

St Austell Town Council



Finance and General Purposes Committee

To: All Members of the Finance and General Purposes Committee

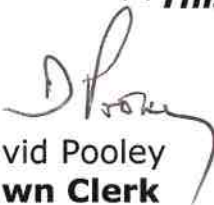
Dear Councillor

You are summoned to attend the **Remote Finance and General Purposes Committee Meeting** of **St Austell Town Council** to be held on **Monday 22nd February 2021** at **6pm**.

Any member of the public wishing to attend this meeting, should obtain a password from the Clerk by no later than **12pm on Monday 22nd February 2021**.

For security reasons, no person will be admitted to the meeting without prior notification to the Clerk that they wish to attend.

*****This remote meeting will be held using Zoom*****


David Pooley
Town Clerk

16th February 2021

Tel: 01726 829859
Email: david.pooley@staustell-tc.gov.uk
Website: www.staustell-tc.gov.uk

AGENDA

- 1. Apologies for absence**
- 2. Declarations of Interest**

(Purpose: To receive declarations of disclosable pecuniary and other non-registerable interests in respect of items on this agenda).

3. Dispensations

(Purpose: To receive requests for dispensations under the Code of Conduct).

4. Minutes of meeting held on the 9th November 2020

**Pages
1 - 8**

(Purpose: To agree that the minutes of the above meeting be signed as a correct record). (Attached).

5. Matters to note

A verbal update from the Town Clerk on the actions taken since the last meeting. Note: No decision may be made under this agenda item.

6. Public participation (15 minutes maximum)

The Chairman will invite members of the public to address the meeting in relation to the business to be carried out at the meeting.

15 minutes will be allocated for public participation (this can be extended at the Chairman's discretion). Each person addressing the Council will be allocated a maximum of two minutes.

7. Budget Monitoring Report

**Pages
9 - 14**

(Purpose: To review the Town Council's budget monitoring report for the period 1st April 2020 to 31st January 2021). (Report attached).

8. Risk Management

**Pages
15 - 24**

(Purpose: To review and update the Council's Risk Management Strategy and Register). (Report attached).

9. Treasury Management

**Pages
25 - 32**

(Purpose: To consider an update on Treasury Management activity and approve a strategy for 2021/22). (Report attached).

10. Ellis Whittam – Annual Audit

(Purpose: To note the Town Council's Annual Audit by Ellis Whittam, Independent Health and Safety Advisors. (To follow).

11. CCTV

**Pages
33 - 36**

(Purpose: To note CCTV activity for the period January 2020 to January 2021). (Report attached).

12. Virtual meetings

(Purpose: To consider making representations to permit virtual meetings beyond the 7th May 2021).

13. Elections/New Members

(Purpose: To provide an update on the May 2021 elections. (Verbal report).

14. St Austell Library

(Purpose: To provide an update on the operation of St Austell Library). (Verbal report).

15. Dates of Next Meetings

(Purpose: To confirm the date of the Town Council's next Finance and General Purposes Committee: 6th April 2021).

MINUTES of a REMOTE MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held on MONDAY 9th NOVEMBER 2020 at 6pm.

Present: Councillors: Bishop, Brown, Cohen, Jones, Lanxon, Oxenham, Palmer, Styles (Mayor) and Walker.

Also Present: Councillors Bull and Pearce.

In attendance: David Pooley (Town Clerk), Sara Gwilliams (Deputy Town Clerk).

F/19/94) Apologies for absence

Apologies for absence were received from Councillors: Colwill, French and Rees.

Councillors Palmer and Walker both advised that they needed to leave the meeting early

F/19/95) Declarations of Interest

There were no declarations of interest.

F/19/96) Dispensations

There were no requests for dispensations.

F/19/97) Minutes of meeting held on 21st September 2020

It was **RESOLVED** that the minutes of the meeting held on the 21st September 2020 be approved and signed as a correct record.

F/19/98) Matters to Note

The Clerk advised that he had nothing to add.

F/19/99) Public participation

There were no members of the public present.

F/19/100) Budget Monitoring Report

The Clerk referred Members to the Budget Monitoring Report for the half year from 1st April 2020 to 30th September 2020 and drew Members' attention to the following:

- Car Park income £82,000 below budget
- Library and toilet income both below budget
- Other grant income £64,000 (£8,000, Section 106 and £55,000 Job Retention Scheme)

It was noted that the additional income had reduced the overall deficit by £55,000.

Other savings include the freezing of two posts and the cautious letting of contracts over the last few months. Contract costs are slightly over budget due to some annual payments being paid in full early in the new financial year, but these will even out towards the end of the year.

The Clerk advised that his primary concerns at the present time are the car park income and the outcome of the hardship funding application to Cornwall Council which should be known later this week.

During discussion, Members raised the following issues/concerns:

- The Town Council's eligibility under the Government's job bonus scheme
- The underspends on the Training and Maintenance budgets
- The potential to obtain funding direct from the Government

It was **RESOLVED** to note the report.

F/19/101) Medium Term Plan and Budgets 2020/21 and 2021/22

The Clerk advised that this has been one of the most uncertain budget rounds in the 40 years that he has been setting Council Tax due to the difficulty in predicting car park and other income levels.

He outlined the process for producing a budget and highlighted some of the key assumptions as follows:

- No growth in any service area
- £25,000 for the election in May funded from reserves
- £11,000 for Climate Change
- Deletion of the Project Officer Post
- Assumption that the library costs will remain the same
- Business Rates and running costs for Poltair Café
- Deletion of Waste Operative Post
- Funding for 2 x Apprentices (partially funded by SABEF)
- Replacement of the urinals in the men's toilets
- No funding for ASB initiatives
- No further devolution

The Clerk stressed the difficulty in predicting car park income as it very much hinges on how long the lockdown will last, how confident the public are to return to the high street and the offering in the town centre to encourage people back. There is also uncertainty with regard to the Council Tax base and Council Tax Grant figures both of which will not be known until the end of November. The outcome of the Town Council's hardship funding bid to Cornwall Council should be known within the next few days.

The Clerk advised that the latest budget predicts car park income next year of £200,000 which is £95,000 less than originally predicted and after allowing for anticipated expenditure and savings, equates to a 13.64% Council Tax increase for the 2021/22 financial year. He suggested that due to the many unknowns at the present time, it would be sensible to delay the final Council Tax setting until January 2021 when things may be a bit clearer.

During discussion, the following issues/concerns were raised:

- The sustainability of YPC at The House
- The cost of elections
- The need to make provision for an ASB officer

Members suggested that in order to accommodate funding for an ASB officer savings could be made from the projects/grants budget, climate change and possibly grounds maintenance.

Members expressed concern with regard to the major economic crisis that Covid19 has caused. They highlighted the number of job losses, the increase in the use of foodbanks and people's inability to pay for basic needs and felt that the proposed Council Tax increase is too high.

Members suggested that borrowing to replace expensive playground items could be an option for the future to spread the cost.

The Clerk advised that he had hoped to have no Council Tax increase this year, but the decimation of the car park income did not now allow this. He stressed that the Town Council's Council Tax is still below the average for Cornwall and that the majority of people in St Austell paid the equivalent of a Band B Council Tax.

It was **RESOLVED** that the Clerk should adjust the budget to reduce the Council Tax as far as possible while maintaining Council services and that a final decision on the Council Tax levels for the 2021/22 financial year should be deferred until January 2021 to better understand the impact of lockdown, hardship funding and the Council Tax base changes.

F/19/102) Car Parking Charges for the 2021/22 financial year

The Clerk advised that the Car Park Working Group had met and agreed that in the current climate there was very little scope to change the car park charges. The group did however feel that one area that could be changed was the reduction in the four hour charge from £4.80 to £3 in order to try to encourage a longer stay in the town centre.

It was also brought to the attention of the Working Group that the 1 hour restriction currently in place at Tregonissey Lane End Car Park was putting people off from using it as many of the nearby businesses, such as the hairdressers, required people to stay for longer than an hour. Members felt that in order to try to alleviate the general congestion in the area and assist the nearby businesses, the restriction at Tregonissey Lane End Car Park should be changed to a maximum of 3 hours with no return for 4 hours.

The Clerk advised that in the light of the minor changes proposed, there would be no need to change the Car Park Order at this time.

During discussion, Members raised the following:

- The need to look at Sunday charging at some point in the future;
- Whether a monthly season ticket could be introduced.

It was **RECOMMENDED** that:

1. The 1 hour charge remains at £1;
2. The 1 to 2 hour charge remains at £1.60;

3. The 2 to 3 hour charge remains at £3.00;
4. The 4 hour charge be reduced from £4.80 to £3.00;
5. The current hours of charging remain as follows:
 - 9am to 7pm (Monday to Saturday)
6. The reduced charge of £1 from 4pm to 7pm (Monday to Saturday) remains the same;
7. Sundays to remain free of charge for the time-being;
8. The coach parking facilities be retained for 2021/22 and the existing charges remains at £1.50 per hour or £10 per day;
9. Season tickets to remain at £107 per quarter;
10. Season tickets be actively promoted on social media;
11. The restrictions at Tregonissey Lane End Car Park be changed to a maximum stay of 3 hours with no return for 4 hours;

F/19/103) CCTV

The Clerk advised that the re-deployable camera had been erected in the Bethel area and was being monitored by the Newquay CCTV suite in the hope that evidence can be built up to assist Ocean and the Police with the management of problems in the area.

F/19/104) Member Internal Audit Review

The Clerk advised that due to Covid19 restrictions, the Chair and Vice-Chair twice yearly Internal Audit Reviews are not able to happen at the present time but that the Town Council is still subject to inspections from External and Internal Auditors and maintains good internal controls through the separation of duties.

It was **RESOLVED** to accept that due to Covid19 restrictions, the Chair and Vice-Chair Internal Audits are not able to take place at the present time.

Councillor Walker left the meeting

F/19/105) Christmas Free Parking

Members noted correspondence from Cornwall Council and felt that the Clerk should liaise with the BID to determine a suitable day for the Christmas Free Parking that Cornwall Council has offered. Members felt that, as a gesture of goodwill, Priory Car Park should be free on the same day as well.

It was **RESOLVED** that the Clerk should liaise with St Austell BID to determine which would be the most suitable day to offer free parking and respond to Cornwall Council accordingly and make arrangements for Priory Car Park to be free on the same day.

Councillor Palmer left the meeting

F/19/106) St Austell Library

The Deputy Town Clerk advised that due to a mixed response from Town and Parish Councils, Cornwall Council had decided to put on hold a decision about whether or not to abolish fees and charges.

She confirmed that the Library is still able to operate during this current lockdown and that the click and collect hours have been increased slightly with one computer open, for a 45 minute slot, on a pre booked basis. Masks have to be worn at all times. A printing and photocopying service remains in place and contactless payments are taken wherever possible. The staff have launched a "lucky dip" book bag for children which has been very popular after publicising it with the local schools. In line with Government guidelines, 7 library staff remain on flexible furlough and 1 staff member has been advised through official channels not to attend work due to her Covid19 vulnerability.

Arising from a question, the Deputy Town Clerk confirmed that the 45 minute slots for computer use could be extended if required.

F/19/107) Community Governance Review

The Town Clerk advised that a special Cornwall Council meeting was held on Tuesday 7th November to consider the Electoral Review Panel recommendations, the result of which was very disappointing for St Austell Town Council. The final decision for St Austell is as follows:

- Carclaze and Boscoppa – defer for the new Council to consider if they wish.
- Gwallon Keas – To remain with Carlyon Parish
- Chandlers Walk – transfer from St Austell Town Council to St Austell Bay Parish Council.
- Porthpean Road – transfer from Pentewan Valley Parish Council to St Austell Town Council.
- Sawles Road – transfer from St Austell Town Council to Pentewan Valley Parish Council.
- Higher Trewhiddle – defer for the new Council to consider if they wish.
- Edgcumbe Green – transfer from St Mewan Parish Council to St Austell Town Council.

The Clerk advised that the net result for St Austell Town Council is a gain of 60 or 70 properties depending on the build out at Porthpean Road which would provide a small increase in Council Tax income but probably not enough to offset the reductions due to increased Council Tax Support claims.

Councillor Bull declared a minor interest by virtue of living at Chandlers Walk which is transferring by agreement from St Austell Town Council to St Austell Bay Parish Council.

The Mayor advised that he was not at the Cornwall Council meeting, but that he had listened to a recording and had been left upset, disappointed and shocked with regard to the political voting that had taken place. He said that he felt very sad for Councillors Brown, Bull and the Clerks for all their hard work over the last few years on this project which had resulted in very little gain for St Austell. He also expressed concern with regard to the number of deferrals to the new Council, including Higher Trehiddle, which he felt was pointless and avoided the issues unnecessarily.

Councillor Brown advised that he was very angry with the outcome of the CGR, and reiterated Councillor Styles' disappointment with regard to Gwallon Keas and the political voting that had taken place. For the benefit of Councillors that were not present at the Cornwall Council meeting, he outlined some of the statements made at the meeting which had adversely affected St Austell.

He expressed concern with regard to some of the officers' recommendations and advised that he intended to speak to the Chief Executive and other senior officers of Cornwall Council about the outcome of the review and the serious implications for the future of localism. He stressed the need for Towns to be able to expand in the future and that the outcome of this review, for the majority of towns, did not allow for this.

Councillor Bull expressed concern at the outcome and the inaccurate statements made by some Councillors to argue against Gwallon Keas being transferred to St Austell. She praised Councillor Brown for all his hard work and expressed strong disappointment that St Austell did not ultimately get support from all St Austell Cornwall Councillors.

Members expressed their disappointment and made the following observations:

- Officer recommendations were swapped and changed during the review.
- The Planning inspector recognised that Gwallon Keas is closely aligned with St Austell and recommended approval for this reason.
- Disappointment that the Town Council's proposals did not have the support of all of the St Austell Cornwall Councillors.
- Disappointment that not all of St Austell's Cornwall Councillors were at the Finance and General Purposes Committee meeting.

It was **RESOLVED** to delegate approval to the Town Clerk, in consultation with the Mayor, to write to Cornwall Council expressing disappointment at the outcome of the review and the implications that this has on localism and **RECOMMENDED** that further consideration of this matter is made at the next Council meeting.

F/19/108) To consider excluding the press and public.

It was **RESOLVED** that under Section 1 (ii) of the Public Bodies (Admission to Meetings) Act 1960, the public and press be excluded from the meeting for the remainder of the business of the meeting in view of the confidential nature of the business to be transacted.

F/19/109) Grounds maintenance improvements

The Town Clerk outlined the current constraints with regard to grounds maintenance staff welfare accommodation, horticultural activities, grass cutting machinery and the impact that the two apprentices will have on these areas. He explained the costs

involved with regard to the purchase of a welfare hut, polytunnel and ride on mower and the benefits that these would bring. During discussion, the following was raised:

- The permissions required from Cornwall Council;
- The long term future of the Town Council at The Stable Block;
- The need to ensure that the Grounds Maintenance Team have the facilities and tools that they require to be as efficient as possible.

It was **RESOLVED** that the Town Clerk be authorised to:

1. Purchase a pre-fabricated welfare hut with a budget of no more than £7,000;
2. Acquire a polytunnel with a budget of no more than £650;
3. Acquire a second-hand mower with a budget of no more than £10,000.

Councillor Lanxon abstained from voting on this item

F/19/110) Dates of next meeting

It was noted that the next meeting of the Finance and General Purposes Committee is due to take place on 22nd February 2021.

The meeting closed at 20.17pm.

ST AUSTELL TOWN COUNCIL
FINANCE AND GENERAL PURPOSES COMMITTEE
22nd FEBRUARY 2021
BUDGET MONITORING REPORT

1. PURPOSE OF REPORT

To provide Members with an update on expenditure and income to the 31st January 2021 and a copy of the Council's latest bank reconciliation statements.

2. LEGAL AND RISK MANAGEMENT ISSUES

It is a legal requirement for the Town Council to set a budget annually and it is good practice to monitor that budget at regular intervals. The Town Clerk monitors budgets on a monthly basis and provides regular budget monitoring reports to the Finance and General Purposes Committee. It is part of the remit of the Finance and General Purposes Committee to monitor and manage budgets on behalf of the Town Council.

3. RESOURCE ISSUES

None outside of existing budgets.

4. EQUALITIES ISSUES

None.

5. ENVIRONMENTAL ISSUES

None.

6. RECOMMENDATIONS

It is recommended that Members note the attached budget monitoring reports and bank reconciliation statement.

DAVID POOLEY - TOWN CLERK

Profit & Loss

St Austell Town Council 1 Jan 2021 to 31 Jan 2021

	Actual	Budget	Var GBP	Var %	YTD Actual	YTD Budget	Var GBP	Var %
Income								
Car Park Income	7,218	25,000	(17,782)▼	-71.1%▼	130,032	244,000	(113,968)▼	-46.7%▼
Council Tax Grant	-	-	-	0.0%	31,067	31,066	1▲	0.0%▲
Interest Income	176	250	(74)▼	-29.5%▼	2,719	2,500	219▲	8.7%▲
Library Income	28	916	(888)▼	-96.9%▼	374	9,168	(8,794)▼	-95.9%▼
Other Grants and Contributions	67,176	-	67,176▲	0.0%	142,634	-	142,634▲	0.0%
Other Income	-	50	(50)▼	-100.0%▼	3,583	500	3,083▲	616.5%▲
Precept Payments	-	-	-	0.0%	762,958	762,958	-	0.0%
Public Convenience Charges	-	360	(360)▼	-100.0%▼	501	3,580	(3,079)▼	-86.0%▼
Rent Received	2,500	878	1,622▲	184.7%▲	7,882	8,780	(898)▼	-10.2%▼
Total Income	77,099	27,454	49,645	180.8%	1,081,748	1,062,552	19,196	1.8%
Gross Profit	77,099	27,454	49,645	181.0%	1,081,748	1,062,552	19,196	2.0%
Less Operating Expenses								
Employee Expenses								
Recruitment	-	150	(150)▼	-100.0%▼	360	1,450	(1,090)▼	-75.2%▼
Salaries / Wages	39,101	44,052	(4,951)▼	-11.2%▼	395,858	440,520	(44,662)▼	-10.1%▼
Training	90	700	(610)▼	-87.1%▼	1,230	7,000	(5,770)▼	-82.4%▼
Total Employee Expenses	39,191	44,902	(5,711)	-12.7%	397,448	448,970	(51,522)	-11.5%
Premises Expenses								

Profit & Loss

	Actual	Budget	Var GBP	Var %	YTD Actual	YTD Budget	Var GBP	Var %
Cleaning & Domestic Supplies	596	608	(12)▼	-2.0%▼	6,055	6,080	(25)▼	-0.4%▼
Electricity	1,190	675	515▲	76.3%▲	5,204	6,750	(1,546)▼	-22.9%▼
Gas	272	250	22▲	8.9%▲	1,392	2,500	(1,108)▼	-44.3%▼
Grounds Maintenance Supplies	586	1,829	(1,243)▼	-68.0%▼	13,739	18,290	(4,551)▼	-24.9%▼
Play Equipment	-	4,166	(4,166)▼	-100.0%▼	48,758	41,660	7,098▲	17.0%▲
Rates	6,794	7,027	(233)▼	-3.3%▼	69,695	70,270	(575)▼	-0.8%▼
Rent / Room Hire	1,295	440	855▲	194.3%▲	5,180	4,400	780▲	17.7%▲
Repairs / Maintenance Premises	2,441	3,433	(993)▼	-28.9%▼	19,456	34,330	(14,874)▼	-43.3%▼
Water	-	195	(195)▼	-100.0%▼	673	1,950	(1,277)▼	-65.5%▼
Total Premises Expenses	13,174	18,623	(5,449)	-29.3%	170,152	186,230	(16,078)	-8.6%
Supplies and Services								
Books and Publications	-	-	-	0.0%	-	150	(150)▼	-100.0%▼
Contract Payments	3,730	12,301	(8,571)▼	-69.7%▼	122,241	123,010	(769)▼	-0.6%▼
Insurances	-	-	-	0.0%	5,864	6,000	(136)▼	-2.3%▼
IT / Communications	618	1,483	(865)▼	-58.3%▼	12,729	14,830	(2,101)▼	-14.2%▼
Mayors Allowances	-	62	(62)▼	-100.0%▼	-	620	(620)▼	-100.0%▼
Members Allowance	-	20	(20)▼	-100.0%▼	-	200	(200)▼	-100.0%▼
Miscellaneous Expenses	2,245	3,172	(927)▼	-29.2%▼	23,169	31,720	(8,551)▼	-27.0%▼
Miscellaneous Grants	5,000	2,916	2,084▲	71.5%▲	20,712	29,160	(8,448)▼	-29.0%▼
Office Supplies	148	354	(206)▼	-58.3%▼	1,938	3,540	(1,602)▼	-45.3%▼
Printing and Stationery	82	310	(228)▼	-73.5%▼	2,571	3,100	(529)▼	-17.1%▼
Protective Clothing	89	125	(36)▼	-28.9%▼	2,001	1,250	751▲	60.1%▲
Publicity	(540)	116	(656)▼	-565.5%▼	1,750	1,160	590▲	50.9%▲
Small Grants Scheme	500	666	(166)▼	-24.9%▼	5,010	6,660	(1,650)▼	-24.8%▼
Subscriptions	262	575	(313)▼	-54.4%▼	7,315	5,750	1,565▲	27.2%▲

Profit & Loss

	Actual	Budget	Var GBP	Var %	YTD Actual	YTD Budget	Var GBP	Var %
Total Supplies and Services	12,134	22,100	(9,966)	-45.1%	205,300	227,150	(21,850)	-9.6%
Transport Related Expenses								
Contract Hire and Operating Leases	1,005	1,087	(82)▼	-7.5%▼	11,777	10,870	907▲	8.3%▲
Fuel	314	562	(248)▼	-44.2%▼	4,415	5,620	(1,205)▼	-21.4%▼
Other Transport/plant expenses	10,000	195	9,805▲	5028.2%▲	11,251	1,950	9,301▲	477.0%▲
Repairs/ Maintenance-Vehicles/Plant	1,091	558	533▲	95.5%▲	4,836	5,580	(744)▼	-13.3%▼
Road Fund / Taxes	-	88	(88)▼	-100.0%▼	535	880	(345)▼	-39.2%▼
Transport Insurance	-	208	(208)▼	-100.0%▼	2,614	2,080	534▲	25.7%▲
Travel and Subsistence	49	98	(49)▼	-49.8%▼	130	980	(850)▼	-86.8%▼
Total Transport Related Expenses	12,459	2,796	9,663	345.6%	35,559	27,960	7,599	27.2%
Total Operating Expenses	76,958	88,421	(11,463)	-13.0%	808,458	890,310	(81,852)	-9.2%
Net Profit	141	(60,967)	61,108	100.0%	273,289	172,242	101,047	59.0%

ST AUSTELL TOWN COUNCIL

BANK RECONCILIATION AS AT:

31.01.21

	£	£
Business Current Account		324,494.29
Mayor's Charity Account		467.52
Business Direct Reserve Account		0.00
Petty Cash		90.40
Library Float		100.00
Total in Bank		<u>325,152.21</u>

Total Unpresented Cheques	<u>0.00</u>
	325,152.21

Outstanding receipts	
Car Park Season Tickets	0.00

325,152.21

Accounting System Bank Balance:

Opening Bank Balance	48,645.06
Expenditure to date	856726.59
Income to date	1133233.74
	<u>325,152.21</u>

Accounting System Payment Recorded but yet paid	
	0.00

Accounting System Bank Balance	<u>325,152.21</u>
---------------------------------------	-------------------

0.00
balanced

Note:

Attach Accounting Statement and remember to adjust for the Outstanding Accounting System Entries after balancing.

Reconciliation Completed:

S. Gallians

Date: 10.02.21

Reviewed:

J. King

Date: 10.02.21

**ST AUSTELL TOWN COUNCIL
FINANCE AND GENERAL PURPOSES COMMITTEE**

22nd FEBRUARY 2021

RISK MANAGEMENT

1. PURPOSE OF REPORT

To approve an updated Risk Management Strategy and Strategic Risk Register (e-mailed separately) which are required as part of the annual internal audit.

2. LEGAL AND RISK MANAGEMENT ISSUES

The Council is required as part of its governance arrangements to have suitable risk management processes in place and to review these processes from time to time. The nature and scale of risks experienced by the Town Council is changing as services and assets are devolved from Cornwall Council.

3. RESOURCE ISSUES

None outside of existing budgets.

4. EQUALITIES ISSUES

Equality Impact Assessments are undertaken as and when appropriate as part of the Council's Risk Management process.

5. ENVIRONMENT ISSUES

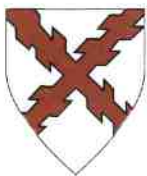
The Council has declared a Climate Emergency and has committed to improving its environmental impact.

6. RECOMMENDATIONS

It is recommended that the Committee:

1. Approves the updated Risk Management Strategy (Appendix 1) and Strategic Risk Register (e-mailed separately).

DAVID POOLEY
TOWN CLERK



ST AUSTELL TOWN COUNCIL

RISK MANAGEMENT STRATEGY

1. Introduction

1.1 This document forms the Council's Risk Management Strategy. It sets out:

- What is meant by risk management;
- Why the Council needs a risk management strategy;
- The philosophy of the Council's risk management;
- An overview of the methodology to be adopted and its links with existing processes;
- A summary of the implementation timetable;
- An outline of the associated roles of Elected Members and officers; and
- A summary of future monitoring and reporting lines for risk management.

1.2 The objectives of this strategy are to:

- Further develop risk management and raise its profile across the Council;
- Integrate risk management into the culture of the organisation;
- Embed risk management through the ownership and management of risk as part of all decision-making processes; and
- Manage risk in accordance with best practice.

2 What is Risk Management?

2.1 *'Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.'*
Audit Commission, *Worth the Risk: Improving Risk Management in Local Government*, (2001: 5).

2.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety but applies to all aspects of the Council's work.

2.3 Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

2.3.1 Strategic Risk - long-term adverse impacts from poor decision-making or poor implementation. Risks damage to the reputation of the Council, loss of public confidence, in a worse case scenario Government Intervention.

- 2.3.2 Compliance Risk** - failure to comply with legislation, or laid down procedures or the lack of documentation to prove compliance. Risks exposure to prosecution, judicial review, employment tribunals, inability to enforce contracts.
- 2.3.3 Financial Risk** - fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Council tax levels/impact on Council reserves.
- 2.3.4 Operating Risk** - failure to deliver services effectively, malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims, higher insurance premiums, lengthy recovery processes.
- 2.3.5 Reputational Risk** – damage to reputation through the actions or inaction of officers and/or members.
- 2.4** Not all of these risks are insurable and for some the premiums may not be cost-effective. Even where insurance is available, money may not be an adequate recompense. The emphasis should always be on eliminating or reducing risk, before costly steps to transfer risk to another party are considered.
- 2.5** Risk is not restricted to potential threats but can be connected with opportunities. Good risk management can facilitate proactive, rather than merely defensive, responses. Measures to manage adverse risks are likely to help with managing positive ones.

3. Why does the Council need a Risk Management Strategy?

- 3.1** Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.
- 3.2** The Risk Management Strategy will help to ensure that all Committees across the Council have an understanding of 'risk' and that the Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer or acceptance.
- 3.3** There is an Audit requirement under the Accounts and Audit Regulations 2015 (SI 2015/234) to establish and maintain a systematic strategy, framework and process for managing risk. Risks and their control will be collated in a Risk Register. A statement about the system of internal control and the management of risk will be included as part of the Annual Statement of Accounts.

4. What is the Council's Philosophy on Risk Management?

4.1 Risk Management Policy Statement

St Austell Town Council recognises that, in addition to its statutory duties, there are cogent moral and economic reasons to take all practicable and reasonable measures to safeguard people and the natural and built environments. Whilst it is acknowledged that risk cannot be totally eliminated it is accepted that much can be done to reduce the extent of injury, damage and financial loss. Therefore, St Austell

Town Council is committed to identifying, reducing or eliminating the risks to both people and the natural and built environments.

The Council will carry insurance in such amounts and in respect of such perils as will provide protection against significant losses, where insurance is required by law or contract and in other circumstances where risks are insurable and premiums cost-effective.

The Council will seek to embed effective risk management into its culture, processes and structure to ensure that opportunities are maximised.

5. What is the Risk Management Process?

- 5.1** Implementing the Strategy involves identifying, analysing, prioritising, managing and monitoring risks.
- 5.2 Risk Identification** – Identifying and understanding the hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed. All risks identified will be recorded in the Council's Risk Register.
- 5.3 Risk Analysis** – Once risks have been identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control it or respond to it.
- 5.4 Risk Prioritisation** - An assessment should be undertaken of the impact or consequence and likelihood of risks occurring, with impact and likelihood being scored on a scale from 1 to 5 with 1 being low and 5 high.

The scores for impact and likelihood are multiplied together. Risks scoring 10 and above will be subject to detailed consideration and preparation of a contingency/action plan to appropriately control the risk.

- 5.5 Risk Control** – Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification and implementation of revised operating procedures, but in exceptional cases more drastic action will be required to reduce the risk to an acceptable level.

Options for control include:

- 5.5.1 Elimination** – the circumstances from which the risk arises are ceased so that the risk no longer exists;
- 5.5.2 Reduction** – loss control measures are implemented to reduce the impact/likelihood of the risk occurring;
- 5.5.3 Transfer** – the financial impact is passed to others e.g. by revising contractual terms;

5.5.4 Sharing the risk with another party;

5.5.5 Insuring against some or all of the risk to mitigate financial impact; or

5.5.6 Acceptance – documenting a conscious decision after assessment of areas where the Council accepts or tolerates risk.

5.6 Risk Register – a register of strategic risks will be collated and an additional system of risk assessments will be maintained for all identified operational risks. Each will be reviewed at least annually.

5.7 Risk Monitoring – The risk management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time.

The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

6. How will it feed into the Council's existing policies?

6.1 All reports to Council or Committees will consider risk management issues. Initial identification of strategic and operational risks will be by officers who will compile lists of strategic and operational risks. Regular reports on risk management will be presented to the Finance and General Purposes Committee for consideration.

6.2 Best Practice – the current economic climate means that risk management is now more important than ever, it is important for the Council to reassess its objectives and the threats to achieving these objectives. The Council will build risk management procedures into the way that it operates as part of a commitment to quality and continuous service improvement

6.4 Localism and Partnership Working – the Council enters into contracts and partnerships with organisations from the public, private, voluntary and community sectors. Some of these organisations may not have the same sensitivities to the risks that the Council sees as important. Part of the process of setting up future partnerships will be to ensure that all relevant risks are identified and that appropriate control mechanisms are built into the management arrangements for the partnership.

7. Roles and Responsibilities

7.1 It is important that risk management becomes embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below, are designed to ensure that risk is managed effectively right across the Council and its operations, and responsibility for risk is located in the right place. Those who best know the risks to a particular service or function are those responsible for it. The process must be driven by members but must also involve officers.

7.2 Elected Members – risk management is seen as a key part of the Elected Member's stewardship role and there is an expectation that Elected Members will lead and monitor the approach adopted. This will include:

- Approval of the Risk Management Strategy;
- Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed;
- Consideration, and if appropriate, endorsement of the Annual Statement of Internal Control; and
- Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues.

7.3 Town Clerk and Responsible Finance Officer – will act as the Lead Officer on Risk Management, overseeing the implementation of the detail of the Risk Management Strategy.

The Town Clerk will:

- provide advice as to the legality of policy and service delivery choices;
- provide advice on the implications of potential service actions for the Council's corporate aims and objectives;
- update Council on the implications of new or revised legislation;
- assess and implement the Council's insurance requirements;
- assess the financial implications of strategic policy options;
- ensure that the Financial Information System allows effective budgetary control;
- inform investment decisions made by the Council.
- assist in handling any litigation claims;
- provide advice on any human resource issues relating to strategic policy options or the risks associated with operational decisions and assist in handling cases of work-related illness or injury;
- advise on any health and safety implications of the chosen or proposed arrangements for service delivery;
- consider the environmental implications of policy and service delivery choices;
- have due regard to the Equality Act 2010 when dealing with Risk Management issues; and
- report progress to Council via the Finance and General Purposes Committee as detailed in para 8.3 below.

7.4 The Operations Manager will act as the Lead officer for Risk Management and Health and Safety matters associated with the operational services of the Council.

7.5 The Deputy Town Clerk will act as the Lead officer for Risk Management in connection with employees' health and wellbeing and human resources issues.

7.6 Employees – will undertake their job within risk management guidelines ensuring that the skills and knowledge passed to them are used effectively. All employees will maintain an awareness of the impact and costs of risks and how to feed data into the formal process. They will work to control risks or threats within their jobs, monitor progress and report on job related risks to the Clerk or their line manager.

- 7.7 Role of Internal Audit** – the Internal Auditor provides an important scrutiny role carrying out audits to provide independent assurance to the Finance and General Purposes Committee and Council that the necessary risk management systems are in place and all significant business risks are being managed effectively.

Internal Audit assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud.

The Internal Audit Report, and any recommendations contained within it, will help to shape the Annual Statement of Internal Control.

- 7.8 Training** – Risk Management training will be provided to Elected Members, and key staff. The aim will be to ensure that both Elected Members and staff have the skills necessary to identify, evaluate and control the risks associated with the services they provide.

In addition to the roles and responsibilities set out above, the Council is keen to promote an environment within which individuals/groups are encouraged to report adverse incidents promptly and openly. To assist with this aspect, the Council will develop and maintain an Anti-Fraud and Corruption Policy, a Confidential Reporting ('whistleblowing') Policy, Employee Handbooks and Health and Safety Handbooks.

8 Future Monitoring

- 8.1 Review of Risk Management Strategy** - This Strategy will be reviewed on a regular basis as part of the Council's continuing review of its Policy Documents, Standing Orders and Financial Regulations. Recommendations for change will be reported to the Finance and General Purposes Committee. The date of the next review will be February 2022.
- 8.2** Once the initial work to establish Risk Registers has been completed, it is crucial that the information is regularly reviewed and updated. New risks will emerge and need to be controlled. Feedback from Internal and External Audit can identify areas for improvement, as can the sharing of best practice via professional bodies such as the National Association of Local Councils.
- 8.3 Reporting on Progress** – The Town Clerk will present an annual report to the Finance and General Purposes Committee detailing progress on risk management over the year and providing a summary of the Risk Register(s) and control assurance statements.

9. Conclusion

- 9.1** The adoption of a sound risk management approach should achieve many benefits for the Council. It will assist in demonstrating that the Council is committed to continuous service improvement and demonstrating effective corporate governance.

10. Freedom of Information

- 10.1.** In accordance with the Freedom of Information Act 2000, this Document will be posted on the Council's Website and copies of this document and the Risk Register will be available for inspection on deposit in the Council Office.

ST AUSTELL TOWN COUNCIL
FINANCE AND GENERAL PURPOSES COMMITTEE

22nd FEBRUARY 2021

TREASURY MANAGEMENT

1. PURPOSE OF REPORT

To provide Members with a breakdown of the Council's Treasury Management activity during the 2020/21 financial year and re-confirm the Council's Treasury Management Strategy.

2. LEGAL AND RISK MANAGEMENT ISSUES

Borrowing and investments by Parish and Town Councils are governed by the Local Government Act 2003. Furthermore, the Town Clerk, by virtue of being a Member of the Chartered Institute of Public Finance and Accountancy (CIPFA) is required to comply with guidance issued by that body. CIPFA has issued a Code of Practice and cross sectoral guidance notes relating to Treasury Management. This strategy complies with the legal and professional guidance.

The Town Council is outside of the scope of the Financial Services Compensation Scheme (FSCS). The protection of up to £85,000 for each bank account does not therefore apply to the Council.

The Clerk is authorised to manage investments on behalf of the Council in accordance with the Council's Treasury Management Strategy.

3. RESOURCE ISSUES

None outside of existing budgets. The strategy assumes a low risk approach to investment which means that investment income will be lower than might be achieved through a higher risk strategy. It however does mean that the Council's reserves are safeguarded.

To the end of January, interest received on investments during the 2020/21 financial year stands at £2718.51.

4. EQUALITY ISSUES

None.

5. ENVIRONMENTAL ISSUES

None.

6. RECOMMENDATIONS

It is recommended that the report be noted and the Treasury Management Strategy be approved for a further year.

DAVID POOLEY
TOWN CLERK

Summary of Investments

Investments

<u>Date</u>	<u>Investment</u>	<u>Amount</u>
As at 31.01.21	Business Reserve Account (Natwest)	£0.00
As at 31.01.21	Variable Rate Deposit Account Cornwall Council	£468,665.17

Interest Received

<u>Date</u>	<u>Amount</u> <u>£</u>
2019/20	3,510.69
2020/21 to date (excluding accrual)	2,793.26



ST AUSTELL TOWN COUNCIL

TREASURY MANAGEMENT STRATEGY

1 Overview

This document gives guidance on borrowing and investments by St Austell Town Council in accordance with 'the Local Government Act 2003'. It highlights that the Council is committed to professional Treasury Management practices to ensure that:

- Capital expenditure plans are affordable
- All external borrowing and other long-term liabilities are within prudent and sustainable levels, and
- Treasury Management decisions are taken in accordance with good professional practice.

The CIPFA Treasury Management Code of Practice defines Treasury Management as:

'The management of the Council's cashflows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'

2 INVESTMENT STRATEGY

2.1 Introduction

The Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This Strategy complies with the requirements set out in the Ministry for Housing, Communities and Local Government's *Guidance on Local Government Investments* and Chartered Institute of Public Finance and Accountancy's *Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes* and takes account of Section 15(1)(a) of the Local Government Act 2003.

2.2 Investment Objectives

In accordance with Section 15(1) of the 2003 Act, the Council will *have regard to (a) such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify.*

The Council's investment priorities are to maintain the security of reserves and liquidity of its investments.

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

All investments will be made in sterling.

The Ministry of Housing, Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity.

Where external investment managers are used, they will be contractually required to comply with the Strategy.

2.3 Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling and which mature in no more than a year. Such short-term investments made with the UK Government or a local authority or town or parish council will automatically be Specified Investments.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, St Austell Town Council will use:

- Deposits with banks, building societies, local authorities or other public authorities
- The debt management agency of HM Government
- Cornwall Council variable deposit scheme
- CCLA Public Sector Deposit Fund.

2.4 Non-Specified Investments

These investments have greater potential risk – examples include investment in the money market, stocks and shares.

Given the unpredictability and uncertainties surrounding such investments, St Austell Town Council will not use this type of investment.

2.5 Liquidity of Investments

The Town Clerk, as Responsible Finance Officer, will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity and may transfer up to £20,000 between bank accounts as appropriate to take advantage of interest bearing deposit accounts while maintaining sufficient liquidity. Larger investments should be in accordance with this strategy and only be undertaken following consultation with the Chair and Vice Chair of the Finance and General Purposes Committee. Such investments will be subject to two signatures as with all payments.

Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

2.6 Long Term Investments

Long term investments are defined in the Guidance as greater than 36 months.

The Council does not currently hold any long-term investments.

No long-term investments are currently envisaged.

2.7 End of Year Investment Report

Investment forecasts for the coming financial year were accounted for when the budget was prepared. At the end of the financial year, the Town Clerk will report on investment activity to the Finance and General Purposes Committee.

3 EXTERNAL BORROWING STRATEGY

3.1 Introduction

The Council acknowledges the importance of borrowing funds and the financial impact on the Council and the local community. The Council will agree borrowing for specific capital projects (as defined in section 16 of the 2003 Act) and gain approval for borrowing by sending an application to the National Association of Local Councils (NALC). All borrowings must be approved by the full Council.

3.2 Principles

Before a council can borrow a sum of money, it must first receive an approval to borrow (loan sanction) from the Secretary of State by way of the Ministry of Housing, Communities and Local Government (MHCLG), unless it is for a temporary loan or overdraft from a bank or otherwise of sums which the council may temporarily require to meet revenue expenditure.

The process to be followed and the criteria applied in deciding whether or not approval should be forthcoming, are detailed in the Guide to Parish and Town Council Borrowing in England, jointly published by MHCLG and NALC.

The Council is only authorised to borrow a maximum of £500,000 in any single financial year for any single purpose.

The Council will ensure the following criteria when considering requesting a borrowing approval:

- The borrowing should be only be used for the purpose of Capital expenditure as defined by Section 16 of the Local Government Act 2003.
- The borrowing amount should not be less than £5 multiplied by the number of local government electors in the area of the Council on the first day of the current financial year (1 April)
- Any unallocated balances including, where appropriate capital receipts beyond those required for the prudent financial management of the council, should be used in the project for which the borrowing is required.
- The Council should have a realistic budget for the servicing and repayment of the debt, taking into account the future effect on the council's precept and cashflow.
- The Council must not mortgage or charge any of its property as security for money borrowed.

3.3 **Interest Rates**

The Council will look around for the best possible terms when borrowing but will usually use the Public Works Loan Board (PWLB).

The Council feels that the fixed term rates offered by the PWLB are relatively cheap and that PWLB loans are most likely to offer stability for the financial planning of the council.

3.4 **Period of Loan**

The Council will determine the period of each loan which should not exceed the period for which the expenditure is forecast to provide benefit to the Council i.e. useful life of the asset.

The maximum period will begin on the date on which the money is borrowed, and will be;

- 50 years for acquisition of, or work on or to, land, buildings, roads or structures or
- 10 years in all other cases.

3.5 **Current External Borrowing**

The Town Council currently has no external borrowing.

3.6 **Further Anticipated External Borrowing**

The Council has no plans currently to incur capital expenditure which will require a loan sanction or external borrowing.

4 **Review and Amendment of Regulations**

This Strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared by the Town Clerk and presented for approval to the Finance and General Purposes Committee.

The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the full Council. Any variations will be made available to the public.

5 **Disability Discrimination Act 1995**

Copies of this document in large print (A3 Format) or larger font size, or recorded onto tape as a 'talking book' can be made available for those with sight impairment on request from the Council Office or by telephoning 01726 829859 or e-mailing david.pooley@staustell-tc.gov.uk

The Council can also arrange to provide versions in other languages.

6 **Freedom of Information**

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Council's website.

CCTV Statistics 2020/2021

JANUARY 2020

Newquay:

Incidents – 90 (*Where CCTV has been involved*)

Arrests – 2 (*Where CCTV has been involved*)

St Austell:

Incidents – 97 (*Where CCTV has been involved*)

Arrests – 11 (*Where CCTV has been involved*)

FEBRUARY 2020

Newquay:

Incidents – 98 (*Where CCTV has been involved*)

Arrests – 8 (*Where CCTV has been involved*)

St Austell:

Incidents – 100 (*Where CCTV has been involved*)

Arrests – 8 (*Where CCTV has been involved*)

MARCH 2020

Newquay:

Incidents – 101 (*Where CCTV has been involved*)

Arrests – 6 (*Where CCTV has been involved*)

St Austell:

Incidents – 55 (*Where CCTV has been involved*)

Arrests – 5 (*Where CCTV has been involved*)

APRIL 2020

Newquay:

Incidents – 132 (*Where CCTV has been involved*)

Arrests – 8 (*Where CCTV has been involved*)

St Austell:

Incidents – 39 (*Where CCTV has been involved*)

Arrests – 2 (*Where CCTV has been involved*)

MAY 2020

Newquay:

Incidents – 159 (*Where CCTV has been involved*)

Arrests – 9 (*Where CCTV has been involved*)

St Austell:

Incidents – 44 (*Where CCTV has been involved*)

Arrests – 2 (*Where CCTV has been involved*)

JUNE 2020

Newquay:

Incidents – 172 (*Where CCTV has been involved*)

Arrests – 8 (*Where CCTV has been involved*)

St Austell:

Incidents – 59 (*Where CCTV has been involved*)

Arrests – 2 (*Where CCTV has been involved*)

JULY 2020

Newquay:

Incidents – 257 (*Where CCTV has been involved*)

Arrests – 20 (*Where CCTV has been involved*)

St Austell:

Incidents – 117 (*Where CCTV has been involved*)

Arrests – 15 (*Where CCTV has been involved*)

AUGUST 2020

Newquay:

Incidents – 281 (*Where CCTV has been involved*)

Arrests – 20 (*Where CCTV has been involved*)

St Austell:

Incidents – 86 (*Where CCTV has been involved*)

Arrests – 8 (*Where CCTV has been involved*)

SEPTEMBER 2020

Newquay:

Incidents – 149 (*Where CCTV has been involved*)

Arrests – 14 (*Where CCTV has been involved*)

St Austell:

Incidents – 71 (*Where CCTV has been involved*)

Arrests – 10 (*Where CCTV has been involved*)

OCTOBER 2020

Newquay:

Incidents – 108 (*Where CCTV has been involved*)

Arrests – 9 (*Where CCTV has been involved*)

St Austell:

Incidents – 55 (*Where CCTV has been involved*)

Arrests – 13 (*Where CCTV has been involved*)

NOVEMBER 2020

Newquay:

Incidents – 91 (*Where CCTV has been involved*)

Arrests – 4 (*Where CCTV has been involved*)

St Austell:

Incidents – 32 (*Where CCTV has been involved*)

Arrests – 1 (*Where CCTV has been involved*)

DECEMBER 2020

Newquay:

Incidents – 112 (*Where CCTV has been involved*)

Arrests – 7 (*Where CCTV has been involved*)

St Austell:

Incidents – 50 (*Where CCTV has been involved*)

Arrests – 3 (*Where CCTV has been involved*)

CCTV Statistics 2021

JANUARY 2021

Newquay:

Incidents – 118 (*Where CCTV has been involved*)

Arrests – 3 (*Where CCTV has been involved*)

St Austell:

Incidents – 57 (*Where CCTV has been involved*)

Arrests – 11 (*Where CCTV has been involved*)