTSG	47,720	47,720	33,404	33,404	22,381	14,921	-
Allotments	10,000	12,180	11,000	19,707	9,809	9,180	9,180
Allotments Water	-	-	-	-	2,290	2,600	2,500
ABC Parks grant	-	-	-	-	-	58,000	-
PTTR					8,240		
Christmas					3,695		
Grants/other income		20,000	10,000	15,000	42,144	15,000	-
Dividends	20	20	500	5,000	182,77%	5,000	5,500

Car park		500	530	-	1,875	5,156					2,000	-61%	2,040	2,081	2,122
Total		391,088	413,298	404,394	424,476	487,287					545,730	12%	530,836	550,487	603,651
From reserves						138,376	67220				135,854		46,516	37,672	-25,601
Council Tax Base		5978.92		6178.91		6350.52					6501.99	102.39%	6657.07	6843.47	7035.09
Band D		55.67		56.56		60.54					67.52	12%	72.54	77.63	83.06
Band C		49.48		50.28		53.81					60.02	12%	64.48	69.00	73.83
Band B		43.30		43.99		47.08					52.52	12%	56.42	60.38	64.60
Band A		37.11		37.71		40.36					45.01	12%	48.38	51.75	55.37
				1.60%		7.03%					12%		7%	7%	7%

Appendix B

Reserves and Investments Policy

The council should review its policies for reserves and investments in a timely fashion. The Audit Commission study into Local Authority reserves in 2012 recommended that this is done at least annually. Whilst the main focus of the Audit Commission's recommendation was on principal authorities, there is an expectation that parish tier authorities maintain similar standards, especially when the balances held in reserve become relatively substantial.

Workington Town Council increased its precept significantly in 2012-13, although there was a significant timelag before it was able to put plans into action that would spend the money it aspired to. Having historically run reserves at around 175% of precept, 2013-14 saw a significant spike in the council's cash reserves. Since then, the council has improved its budgeting process to ensure that moneys earmarked for capital works in one year are carried over into following year, reflecting the necessary lag in expenditure caused by capacity issues or other factors outside the council's control. The amounts carried over have to be presented to the committee responsible for the budget heading and approved. Items carried over include money for Back Lane environmental improvement, mayoral seats, play area and allotment investment, play area equipment renewal, capital repairs, election expenses etc. Also carried over are items of income for projects, which may include external grants, or third party contributions.

Because of poor returns from banking investments, the council agreed to reinvest the Reserves it held with Allerdale Borough Council (which returned 0.5% below the bank rate, and therefore returned no interest at all from 2009 onwards). After several months due diligence, it withdrew the money from Allerdale Borough Council and invested it in the Local Authority Property Fund, a vehicle overseen by the Local Authority Mutual Investment Trust, and managed by CCLA. Since September 2015 this has netted the council £14,330 (an average of 4.53% pa). The return is paid in cash into the council's main investment account. The original investment in the LAPF retains its book value, however the value of the actual shares is subject to the changes in the value of the Fund as a whole. The Council agreed to invest over a longer term period in order to realise a credible return from the Fund, though the shares remain available for resale at an agreed notice period.

This availability of liquidity (albeit not at a guaranteed price matching purchase) means that the CCLA investment is allowed under the local authority investment rules which were introduced after the 2008 banking crisis. These rules set the criteria for investment of local authority reserves as Security, Liquidity and Yield, in that order. The Local Authority Property Fund has over 170 local authority investors, with a total invested in excess of £700 million. The Town Council's return is monitored by FPE on a regular basis.

In 2016 the Town Council also agreed to invest £10,000 in the West Cumbria Credit Union. This was seen as a proportional and worthwhile investment in the Credit Union's capacity, though no expectation of a return was anticipated.

The Town Council runs its ordinary banking through a pair of HSBC accounts. The current account is used for annual cashflow and the investment account is used for the general reserve. As with most current bank accounts since 2008, even on 60 day notice the interest rates are very low. They score very highly however against the Security and Liquidity requirements.

Earmarking Reserves

In October 2017 the Auditor commented that the Council's reserves, although on the high side, were mostly earmarked for expenditure against specific projects. Earmarking reserves for specific projects allows the council to spread the cost to the council tax payer, avoiding the need for sudden rises in council tax in

response to specific crises. However, members should regularly review the amounts allotted to specific causes to ensure that projects are being fulfilled, or that saving for a specific event does not exceed the needs of that particular cause. For example, the council was in the habit of raising two budget lines per year for election expenses. One was for the four yearly elections, with the aim of collecting enough money in the previous years to pay for an election in the fourth. The second fund however was for byelections or parish polls which may or may not arise in any given year. In years when there was no poll, the money raised on the precept was not earmarked for future use, but returned to the general reserves. At budget setting time the money would be raised again, and if not spent then returned to the general reserves. This value is now earmarked in the reserves, ensuring that council tax payers are not burdened every year for a payment that is not required because they have paid it before. Setting money aside for replacing play equipment, repairing fixed assets such as Christmas lighting infrastructure, or the park café roof is also prudent, providing the values of such reserves do not excessively exceed the likely value of the future work. The council's repairs and renewals budget was heavily used this year and last to make repairs to the Christmas lighting infrastructure. Having reset the infrastructure in 2016 and 2017, it is likely that renewal will not be required for another ten years. The infrastructure can be supported by a general maintenance budget, but it will require investment again in 2027 to begin replacing it.

The council began using some of its reserves to make infrastructure investments in 2016, rather than adding to the council tax precept. This allowed expenditure to run considerably higher than income for a period, but with capital work diminishing by the third or fourth year to balance increased income from rises in the council tax base as the town's new housing estates begin to pay their council tax.

Decision Required

The Committee should decide how much money the council should keep aside in reserve, and how that money should be invested. It should decide to what extent it will allow committees to earmark money raised in one year for projects realised in subsequent years. If the committee feels it has identified excessive reserves, then it may choose to allocate these to a specific project, once it is satisfied that all other requirements are met.

Workington Town Council

Policy and Resources Committee

9 November 2017 Appendix C

DRAFT Council Plan 2017

The purpose of the following statement of overarching aims is to inform the council's committees through their budgeting cycle, to allow them to plan for the medium and longer term.

The Council's aim is to help make Workington a great place to live, work and visit.

Culture

To play an active role in supporting and developing the town's cultural and sporting landscape

How?

By supporting local cultural institutions and promoting a programme of cultural events

By supporting activities that encourage participation in sport

By promoting the town to the wider world through Visit Workington and partnerships with others

Environment

To support and develop town's 'green infrastructure'.

How?

By developing and maintaining safe and sustainable places to play.

By developing and maintaining in partnership with others, the Town's open and green spaces.

By supporting and developing the Workington Nature Partnership

By supporting and developing a horticultural community through allotmenting, local food initiatives and Workington in Bloom.

By supporting initiatives that enhance the town's resilience in times of emergency.

Planning

To support the Local Plan for a vibrant, sustainable town.

How? By commenting on every planning application for the town in a timely and considered fashion.

By developing expertise in assessing plans and advising planners on the needs of the town.

In the Community

To support third sector organisations contributing to the general wellbeing of the town.

To reflect the views of the whole community of Workington.

How

Through a grants and funding policy which makes clear routes for funding possibilities

By using good communications through traditional and social media

Governance

To aspire to being a model council.

To be a responsible, safe and accountable employer.

By setting the highest standards for transparency, compliance, safe working and employment practices.

By ensuring efficient and effective use of all the Town Council's assets.

Reserves at Year End

	Current account	Invested with ABC	HSBC Investment Account	CCLA	Credit Union	Total reserve	% of expenditure	of which earmarked	% earmarked	realisable	Expenditure	Precept*	Income
31/03/2017	26610	0	425168	151750	10000	613528	151%	313602	51%	148176	629864	406820	486010
31/03/2016	173988	0	420741	151750	10000	756479	198%	322200	43%	282529	382715	382894	432365
31/03/2015	132584	151750	402937	0	0	687271	209%	188438	27%	498833	385766	380568	391588
31/03/2014	581121	151750	87754	0	0	820625	226%	193429	24%	627196	363746	397120	413466
31/03/2013	247971	151750	134346	0	0	534067	314%	134346	25%	399721	169891	310820	327213

* Precept figure includes Council Tax support grant

Current year cash/reserve estimates

	Current account	Investment account	CCLA	Credit union	Total
30/09/17	276908	361051	151750	9998	799707
Estimated value at 31/3/18	23812	345051	151750	9998	521611

Current earmarking estimates

Car park	£1,000	Set aside in 2016 for minor repair work to car park on Vulcans Lane
Election fund	£17,322	No invoice received from ABC for 2015 elections
Election	£6,300	Set aside in 2015. No invoice received from ABC for Moorclose by-election in 2017.
Mayoral benches	£1,500	Benches not purchased yet for Cllr Wright or Cllr Bales
Repairs and Renewals	£16,800 approx	Committed to Christmas light infrastructure repairs 2017

Telecoms and IT	£4,455	Surplus in fund from IT supply being less than estimated. Suggest earmark for phone renewal and repair.
Town Hall development	£20,872	Fund accumulated for planned alterations to Town Hall. Currently used for minor changes such as doors and locks on existing suite of rooms.
Heritage projects	£13,000	Town Council contribution to Jane Pit lottery project
Promoting Workington	£6,268	Town centre grant from ABC awaiting expenditure as agreed with ABC
Play Area Development	£72,577	Awaiting £60k expenditure on Moss Bay youth zone (of which £35k received from D&S Housing)
Nature Areas	£34,000	Funds set aside for developments at Harrington and elsewhere, subsequently re-allocated by Env Comm
Allotment development	£67,691	Funds allocated over previous five years to restore allotment infrastructure – mostly fencing renewal and site renovation
Flood resilience	£12,500	Fund set aside to assist flooded communities and flood alleviation. Facilities for flood sack and pump storage
Vulcan Park development	£41,651	Funds set aside for the renovation of VP, including allocated ABC funding for play equipment renewal
Harrington Marina PA development	£9500	Funds set aside for renovation at Harrington Marina PA
Play area repairs	7000	Funds set aside to ensure play areas can be repaired swiftly
Play Area improvements	5000	General fund for play area improvements across estate eg new fencing
Back lanes	£48,615	Remaining allocated funds for Back lane environmental improvement
Total	£386,051	Total amount of reserve cash currently allocated.