



## Policy and Finance Committee Meeting – 14<sup>th</sup> November 2022 – 18:00

### To: Members of the Policy and Finance Committee:

Councillors Marriott (Chair), T Eales (Vice Chair), Alwahabi, Birch, Connolly, G Eales, Hallam, Hibbert, Holland-Delamere, Kilbride, Purser, Russell, Stevens, Tarasiewicz

Cc'd to all councillors for information

You are summoned to attend the meeting of the **Policy and Finance Committee** of Northampton Town Council to be held at 18.00 hrs on Monday 14<sup>th</sup> November 2022 in the Town Council Committee Room at Northampton Guildhall.

Public participation is welcomed in accordance with Standing Orders and the Council's Public Participation Policy

**Stuart Carter**  
**Town Clerk**  
**8<sup>th</sup> November 2022**

**Guildhall**  
**Northampton**  
**NN1 1DE**

### A G E N D A

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **To authorise the Chair to sign the minutes of the last meeting and ask questions as to the progress of any item**  
Minutes of the meeting held 3<sup>rd</sup> October (not attached, sent out with Council agenda for 24<sup>th</sup> October 2022)
4. **To receive the minutes of the Accounts Sub-Committee meetings for information:**
  - (a) Minutes of the meeting held 10<sup>th</sup> October 2022 (p 3 – 6)
5. **Options on the replacement of councillor's civic robes** (p 7 – p 14)  
To consider whether to replace the councillor's blue robes
6. **Assessment and review of Risk Management and Internal Controls Statement and Strategic Risk Register**  
– Covering report, statement and updated strategic risk register attached for review  
(p 15 - 33)
7. **Budget Principles**  
Committee to consider budget principles for 23/24 (p 35 - p 39)

**8. Investment Strategy and Policy**

Committee to consider draft investment policy

(p 41 - p 45)

**9. Cash Investments**

Report attached

(p 47 - p 49)

**10. Items for consideration on the next agenda**



## Northampton TOWN COUNCIL

---

### MINUTES OF THE ACCOUNT SUB-COMMITTEE MEETING HELD ON 10<sup>TH</sup> OCTOBER 2022 IN THE TOWN COUNCIL'S COMMITTEE ROOM AT THE NORTHAMPTON GUILDHALL

**IN ATTENDANCE:** Councillor Marriott (Chair), Birch, Hibbert and Purser

**OFFICERS IN ATTENDANCE:** Mr S Carter (Town Clerk), Mrs C Maclellan (Finance Officer)

#### **36. APOLOGIES**

No apologies were submitted.

#### **37. DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **38. MINUTES OF THE PREVIOUS MEETING**

**RESOLVED:** That the Chair was authorised to sign the minutes of the previous meeting as a true and accurate record.

It was noted that water bills for the allotment sites were now being received. Of the eight sites, the council had now received bills for six of them.

#### **39. REVENUE BUDGET 2022/23**

The Budgetary Report for the month ending September 2022 was circulated at this meeting to all attendees.

The Finance Officer alerted the members to any major changes in the budget compared to last month.

Bank charges were highlighted as the council had had to pay a CHAPS fee to transfer the money from Unity to CCLA. It was reiterated as per previous meetings that Civic events was likely to be overspent and Civic Regalia was overspent considerably due to the cost of the Past Mayor's badges. It was noted that the last precept instalment had been received.

On events, it was noted that costs were in for Diwali and this was anticipated to be just under budget, however there had been a small overspend on bands in the park. Remembrance Day was nearing and the spend allocated to the budget had increased significantly since the last meeting as the arrangements for the day were put in place.

It was noted that the town council now had in place a charge card to make card payments. This was with the Unity Bank and the balance was automatically paid at the end of each month. IT was not known if the charge for the card was annual or a one off, this would be checked.

It was noted that the bank reconciliation was slightly more complicated with accounts at Unity and CCLA now making up the figure.

The Finance Officer and Clerk drew the committee's attention to the expected increase in pay for officers that was likely to be accepted shortly and would be backdated to 1<sup>st</sup> April 2022.

The revenue budget and bank reconciliation were signed by all committee members as being reviewed and **NOTED**.

#### **40. PAYMENT OF ACCOUNTS**

The list of payments was circulated for approval and is attached at appendix A.

**RESOLVED:** The payment of accounts as detailed in appendix A be approved for payment.

**41. CCLA UPDATE**

It was reported that the first interest payment had been received following the transfer to the CCLA account. This would be recorded as an income. It was confirmed that tax was not payable on this.

**NOTED**

**42. INTERNAL CONTROLS**

The Finance Officer confirmed that no councillors had volunteered to undertake the check in the past month, though Cllr Holland Delamere was due to visit to look at certain processes. It was understood that Cllrs Birch and Marriott would undertake a internal controls check and then nominate a councillor to do the next check.

**NOTED**

**43. FURTHER ITEMS FOR CONSIDERATION FOR INFORMATION ONLY**

There were no items raise under this item.

**MEETING CONCLUDED: 12:15PM**

Accounts Sub-Committee Payment List for review and approval 10th October 2022

* Disputed invoice	Invoice Date	Invoice No	A/c Name	Net Value	VAT	Invoice Total	Description	Account Code	Cost Centre	Account Code Description	Cost centre Description	Committee	Due Date	Comments / Bank Transaction Number
	22/09/2022	2221481	Falon Nameplates Ltd	£ 191.58	£ 38.32	£ 229.90	Covid Mem Tree Plaque	4510	315	General Events	Public Events	Community Services	22/10/2022	
*	28/09/2022	10858075	Idverde Ltd	£ 480.00	£ 96.00	£ 576.00	Tree for Multi Faith Covid Memorial	4510	315	General Events	Public Events	Community Services	30/10/2022	
	30/09/2022	EXPENSES SEPT NO.2	Louise Hannam-Jones	£ 12.99	£ -	£ 12.99	Cotton Tape for Memorial Tree	4510	315	General Events	Public Events	Community Services	30/09/2022	
	13/09/2022	13TH SEPT 2022	Northampton Sings community choir	£ 350.00	£ -	£ 350.00	Bands in Park 10/07/22	4503	315	Bands In The Park	Public Events	Community Services	13/10/2022	
*	24/09/2022	1240	Stage Right Productions	£ 393.00	£ 78.60	£ 471.60	Multifaith Memorial	4510	315	General Events	Public Events	Community Services		
*	24/09/2022	1241	Stage Right Productions	£ 2,485.00	£ 497.00	£ 2,982.00	Diwali	4500	315	Diwali	Public Events	Community Services		
*	24/09/2022	1242	Stage Right Productions	£ 2,440.00	£ 488.00	£ 2,928.00	Fireworks LED screens	4502	315	Fireworks	Public Events	Community Services		
*	06/10/2022	1251	Stage Right Productions	£ 370.00	£ 74.00	£ 444.00	Fireworks Lost Children stage	4502	315	Fireworks	Public Events	Community Services		
*	06/10/2022	1252	Stage Right Productions	£ 1,424.00	£ 284.80	£ 1,708.80	Remembrance Day	4517	315	Remembrance Day	Public Events	Community Services		
	28/09/2022	2270	Ultralite Ltd	£ 565.00	£ 113.00	£ 678.00	Fix failed wall fixings etc. for Christmas lights	4501	315	Christmas	Public Events	Community Services	28/10/2022	
	27/09/2022	INV-0806	University of Northampton	£ 100.00	£ -	£ 100.00	Student award - Covid Mem Project	4225	310	Covid Community projects	Community Services	Community Services	10/10/2022	
	05/10/2022	10859195	Idverde Ltd	£ 10,031.81	£ 2,006.36	£ 12,038.17	Planters / Baskets	4536	210	Northampton in Bloom	Open Spaces	Environmental Services	30/10/2022	
	05/10/2022	10859196	Idverde Ltd	£ 8,868.00	£ 1,773.60	£ 10,641.60	Planters / Watering	4536	210	Northampton in Bloom	Open Spaces	Environmental Services	30/10/2022	
	03/09/2022	10975295	Anglian Water t/a Wave Utilities	£ 5,212.66	£ 1,042.53	£ 6,255.19	Billing Rd 010421 -310322	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	03/09/2022	10977190(88889014401	Anglian Water t/a Wave Utilities	£ 141.99	£ 28.40	£ 170.39	Water Glebeland 010421-310322	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	05/09/2022	10985326	Anglian Water t/a Wave Utilities	-£ 5,212.67	-£ 1,042.52	-£ 6,255.19	Billing Rd 010421-310322	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	05/09/2022	10985377(88889014401	Anglian Water t/a Wave Utilities	-£ 40.90	-£ 8.19	-£ 49.09	Water Glebeland 010422-250822	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	05/09/2022	10986327	Anglian Water t/a Wave Utilities	£ 2,742.06	£ 548.41	£ 3,290.47	Billing Rd Interim	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	05/09/2022	10986642(88889014416	Anglian Water t/a Wave Utilities	£ 1,094.96	£ 218.99	£ 1,313.95	WaterHarlestonRd 010421-310322	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	05/09/2022	10986646	Anglian Water t/a Wave Utilities	£ 474.72	£ 94.94	£ 569.66	WaterHarlestonRd 010422-240822	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	09/09/2022	11007609	Anglian Water t/a Wave Utilities	-£ 736.19	£ -	-£ 736.19	Broadmead 010822-310822	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	15/09/2022	11035063	Anglian Water t/a Wave Utilities	-£ 1,144.74	-£ 548.41	-£ 1,693.15	Billing Rd 010421-300921	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	15/09/2022	11035065	Anglian Water t/a Wave Utilities	£ 5,162.32	£ -	£ 5,162.32	Billing Rd 011021-250722	4400	230	Repairs & maintenance	Allotments	Environmental Services	10/10/2022	
	21/09/2022	1020	Abington Wind Band	£ 100.00	£ -	£ 100.00	Kings Proclamation	4214	110	Civic Events	Civic and Democratic	Policy & Finance	21/10/2022	
	30/09/2022	139	All Saints Church	£ 1,000.00	£ -	£ 1,000.00	Civic Service 25/09	4214	110	Civic Events	Civic and Democratic	Policy & Finance	30/10/2022	
*	28/09/2022	682809	Creative Event Services	£ 1,400.00	£ 280.00	£ 1,680.00	Food B Sargeant Event	4214	110	Civic Events	Civic and Democratic	Policy & Finance	30/10/2022	
	20/09/2022	140	Council for Voluntary Service Northampton	£ 54.00	£ 10.80	£ 64.80	Payroll Sept	4010	101	Payroll Costs	Central Administration	Policy & Finance	04/10/2022	
	05/10/2022	166	Council for Voluntary Service Northampton	£ 54.00	£ 10.80	£ 64.80	Payroll Oct	4010	101	Payroll Costs	Central Administration	Policy & Finance	19/10/2022	
	22/09/2022	6675946	Eastern Shires Purchasing Organisation	£ 149.00	£ 29.80	£ 178.80	LED TV	4101	101	Office Supplies & Photocopying	Central Administration	Policy & Finance	22/10/2022	
	01/10/2022	1102022	Hannah Faulkner	£ 200.00	£ -	£ 200.00	Entertainment B Sargeant Event	4214	110	Civic Events	Civic and Democratic	Policy & Finance	30/10/2022	
	07/06/2022	119731	International Mailing Systems Ltd	£ 57.45	£ 11.49	£ 68.94	Toner Ink for franking machine	4101	101	Office Supplies & Photocopying	Central Administration	Policy & Finance	07/07/2022	
	05/09/2022	EXPENSES SEPT22	Clr. Dennis Meredith	£ 35.00	£ -	£ 35.00	Flowers RAF Crought Commander	4210	110	Mayoral Allowance	Civic and Democratic	Policy & Finance	05/09/2022	
	28/09/2022	16674	Microshade Business Consultants Ltd	£ 295.00	£ 59.00	£ 354.00	Account Support Sep	4155	101	Accounting Support	Central Administration	Policy & Finance	30/10/2022	
	06/10/2022	16738	Microshade Business Consultants Ltd	£ 596.32	£ 119.26	£ 715.58	Hosted System Oct	4128	101	Information Technology	Central Administration	Policy & Finance	30/10/2022	
	13/09/2022	INV-MCR2119	MICHAELS CIVIC ROBES LIMITED	£ 162.50	£ 32.50	£ 195.00	Charter Gift	4215	110	Civic Regalia	Civic and Democratic	Policy & Finance	13/10/2022	
	14/09/2022	INV-2260	Northants CALC Ltd	£ 30.00	£ 6.00	£ 36.00	Training (C Mac)	4027	101	Training & Staff Development	Central Administration	Policy & Finance	14/10/2022	
	01/10/2022	1250	Stage Right Productions	£ 975.00	£ 195.00	£ 1,170.00	Kings Proclamation	4214	110	Civic Events	Civic and Democratic	Policy & Finance	01/10/2022	
	14/09/2022	424001051715	West Northamptonshire Council	£ 16,644.40	£ -	£ 16,644.40	Guildhall Service Charge	4300	201	Service Charge	The Guildhall	Policy & Finance	14/10/2022	
	22/09/2022	424001077760	West Northamptonshire Council	£ 150.00	£ 30.00	£ 180.00	Kings Proclamation	4214	110	Civic Events	Civic and Democratic	Policy & Finance	22/10/2022	
	27/09/2022	424001087624	West Northamptonshire Council	£ 508.00	£ -	£ 508.00	Civic Sunday 25/9/22	4214	110	Civic Events	Civic and Democratic	Policy & Finance	27/10/2022	
	27/09/2022	424001087637	West Northamptonshire Council	£ 56.80	£ 11.36	£ 68.16	Civic Sunday Refreshments	4214	110	Civic Events	Civic and Democratic	Policy & Finance	27/10/2022	
	29/09/2022	424001088717	West Northamptonshire Council	£ 400.00	£ -	£ 400.00	B Sargeant	4214	110	Civic Events	Civic and Democratic	Policy & Finance	29/10/2022	
	06/10/2022	424001091144	West Northamptonshire Council	£ 42.60	£ 8.52	£ 51.12	Nigerian Flag raising refreshments	4214	110	Civic Events	Civic and Democratic	Policy & Finance	30/10/2022	
	05/10/2022	EXPENSES AUG&SEPT 22	Elisabeth Hawkins (Expense Claims)	£ 18.82	£ -	£ 18.82	Tea & Biscuits Mayors Parlour Folder for Mayors speech Marburg Cable Ties EID Notebook	4210 4101	110 101	Mayoral Allowance Office Supplies & Photocopying	Civic and Democratic Central Administration	Policy & Finance	05/10/2022	
	30/09/2022	EXPENSES SEPT 22	Julie Thorneycroft (Expense Claims)	£ 15.88	£ -	£ 15.88	Delivery of Proclamation invites & Attendance	4015 4216	101 110	Travel & Subsistence council Meetings & Room Hire	Central Administration Civic and Democratic	Policy & Finance	30/09/2022	
	27/09/2022	EXPENSES SEPT 22	Louise Hannam-Jones	£ 32.28	£ -	£ 32.28	Refreshments meeting 14/09 Fabric pens for Covid memorial Guest Book for B Sargeant	4216 4510 4214	110 315 110	Council Meetings & Room Hire General Events Civic Events	civic and Democratic Public Events Civic and Democratic	Policy & Finance Community Services Policy & Finance	27/09/2022	
	12/09/2022	6657	Tangerine Red Ltd	£ 173.00	£ 19.00	£ 192.00	Flyers reprint / leaflet artwork amends	4510 4536	315 210	General Events Bloom	Public Events Open Spaces & Environment	Community Services Environmental Services		12/10/2022
				£ 58,555.64	£ 6,607.36	£ 65,163.00								

Salaries / HMRC / Pension payments Sept.	Value	Payment Due Date	Ac Code	Description	Bank Payment Transaction Number
Salaries (Net) for Oct including Mayoral Allowance	£ 17,478.13	20/10/2022	520	Wages	
HMRC Oct	£ 7,901.90	30/10/2022	515	PAYE / NI	

Pensions	£	6,991.02	30/10/2022	516	Pensions
----------	---	----------	------------	-----	----------

Invoices received after list produced and not posted to the system or Officer approved.

07/10/2022	INV-0068	Classic Carriages	1292.25	0	1292.25	Mayors Transport Sept						
02/10/2022	11100462	Wave Utilities	949.72	0	949.72	Southfields Rd water Sept						
02/10/2022	11097865	Wave Utilities	49.61	0	49.61	Broadmead Water Sept						
07/10/2022	VOI0028817	Zen Office	89.79	17.96	107.75	Copier Charges 30.08.22 - 03.10.22	DD					
07/10/2022	45754-48319-3C	Horizon	576.1	115.22	691.32	Mobile/Landline / lease						

**Councillor Community Fund Grants**

**Councillor Community Grants for payment October 2022**

Grant Application Number	Applicant	Amount	Councillor
CCF86	Northampton BBOB RFC	£1,500	Councillor Marriott
CCF87	Shine Development CIC	£500	Councillor Holland-Delamere
CCF88	Northampton Moldovan Association	£1,124	Councillor Ashraf
CCF89	United African Association	£1,000	Councillor Ashraf
CCF90	The County Toy Library	£1,440	Councillor T Eales
CCF91	Martial Arts Academy	£600	Councillor Meredith and Fuchshuber
CCF92	Sundries and Parking Area	£1,000	Councillor Meredith and Fuchshuber
CCF93	Food for Ukrainian Independence Day	£500	Councillor Birch and Marriott
CCF94	Primrose Garden	£370	Councillor Birch
CCF95	Wall Games Ltd	£1,720	Clr Choudary
<b>General Grants Fund</b>			
<b>CG38</b>	NLIVE Radio Christmas -	£3,000	Councillor Community Grants that were approved for payment at the

Councillor Community Grants that were approved for payment at the Community Services Committee meeting 5th October 2022

**Special Note!**

- 1 For your records/reference – Stu Vincent, the professional photographer booked for OLB - Major's Proclamation (Sun 11<sup>th</sup> Sept) and Wreath Laying (Sat 10<sup>th</sup> Sept) - offered his services FOC.
- 2 Living Street Invoice SIN003912 £64.80 Bank Transaction 200932352 - invoice received after Accs sub-comm meeting 12th Sept. Invoice dated 31/03/22 never been received previously, given age payment was made and therefore retro approval required.
- 3 Unity Bank Multipay charge fee for corporate charge card £50
- 4 Chaps Payment £28
- 5 Bank Charge £18
- 6 We have been advised of the result of the UNISON ballot on the 2022/23 pay offer as follows:  
 For acceptance 63.5%  
 For rejection 36.5%  
 Turnout was 34%  
 It will be seen from the above that UNISON members have voted to accept the offer. However, in order for this to be finalised and paid to employees, GMB and/or Unite members acceptance is necessary. They close their consultations on 14 October for Unite and 21 October for GMB. We await both results in the hope of acceptance and early implementation.  
 A reminder that the Employers final offer was:  
 A £1,925 increase for all NJC pay points from 1 April 2022;  
 An increase in annual leave of 1 day for all employees from 1 April 2023 and  
 The deletion of pay point 1 from the spine with effect from 1 April 2023.

**NORTHAMPTON TOWN COUNCIL**

**Policy and Finance Committee**

**14<sup>th</sup> November 2022**

**OPTIONS ON THE REPLACEMENT OF COUNCILLOR'S CIVIC ROBES**

Purpose of Report: To seek the views of the committee on the options for the civic robes

<p><b>Recommended:</b> (a) Direction from the committee is asked for in terms of whether they want to replace the councillor robes, and if so how would they want to do it.</p>
---

At the recent Civic Matters meeting a report was considered giving details on the current condition of the robes. This subsequently went to this committee but deferred for further costs.

Based on the size of the current council, 23 blue council robes, one Mayor's robe and one Deputy Mayor's robe are required. The council inherited a total of 50 council robes from NBC, 1 Mayoral, 1 Deputy Mayor, 12 cabinet and 36 councillor robes.

This condition report, which is attached for the committee's information, detailed a recent inspection of the robes and made an observation on the condition of each robe, very good, okay, poor, very poor. It included the 12 cabinet robes (numbered 1 to 12 on the attached report) which are red and which the council does not use. Robes 13 to 48 are blue council robes of which three were classed as being in very good condition. The Mayor and Deputy Mayor's robe are also in good condition.

The Civic Matters Working Group were of the opinion that the council should look to replace all the blue councillor robes which are thought to have been made in the 1950s. Ultimately this is a decision for the Policy and Finance Committee.

Dependent on whether the committee wants to replace all robes then 23 would be required, if it is happy to keep the 3 that are considered to be in very good condition then this would require 20 robes.

Attached for members only are the details of three quotes to replace the robes.

There is no formal budget in the current financial year for the purchase of robes, so any expenditure would come from reserves. Alternatively, the Council could look to build this into the budgeting for the coming financial year.

The age of the robes means that refurbishment is not an option.

Three suppliers have been contacted;

Michaels Civic Robes who visited the Guildhall and gave their option on which robes needs replacing (see addendum 1)

The Shepherd and Woodward Group (addendum 2)

Ede & Ravenscroft – the original suppliers of our robes although their current records do not date that far back (addendum 3)















**NORTHAMPTON TOWN COUNCIL**

**Policy and Finance Committee**

**14<sup>th</sup> November 2022**

**ASSESSMENT AND REVIEW OF RISK MANAGEMENT AND INTERNAL CONTROLS STATEMENT AND STRATEGIC RISK REGISTER – REPORT OF TOWN CLERK**

**Deferred from last meeting**

Purpose of Report: To present to the committee the Risk Management and Internal Controls Statement and Strategic Risk Register which are required to be approved annually as part of the AGAR process.

**Recommended:** (a) That the committee assesses the documents and subject to any comments the council adopts them therefore carrying out the assessment of risk.  
(b) That quarterly management of the Strategic Risk register be delegated to the Accounts Sub-Committee

The Accounts and Audit Regulations 2015 require Councils to have a sound system of internal control. The Council is obliged to carry out a review of the effectiveness both of its internal controls and its system of internal audit.

The Annual Governance Statement contained within the AGAR which is completed annually after the end of the Financial Year also requires Members to agree that they have 'carried out an assessment of the risks facing the authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required'.

Members of the committee may recall last year that these documents were adopted. However, they are living documents that require annual review and where appropriate, amendment.

It should be noted that these are strategic documents and further process documents sit behind them where appropriate. It should also be noted that these documents will evolve, they are not all encompassing and will be added to when a risk is identified, especially as the Council takes on services and assets.

Attached for is the Risk management and Internal Controls Statement and the Strategic Risk Register. These documents will assist the council in ensuring that the proper checks are in place with regards to risk management and internal controls. Also complementing this are the processes as detailed in the previous agenda item.

It is proposed that a standing item of 'review of Strategic Risk Register' be placed on the Accounts Sub-Committee agenda on a quarterly basis so the Town Clerk and Finance Officer can keep members up to date on progress. The Town Clerk has reviewed and updated the risk register in consultation with the Finance Officer, however it is felt a quarterly reporting will further assist.

In addition to these documents, the Council has appointed an independent internal auditor. The role of the internal auditor is to assist the Council in fulfilling its responsibility for the prevention and detection of fraud and corruption, errors and mistakes. Currently, the internal auditor is scheduled to make two visits to the Council. At this time the internal auditor seeks to ensure that the documents to be sent to the external auditor are in order. The internal auditor produces a written report for the Council after both stages of the internal audit and highlights any deficiencies.

The external auditor is appointed as part of a contract with central government. Once a year they send out the AGAR as well as a request for supporting information. These are then assessed by the external auditor and a report sent back. These reports are then published and reported to the Council.

Northampton Town Council Strategic Risk Register			October 2022	S Carter	Key: TC =Town Clerk, ATC= Assistant Town Clerk, FO = Finance Officer, CO = Civic Officer						
--	--	--	--------------	----------	--	--	--	--	--	--	--

Ref No.	Name of Risk	Cause of Risk	Impact	Risk Owner	Original Risk Category (Likelihood /Impact)	Current Control Measures	Actions to be undertaken as additional measures in 2021/22	Were these actions completed in 2021/22	Actions to be undertaken in 2022/2023	Owner of Action	Current Risk Category (Likelihood /Impact)	Insurance cover held
1	Injury or death to person, including staff and councillors	accidents due to: poorly maintained building or equipment, trips and falls, hot surfaces and other scalds & burns, poorly planned events, terrorism	death or injury to person	TC WNC (TC landlord)	Medium L3 x I3 9	Regular meetings with WNC facilities, training and procedures, use of risk assessments for events and high risk activity when required. Health and Safety activity including consultant support. H&S input and management by members and senior offices	Continued training and ongoing identification of risk, continued use of risk assessments. Appointment of H&S consultant	Yes	Continued training and ongoing identification of risk, continued use of risk assessments. Continued increase in H&S input and management from senior officers and all staff. Continued meetings with WNC officers Advice to be sought on events H&S from Stage Right who produce events risk assessments for council events	TC	Medium L2 x I3 6 ↓	public liability,
2	Staff wellbeing	failure to recruit and maintain staff morale, failure to maintain staff health, significant workloads	loss of staff, loss of staff dedication, performance & good will	TC	Medium L2 x I3 6	Staff meetings, 1:1 meetings, staff appraisals, staffing plan, training budget	Look at social events, staff questionnaire, internal communications, Employee Assistance Programme, staff training programme, supporting charity days, staff counselling service	Partially	Investigate further options	TC & ATC	Medium L2 x I3 6	employers liability
3	Reputation	poor information provided to public, poor service & events provided to public, poor decision making by officers and councillors	loss of council reputation, loss of income, loss of public support	TC	Low L2 x I2 4	website up to date and accurate, well trained officers, careful management of services, staff training, continued development of communications, training of councillors, appropriate use of social media accounts	undertake public consultation where appropriate, continue liaison with the media, develop a strategic plan for Town Council Implement staffing plan	Ongoing	Strategic Plan about to commence as of January 2023	TC	Low L2 x I2 4	slander
4	Financial systems	limited number of staff fully trained on all aspects of the financial system	inaccurate or unlawful budget management, inability to pay suppliers, lack of internal checks and controls	TC	Medium L2 x L2 6	additional staff trained in some aspects of budget/finance systems, continued development of Finance Team skills and competencies Processes and ways of working and filed for all to access	New staff given training where appropriate for their job role	N/A	As established mitigation	TC & FO	Low L2 x I2 4 ↓	fraud
5	Compliance with legislation	lack of awareness of or failure to comply with legislation	NTC liable to enforcement activity or legal action	TC	Medium L2 x I3 6	Staff encouraged to be aware and understand legislation, staff training, careful service planning, use of internal audit and other checks and controls to ensure continued compliance, consideration of legislation when designing new services, membership of professional bodies by managers, use of professional / consultant support where appropriate, CPD training by managers	use of internal audit and other checks and controls to ensure continued compliance, consideration of legislation when designing new services where applicable, membership of professional bodies by managers, H&S audit, CPD training by managers. Some staff commenced CiLCA, and FiLCA	Partially	Completion of CiLCA/iLCA / FiLCA by relevant staff	TC	Low L1 x I3 3 ↓	public liability
6	Poor service to customers	lack of equipment, lack of staff training, lack of service planning	Loss of reputation	TC	Low L2 x I2 4	staff training, equipment maintenance and purchase budgets in place, staff assigned cover roles	Continual review as we take on more services Extra staff to ensure office cover	Partially	Continue with established mitigation and continue to review staff training Training for cover staff	TC	Low L2 x I2 4	public liability

Ref No.	Name of Risk	Cause of Risk	Impact	Risk Owner	Original Risk Category (Likelihood /Impact)	Current Control Measures	Actions to be undertaken as additional measures in 2021/22	Were these actions completed in 2021/22	Actions to be undertaken in 2022/2023	Owner of Action	Current Risk Category (Likelihood /Impact)	Insurance cover held
7	Poor communications	lack of good communication: internal and external	poor decision, poor staff morale, mis-informed public, missed publicity opportunities	TC	Low L1 x I2 2	website up to date and accurate, well trained administration team, careful management of services  Frequent comms meetings  Targets set	Development of newsletter	No	Town Council branding exercise to be undertaken to lead to newsletter  Comms training for appropriate staff  Review of website  Comms meetings	TC & ATC	Low L1 x I2 2	public liability
8	Partnership working	working with partnerships with different priorities, processes and resources - also failure to maintain partnerships	loss of reputation, nugatory effort by NTC officers	TC	Low L1 x I2 2	detailed exploration before any partnerships, formal and informal , entered into regular assessment of value of project / partnership	ongoing	N/A	To build on relationship with WNC Liaise with other town councils specifically those of a similar size and/or relatively new councils Build relationships with parishes in form NBC area	TC	Low L1 x I2 2	public liability
9	NTC profile / public perception	poor public understanding of the role of the council and our services	Lack of public engagement	TC	Low L2 x I2 4	website up to date and accurate, deliberate and positive publicity concerning services and issues, use of social media including sharing of partners information Attendance at prominebt events to promote the council	Development of newsletter	Partially	Development of branding, introduction of a newsletter  Attendance at events	TC & ATC	Medium L2 x I2 4	slander
10	Loss of equipment, funds or income	theft, fraud, poor control	loss of funds / resources, loss of reputation	TC	Low L2 x I2 4	internal audit, financial accounting system, consideration of security of equipment,	Detailed asset register to be completed from existing separate sources, accurate values to be provided to insurance company. Guidance issued to staff who are home working	Yes	Continued review of the Councils Assets.	TC	Low L2 x I2 4	fraud, vehicular, public liability, all risks
11	IT	loss of service, loss through loss of building / ability to do business, loss of IT	loss of service, loss of customers, loss of reputation	TC	High L3 x I4 12	maintenance of building and IT systems, use of external support, use of cloud based storage through Microshade	Consideration of Business Continuity Plan. Some staff working from home	Partially	Business Continuity Plan needs to be drafted, majority of staff now based in office, WFH rarely though ability is there	TC	Medium L2 x I3 6 ↓	Business interruption
12	Leadership	The vision of the Council as an ambitious, innovative and politically led Council is not realised	loss of reputation, lack of public engagement	TC	Low L2 x I2 4	website up to date and accurate, development of communications, use of social media accounts.	Ongoing development of the Councils vision/strategy document, setting of goals for TC	Partially	Development and Implementation of the Council's vision, objectives and NTC Plan	TC	Low L2 x I2 4	n/a
13	Leadership & Management from councillors	Lack of Strategic direction and leadership	Ability of Council to set objectives aligned to service delivery	TC	Low L1 x I2 2	Regular Management Team meetings Meetings with Cllrs	Member and officer training, member workshops.	Partially	Ongoing development of the Councils vision, objectives and Corporate/Strategic Plan	TC	Low L1 x I2 2	n/a
14	Overall Management	Lack of effective management of Services	Poor performance loss of reputation not achieving best value	TC	Low L1 x I2 2	Regular Team meetings, experienced qualified staff  One to ones  Appraisal process	Continue to implement a regular officer budget monitoring review process	Yes	Establish and report key performance indicators. Establishment of scrutiny process. Create individual training plans Delivery of procurement training to ensure best practise	TC	Low L1 x I2 2	Official Indemnity
15	Financial	Failure of WNC to pay precept	Risk to service delivery, Increase pressure on other budgets	TC	Low L1 x I3 3	Dialogue with WNC, establishment of reserves	Continued establishment of reserves	Yes	5 year financial plan	TC & FO	Medium L1 x I3 3	Public Liability, Property



Ref No.	Name of Risk	Cause of Risk	Impact	Risk Owner	Original Risk Category (Likelihood /Impact)	Current Control Measures	Actions to be undertaken as additional measures in 2021/22	Were these actions completed in 2021/22	Actions to be undertaken in 2022/2023	Owner of Action	Current Risk Category (Likelihood /Impact)	Insurance cover held
16	Financial	Failure to adequately manage finances leads to an overspend which is unsustainable in the medium term	Reduction in usable reserves, qualified audit opinion, Unacceptable increase in precept	TC	Low L1 x I2 2	Financial controls set out in Standing Orders and Financial Regulations. Clarity of budgetary responsibilities Regular reporting at monthly Account Sub Committee	Regular review of Standing Orders and Financial Regulations. Enhance budget monitoring.	Partially	Development 5 year financial plan Review SO and FR	TC & FO	Low L1 x I2 2	n/a
17	Procurement	Failure to procure supplies and services correctly resulting in legal challenge or poor value for money	Risk of legal challenge, loss of reputation	TC	Medium L2 x I3 6	Financial controls set out in Standing Orders and Financial Regulation. Procurement procedure drafted	Use of procurement adviser when tendering for new contracts	N/A	Review of F/R and S/O to ensure specific controls are in place Procurement training for all officers Procurement presentation by FO and TC	TC & FO	Low L1 x I3 3 ↓	Official Indemnity
18	Policies	Failure to introduce and implement appropriate policies	Council work streams not managed in line with legal requirements or best practise	TC	Medium L2 x I3 6	Policies as drafted are reviewed and adopted by Full Council	Annual review of current policies adopted/policies to ensure they remain relevant and fit for purpose. Continue to keep up to date with legislation and amend and implement new policies as required.	Yes	Continue to keep up to date with legislation and amend and implement new policies as required. Ensure communication of new policies to officers	TC & ATC	Medium L2 x I3 6	Official Indemnity, Employers Liability, Public Liability
19	ICT / Data	Loss of ICT or data through cyber attack	Confidentiality compromised, loss of sensitive information	TC	High L3 x I4 12	Firewall and security on IT managed through Microshade,use of cloud based storage,	Continued use of Microshade	Yes	Drafting of Data Retention Policy	TC	Low L2 x I2 4 ↓	fraud
20	General Data Protection Regulations	Failure to safeguard personal information or the misuse of information leads to a breach of the regulations	Confidentiality compromised, loss of sensitive information	TC	Medium L2 x I4 8	Firewall and security on IT managed through Microshade,use of cloud based storage,	Continued review of policies and procedures Purchase of shredder	Yes	Implementation of Data Retention Policy. Cleansing of data files.	TC	Medium L2 x I4 8	Official Indemnity, Public Liability
21	Climate Emergency Response	Failure to reduce to implement climate change resolution, failure to account for environmental impact in services and procurement	loss of council reputation, loss of public support	TC	Low L1 x I2 2	Establishment of Climate Change Forum	Progress with Climate Change Forum	Yes	ongoing with established mitigation	TC	Low L1 x I2 2	n/a
22	Health & Safety	Failure to protect the Health, safety & Wellbeing of staff and/or contractors and Public	Significant financial and /or reputational damage Physical and/or mental impact	TC	Medium L2 x I3 6	Appointment of Ellis Whitham as H&S Consultant and nominated person	Formulate all required documents and RA with Ellis Whitham	Yes	Appropriate staff to receive regular H&S training, staff attend formal H&S training where needed, re-establish hub with EW	TC	Medium L2 x I2 4 ↓	Employer Liability, Public Liability
23	Safeguarding	Failure to safeguard children or vulnerable adult e.g. Lost Children services	Significant financial and /or reputational damage, legal challenge	TC	Low L1 x I4 4	None at present as not dealing directly with young people or vulnerable adults	None	N/A	To be reviewed as council takes on services and begins to work with partnership organisations	TC	Low L1 x I4 4	Official Indemnity

Ref No.	Name of Risk	Cause of Risk	Impact	Risk Owner	Original Risk Category (Likelihood /Impact)	Current Control Measures	Actions to be undertaken as additional measures in 2021/22	Were these actions completed in 2021/22	Actions to be undertaken in 2022/2023	Owner of Action	Current Risk Category (Likelihood /Impact)	Insurance cover held
24	Asset Management	Failure to manage, invest and maintain Councils Assets	Gradual deterioration and long term costs higher than necessary, Reputational Risk, Unexpected expenses occurring	TC	High L3 x I4 12	None at present as Council has no physical assets	N/A	N/A	As and when assets are adopted, a plan will need to be formulated to develop a management plan	TC	Medium L2 x I4 8 ↓	Property
25	Pension Provision	Level of commitments	Reduction in funds available to front line services, Risk to reputation, loss of public support	TC	Low L1 x I3 3	Robust financial planning, Accounts Sub-Committee monitors expenditure	N/A	N/A	ongoing with established mitigation	TC & FO	Low L1 x I3 3	n/a
26	Pension input	Incorrect amount paid	Loss of funds, incorrect pension attributed to wrong person	TC	Low L1 x I2 2	Data taken from information provided by payroll provider. Tolerance check in place if difference is more than 10% compared to previous figure requiring further check by TC	N/A	N/A	Ongoing with established mitigation	TC & FO	Low L1 x I1 2	
27	Continuity Planning	Failure to undertake continuity planning including business continuity, community emergency plan. Operational risk register	Delivery of services is compromised	TC	Medium L3 x I3 9	Business continuity insurance, Officers have the ability to work from home, use of cloud based storage, mobile phones for staff, procurement of an external IT support service	Development of a Business Continuity plan	No	Final Business Continuity plan in place	TC	Medium L2 x I3 6 ↓	Business Continuity
28	Governance	Failure to make robust informed decisions in compliance with legislation, consultation, openness, scrutiny, high quality data etc.	Failure to achieve these high standards can lead to both reputational and financial loss.	TC	Low L1 x I3 3	Internal Audit carried out by recognised auditor, Financial regulations regularly updated. Processes and procedures followed. Key Staff trained. Annual Review	Town Council review undertaken by the Council's Internal Audit	Yes	ongoing with established mitigation	TC	Low L1 x I3 3	Official Indemnity
29	Financial	Incorrect payment entry, paying the wrong person	Loss of funds, reputational damage	TC	Low L1 x I3 3	Monthly accounts sub committee meetings. All payments presented for approval before paying, 3 stage process	Continue to review process	Yes	Ongoing with established mitigation	TC & FO	Low L1 x I3 3	N/A
30	Events	Failure to get information from WNC before transfer of events, H&S	Not able to deliver successful events as agreed H&S not in place	TC	Medium L3 x I3 9	Continual meetings with WNC staff, note taking and processes recorded, meetings with Stage Right who event manage and responsible for H&S advice	Recruitment of event officer	Yes	Development of events team, look at events apprentice Tendering of events support contract	TC & ATC	Medium L3 x I3 9	Public liability
31	COVID	Outbreak of Covid in office	Danger to office staff, lack of office cover, inability to facilitate meetings, loss of reputation	TC	Medium L3 x I3 9	Follow government guidance, sanitiser readily available, staff have own offices. Mask encouraged when walking, working from home an option if there is cover in the office	N/A	Yes	Ongoing with established mitigation	TC	Medium L3 x I3 9	Employers liability
Ref No.	Name of Risk	Cause of Risk	Impact	Risk Owner	Original Risk Category (Likelihood /Impact)	Current Control Measures	Actions to be undertaken as additional measures in 2021/22	Were these actions completed in 2021/22	Actions to be undertaken in 2022/2023	Owner of Action	Current Risk Category (Likelihood /Impact)	Insurance cover held

32	NTC profile / public perception	Members fail to adhere to code of conduct	Loss of reputation and confidence in members and the council	TC	Low L1 x I3 3	Members asked to review register of interests regularly, training provided, standing item of declaration of interests at every formal meeting	Gifts and hospitality registry to be created	Yes	Additional training where appropriate Adoption of civility and respect pledge	TC	Low L1 x I3 3	N/A
33	Allotments	Failure of WNC contractor to manage allotments Failure to pay associated costs i.e. water bills	Loss of Council reputation, request for significant financial contribution at short notice	TC	Medium L3 x L2 6	Establishing a licence agreement with WNC Establish water provider accounts	Look to meet regularly with contractor	Partially	Formal working arrangement with WNC and contractor Continue to update online water account and monitor expenditure	TC	Medium L3 x L2 6	N/A
34	Financial - Failure of banks	Financial instability of bank	Loss of Council's money	TC	Medium L4 x L2 8	Monitoring of reports, press articles etc. regarding Councils current banking provider	Splitting money between other banks	Yes	Development of Investment policy Development of long term investment plan	TC & FO	Low L4 x L1 4 ↓	N/A
35	General Power of Competence	Loss of qualified Clerk, less than two thirds of Cllrs are elected as opposed to co-opted	Loss of General Power of Competence meaning specific powers have to be identified to carry out duties, possible difficulties in taking on services	TC	L2 x L2 4	Clerk required to be qualified	N/A	Yes	Current mitigation	TC	L2 x L2 4	N/A
36	Car	Loss of car, accident, car caught speeding	Damage to reputation, financial impact, injury or loss of life	TC	L3 x L2 6	Only named insured drivers permitted to drive, Classic Carriages now provide all drivers. Town Clerk is a named driver. Car always kept at St John Car park in secure location	N/A	N/A	Monitor arrangement with Classic Carriages, new drivers given an induction	TC and CO	L3xL2 6	Yes
37	Muniments	Loss or damage of muniments, fire, theft	Loss of civic history, damage to reputation, financial	TC	L4 x L1 4	All regalia is stored in secure cabinets, alarmed, specialist insurance held, recent valuation undertaken WNC to monitor alarms, new signing out process introduced, not permitted to be signed out without TC consent	N/A	N/A	Current mitigation	TC and CO	L4 x L1 4	Yes

## RISK SCORES

IMPACT	SCORE	DESCRIPTION (THREATS)	POSSIBLE INDICATORS
Major	4	Major loss of service,	disruption over 5 days,
		Major injury/death risk to people, Major financial/budgetary implications,	One or more fatalities,
		Prosecution by Enforcing Authorities, Statutory/legislative mandate,	Financial loss over £500k,
		National media coverage,	Notice of Improvement Notice being served,
		Significant impact on performance	New regulations/Directive from Central Government, Newspaper/radio reports,
			Major delays in projects affecting service delivery
Serious	3	Loss of major service,	Service disruption 2-5 days,
		Major injury risk to people,	Major injuries to individual/several people,
		Serious financial/budgetary implications,	Financial loss £50-500k, Unscheduled Audit inspection/HSE visit,
		Attract scrutiny by Regulatory Bodies, Political mandate,	Impending legislation,
		Local media coverage,	Enquiries from local press/radio, Delays affecting the smooth flow of service delivery
		Medium impact on performance	
Significant	2	Significant impact on service objectives,	Service disruption 1-2 days,
		Severe injuries,	Some effect on normal work routines, Financial loss £5-50k,
		Significant financial/budgetary implications,	Questions raised through members, Minor delays quickly remedied
		Increased public awareness,	
		Low impact on performance	
Minor	1	Minimal disruptions not affecting service,	Minor disruptions in work routines,
		Very minor injuries to personnel, Minor financial loss	Not affecting work routines,
			Financial loss less than £5k

LIKELIHOOD RATING	SCORE	DESCRIPTION (THREATS)	POSSIBLE INDICATORS
Very likely	4	More than 75% chance of occurrence	Regular occurrence, Circumstances frequently encountered - daily/weekly/monthly
Likely	3	40%-75% chance of occurrence	Likely to happen at some point in the next 1-3 years, Circumstances occasionally encountered (few times a year)
Unlikely	2	10%- 40% chance of occurrence	Only likely to happen once every 3 or more years
Very unlikely	1	Less than 10% chance of occurrence	Has happened rarely/never before

**RISK SCORES MATRIX**

Very likely L I K E L I H O O D	4	8	12	16
Likely	3	6	9	12
Unlikely	2	4	6	8
Very unlikely	1	2	3	4
	Minor	Significant	Serious	Major

**IMPACT**



# NORTHAMPTON TOWN COUNCIL

## RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

### RESPONSIBILITY

The Accounts and Audit Regulations 2015 require Councils to have a sound system of internal control which:

- a) Facilitates the effective exercise of its functions and the achievement of its aims and objectives
- b) Ensures that the financial and operational management of the authority is effective and
- c) Includes effective arrangements for the management of risk.

Councils are also required to undertake an effective internal audit, to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

Each financial year, an authority must conduct a review of the effectiveness of its system of internal control, prior to completion of the annual governance statement.

This requirement is reflected in the Town Council's Financial Regulations at 1.6.

### PURPOSE OF STATEMENT

The purpose of the Risk Management and Internal Control Statement is to evidence that risks are being managed to a reasonable level. It cannot provide an absolute assurance of effectiveness but through its ongoing review, will identify and prioritise potential risks and the measures required to minimise these. Risks may be strategic, operational, financial or in respect of compliance.

The Town Council's policy on risk management is as follows:

***Northampton Town Council recognises that it has a responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its aims and to maximise opportunities to achieve its vision and objectives.***

The Risk Management and Internal Control Statement, and Strategic Risk Register will be reviewed annually by the Town Council's Policy and Finance Committee

### ROLES

Risk management is embedded in the day to day culture and operation of the Town Council and as such, responsibility rests with all those who have a key role within the Council. The primary role of elected Members is in setting both budget and policy, such that day to day operational decisions may be made by the Town Clerk and his staff. Considered by Policy and Finance Committee 4 October 2021, adopted by Council 24 October 2022



**COUNCIL** – to ensure compliance with Town Council policies and legislative responsibilities and to set the annual budget.

**COMMITTEES** (all Committees, with an overarching responsibility sitting with the Policy and Finance Committee) – to set policy, to scrutinise and approve proposed expenditure beyond delegated limits, to monitor budgets, to assess risks and to make decisions accordingly.

**BANK SIGNATORIES** – to review proposed expenditure.

**TOWN CLERK AND RESPONSIBLE FINANCIAL OFFICER** – to provide advice to Council/Committees on matters of compliance, to oversee budgetary planning and control, to ensure compliance with policies and legislative requirements, to authorise expenditure in accordance with Financial Regulations.

**SENIOR OFFICERS** – to ensure best value, to authorise expenditure within agreed budget lines and parameters, to ensure policies and procedures are followed.

**ALL EMPLOYEES** – to comply with Council-wide policies including health and safety, data protection, financial regulations and standing orders.

## **INTERNAL CONTROL**

Internal control is the range of policies, procedures and other arrangements designed to safeguard the assets of the Town Council and to reduce the potential for losses through fraud or error.

As a Parish Council, the Town Council has no constitution as such but its two key governing documents are its Standing Orders and Financial Regulations. These documents are primarily based on the model issued by the National Association of Local Councils and are reviewed annually.

A suite of other policies and procedures cover operational matters in terms of staffing, budgetary control, expenditure approvals, health and safety, data protection and risk management.

## **FINANCIAL CONTROL**

A significant number of policies and procedures govern the financial arrangements of the Town Council, as set out in the Financial Regulations. Policies are reviewed and endorsed by Council and implemented by Officers.

In setting the annual revenue budget, standing Committees and Full Council have a responsibility to review, evaluate and approve budget recommendations. In approving the final budget, authorisation is given for expenditure according to the constraints and procedures set out in Financial Regulations.

As a larger Town Council, it is essential that authority be delegated to a number of  
Considered by Policy and Finance Committee 4 October 2021, adopted by Council  
24 October 2022

functions in order to ensure operational effectiveness on a day to day basis. The **attached** diagrams provide an overview of the different roles and responsibilities of all involved, from Full Council to Committee to cheque signatories and to a number of officers.

The Town Clerk is also appointed Responsible Financial Officer and is supported in this role by the Administration Officer and Finance Assistant.

By way of ongoing scrutiny, each standing Committee will receive a quarterly budget monitoring report throughout the year. The Accounts Sub-Committee receives reports outlining all expenditure on a monthly basis as well as quarterly budget monitoring reports for all budget lines. The purpose of monitoring reports is not to question expenditure which has already been incurred but to provide assurance.

Budget management for capital projects will be undertaken through the development of a five-year financial plan. The plan is yet to be drafted and is referred to in the internal controls risk register as an action.

## **RISK MANAGEMENT**

The Town Clerk and supporting officers will review the Risk Register line by line each municipal year and identify areas of potential risk for which actions must be taken. The resulting Action Plan will be brought to Committee and Council each year for approval.

A report is provided to the Policy and Finance Committee half-way through the year to provide a progress update on the Risk Register Action Plan.

In addition to the full annual review, the Risk Register will be updated throughout the year as appropriate, as a result of new services, assets or functions.

Risk management for ad-hoc or short term projects and activities (e.g. community events) is undertaken by way of risk assessments.

## **INTERNAL AUDIT**

The Town Council appoints an Internal Auditor and will receive two reports each year, an interim report and an end of year report. The Internal Auditor has access to all documentation and undertakes some work remotely and some from within the office.

The internal audit report will always include an assessment on accounting arrangements, bank reconciliations, corporate governance, expenditure, risk assessment/management, budgetary control, investments and reserves and review of income, petty cash and salaries.

A five-year plan will be developed for the internal auditor to focus on specific areas of the Town Council's operations.

The Internal Auditor is independent and fulfils no other role within the Town Council.

Considered by Policy and Finance Committee 4 October 2021, adopted by Council 24 October 2022

Any recommendations made in the internal audit reports will be brought to the attention of the Accounts Sub-Committee and actions agreed.

## **EXTERNAL AUDIT**

An external auditor is appointed for the Town Council and submits an annual External Auditor's Report to Council. Any matters raised on the Annual Return statement are reviewed by Council with any necessary actions duly minuted for officers to implement.

## **BUSINESS CONTINUITY**

The Town Council will prepare a Business Continuity Plan for its primary office site. This will be reviewed and updated on an annual basis.

Employee contact details are held on a cloud based system which can be accessed remotely by senior officers.

Town Council data is held partly on site and partly in the cloud. Robust back-up procedures are in place for both and these procedures are reviewed on a regular basis.

## **ASSETS**

The Town Council maintains an Asset Register which is updated on an ongoing basis and is reviewed by the Policy and Finance Committee once per year.

This register will be added to and monitored as the Town Council takes on more assets.

## **INSURANCE**

The Town Council will review its insurance arrangements every three years to ensure best value and best protection. Insurance policies cover physical assets but also public liability, employee liability and a fidelity guarantee (indemnity to an organisation against any monetary loss sustained as a result of an act of fraud or dishonesty committed by their employees).

## **EMPLOYEES**

The Town Council has recently appointed Ellis Whitham as its HR and H&S provider and will develop a suite of policies and procedures relating to employees, including an Employee Handbook, Sickness Absence procedure, Prevention of Bullying and Harassment procedure, Grievance management, Performance management, Appraisal procedure, Disciplinary procedure and Whistle Blowing procedure.

Ellis Whitham will also provide advice to safeguard against issues arising from disputes with employees.

Considered by Policy and Finance Committee 4 October 2021, adopted by Council 24 October 2022

The Town Council operates a policy of encouraging ongoing training and personal development in order to meet targets, maximise effectiveness and to build ongoing job satisfaction.

A wide range of operational procedures are developed in order to safeguard against loss of knowledge following the departure of key employees.

## **COUNCILLORS**

The Town Council operates a policy of encouraging ongoing training for Councillors in order to increase understanding and awareness, improve effectiveness, ensure compliance with legislative requirements and to increase role satisfaction.

The Town Council is developing a suite of policies and procedures to guide and safeguard Councillors including the Code of Conduct, Declaration of Interests, Dispensations Procedure, Councillor/Officer protocol and Press protocol. In addition to the requirement to submit a Register of Interests, the declaration of interests is an agenda item for every Town Council meeting and is included in the minutes as a matter of public record.

## **FINANCIAL MANAGEMENT: ROLES OF COUNCILLORS**

**The Council as a corporate body is responsible for controlling expenditure through the setting of the annual budget and ensuring that an adequate system of internal control is in place.**

### COUNCIL

TO SET THE ANNUAL BUDGET, DETERMINE THE PRECEPT  
APPROVE YEAR END ACCOUNTS, WRITE OFF BAD DEBTS  
AUTHORISE THE PURCHASE OR DISPOSAL OF LAND  
AUTHORISE CAPITAL EXPENDITURE, APPROVE TAKING OUT A LOAN.

### POLICY AND FINANCE COMMITTEE

FIRST AND LAST COMMITTEE TO REVIEW DRAFT BUDGET FOR FOLLOWING YEAR:  
RECOMMENDATION TO COUNCIL IN TERMS OF BUDGET AND PRECEPT  
OVERSIGHT OF ALL BUDGET EXPENDITURE (QUARTERLY MONITORING)  
APPROVAL OF EXPENDITURE OVER £5,000 FROM COMMITTEE REVENUE BUDGET OR  
EARMARKED RESERVES  
TO RECEIVE AND CONSIDER INTERNAL AND EXTERNAL AUDITOR'S REPORTS

### STANDING COMMITTEES

Considered by Policy and Finance Committee 4 October 2021, adopted by Council 24 October 2022

TO REVIEW DRAFT COMMITTEE BUDGET FOR FOLLOWING YEAR AND MAKE A  
RECOMMENDATION TO POLICY & FINANCE COMMITTEE

QUARTERLY BUDGET MONITORING OF COMMITTEE BUDGETS

APPROVAL OF EXPENDITURE OVER £5,000 FROM COMMITTEE REVENUE BUDGETS OR  
EARMARKED RESERVES

SUB-COMMITTEES

TO MAKE RECOMMENDATIONS TO PARENT COMMITTEE FOR EXPENDITURE, EXCEPT WHERE  
SPECIFIC DELEGATED AUTHORITY HAS BEEN GIVEN FOR EXAMPLE ACCOUNTS SUB-COMMITTEE  
WITH REGARDS TO PAYMENTS AND THEIR APPROVAL

CHEQUE SIGNATORIES (4 INDIVIDUAL COUNCILLORS)

TO SCRUTINISE PROPOSED SCHEDULES OF PAYMENTS, QUESTION WHERE APPROPRIATE,  
CHECK RELEVANT PAPERWORK IS CORRECT & PROCEDURES FOLLOWED, TO SIGN OFF  
CHEQUE OR BACS PAYMENT IF SATISFIED THAT ALL IS IN ORDER.

**FINANCIAL MANAGEMENT: ROLES OF OFFICERS** It is the responsibility of **all**  
**officers to seek best value for the product or service, through obtaining**  
**comparative quotes or through a tender process**

TOWN CLERK & RFO

TO OVERSEE DEVELOPMENT OF THE ANNUAL BUDGET

TO DEVELOP THE COUNCIL'S FIVE YEAR FINANCIAL PLAN

TO AUTHORISE EXPENDITURE OF UNDER £5,000 FROM APPROVED REVENUE BUDGETS OR  
EARMARKED RESERVES (OR UNDER £2,500 OUTSIDE APPROVED BUDGETS)

TO AUTHORISE USE OF TOWN COUNCIL CREDIT CARD (WHEN ACQUIRED) AS PER PROCEDURE

TO AUTHORISE SALARY PAYMENTS AND AMENDMENTS

ACCOUNTANT

SCRUTINY OF MONTH END AND YEAR END PROCESSES

DEVELOPMENT AND REGULAR REVIEW OF FIVE YEAR FINANCIAL PLAN

PROFIT AND LOSS MONITORING FOR TOWN COUNCIL SERVICES

RECONCILE MONTHLY PAYROLL

FINANCE OFFICER

TO PREPARE A DETAILED ANNUAL BUDGET AND PRECEPT RECOMMENDATION  
SUBMISSION TO COMMITTEE

TO PREPARE AND SUBMIT ANNUAL PENSION RETURN

RECONCILIATION OF CREDIT CARD PAYMENTS AS PER PROCEDURE

TO MANAGE PAYROLL AND THE LOCAL GOVERNMENT PENSION SCHEME

TO OVERSEE MONTH END AND YEAR END PROCESSES

TO VIRE PAYMENTS BETWEEN BUDGETS UPON AUTHORISATION OF TOWN CLERK OR  
COMMITTEE

TO INVESTIGATE AND MAKE RECOMMENDATIONS FOR INVESTMENTS IN ACCORDANCE WITH  
COUNCIL POLICY

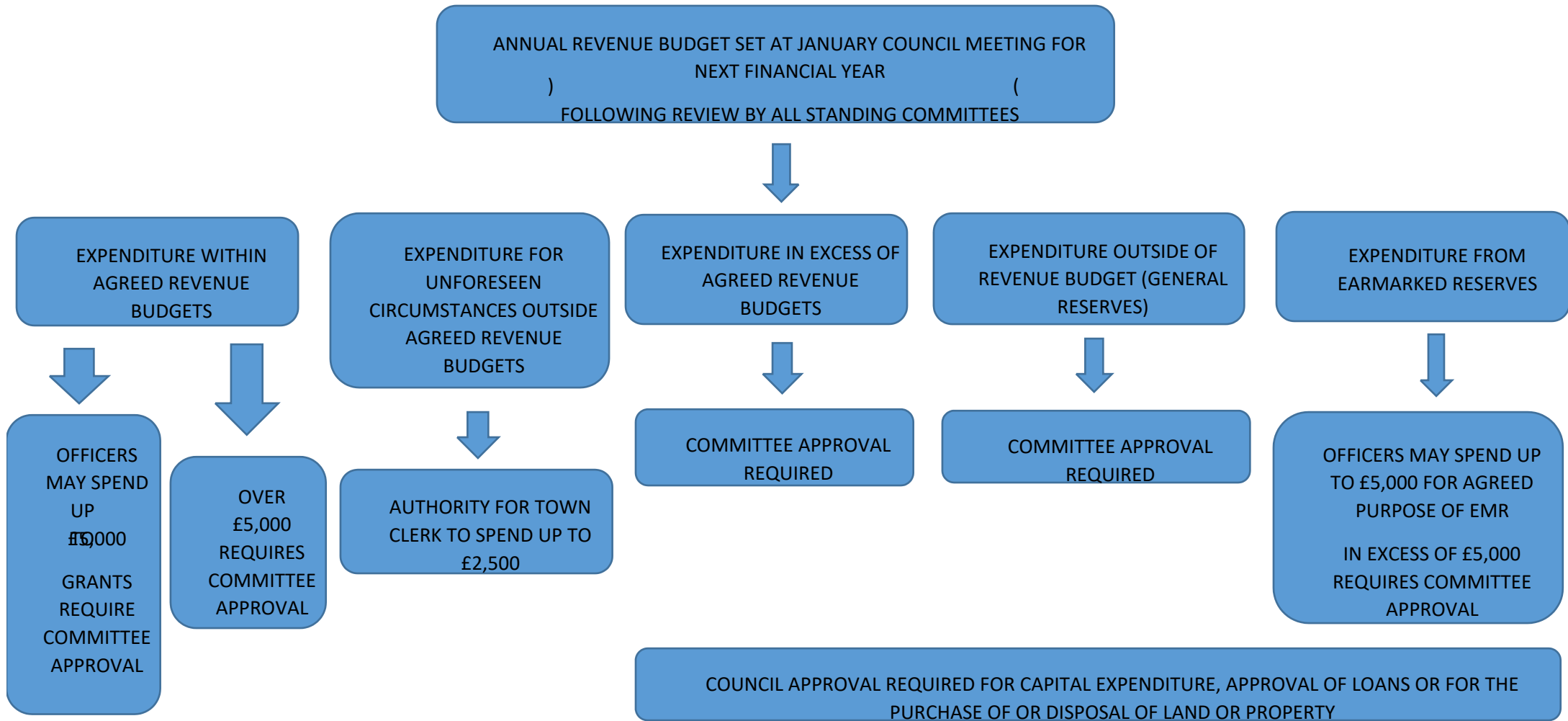
OVERSEE YEAR END ACCOUNTS AND COMPLETE ANNUAL RETURN (AND ANY  
OTHER RELEVANT REQUIREMENTS IN ACCORDANCE WITH LEGISLATION) IN  
ACCORDANCE WITH THE REGULATIONS.

TO PERIODICALLY REVIEW BANK ACCOUNT AND ENSURE BANK MANDATE IS UP TO DATE

TO ENSURE COMPLIANCE WITH FINANCIAL REGULATIONS & OTHER PROCEDURES

TO REVIEW FINANCE RELATED PROCEDURES AND POLICIES AS APPROPRIATE

# FINANCIAL EXPENDITURE PROCESS



Considered by Policy and Finance Committee 4 October 2021, adopted by Council 24 October 2022





**Northampton Town Council**

**Policy and Finance Committee**

**14<sup>th</sup> November 2022**

**Budget Principles – report of Town Clerk**

**Purpose of report:** To invite the Committee to consider the Council's first draft budget for 2023/24 as attached

**Recommended:** i) That, the committee consider this first draft budget and the principles contained therein to take forward to the committees.

Following a meeting with officers a draft budget has been drafted. This budget takes into account the current spend, predicts a forecasted spend in the current year and puts forward a recommended amount for the coming year. There are a number of figures that are set, staff costs, office costs etc. and there are some that are for the committees and council to make recommendations.

It is understood that the council wants no increase in the band D equivalent.

The process for setting the budget is as follows:

1. Policy and Finance Committee set budget principles
2. Committees consider their elements and make recommendations
3. Policy and Finance Committee consider these and draft final budget for recommendation to the Council
4. Council considers final budget and subject to any final amendments approves the final budget in January
5. The precept request is sent to the WNC who are the precepting authority and collect it on behalf of town and parish councils and the police and fire authority.

Key elements not yet known are the tax base, a provisional figure should come from WNC in December. The tax base at a basic level for Council tax purposes is the amount of properties in an area eligible to pay council tax. The tax base will be affected by the number of empty properties, discounts, people on benefits, the number of new properties built, council tax collection rates. The tax base is estimated and set by WNC.

Principles to be considered by the Policy and Finance Committee as raised at the meeting of Chairs and Vice Chairs:

- No raise in the Band D precept level
- Additional budget for staff

Regarding budget headings directly managed by this committee, staffing costs will be the biggest increase in terms of recruiting additional staff and also an anticipated cost of living increase, expected to be anything between 5% and 10%. Below are the highlights detailing the main increases as identified by officers.

- 4000 Salaries NI Pension increase to £500,000 (TBC). Cost of living increases expected, also want to recruit a further officer and an apprentice.
- 4001 Staffing Contingency reduction of £15,500
- 4214 increase in budget to £16,000.
- 4540 Creation of town twinning code with £2,000.
- 1190 Creation of income field for bank interest
- 4300 Service charge (essentially the rent and services for the Guildhall) increase by £7,000 inline with inflation offset by a reduction in 4390 accommodation reserve

- 4999 remove contingency (reduction of £9,000)

Other amendments have been made but these will be for the committees to consider.

With these points in mind, members are asked to accept them in principle and give any direction to the committees that they would like them to consider when looking at their own budget headings. Committee members should note that the budget will come back to this committee prior to it going to Council.

											Legend <span style="color: red;">proposed change</span>			
											Proposed budget for review with Stuart Carter & Julie Thorneycroft			
											2023/2024			
2021/2022		2022/2023												
Cost centre	Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward	Comments		
<b>Policy and Finance</b>											<b>Policy &amp; Finance</b>			
<b>101 Central Administration</b>														
4000 Salaries NI and Pension	£ 316,000	£ 232,412	£ -	£ -	£ 376,000	£ -	£ 376,000	£ 151,790	£ 500,000	£ -	£ -	increase by £74,000 to £450,000 plus another £50,000		
4001 Staffing Contingency	£ 97,000	£ -	£ -	£ -	£ 15,500	£ -	£ 15,500	£ -	£ -	£ -	£ -	decrease by £15,500 add to 4000		
4005 Covid Resp' & Set-up costs	£ 50,000	£ 16,447	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -			
4006 Recruitment	£ 5,000	£ 330	£ -	£ -	£ 2,000	£ -	£ 2,000	£ -	£ 2,000	£ -	£ -			
4010 Payroll Costs	£ 1,500	£ 771	£ -	£ -	£ 1,000	£ -	£ 1,000	£ 318	£ 1,100	£ -	£ -	increase by 10% £100		
4015 Travel and Subsistance	£ 2,000	£ 190	£ -	£ -	£ 1,000	£ -	£ 1,000	£ 74	£ 700	£ -	£ -	decrease by £300 move to 4015/315 public events		
4020 Sundry Expenses	£ -	£ 30	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -			
4027 Training and Staff Development	£ 10,000	£ 1,844	£ -	£ -	£ 10,000	£ -	£ 10,000	£ 339	£ 10,000	£ -	£ -			
4101 Office Supplies & Photocopying	£ 5,000	£ 2,514	£ -	£ -	£ 5,000	£ -	£ 5,000	£ 4,383	£ 5,000	£ -	£ -			
4110 Post	£ 2,000	£ 1,146	£ -	£ -	£ 2,000	£ -	£ 2,000	£ 463	£ 2,000	£ -	£ -			
4120 Subscriptions	£ 12,000	£ 7,315	£ -	£ -	£ 9,000	£ -	£ 9,000	£ 6,906	£ 9,000	£ -	£ -			
4125 Telephone and Internet	£ 23,000	£ 3,301	£ -	£ -	£ 6,000	£ -	£ 6,000	£ 2,893	£ 6,000	£ -	£ -			
4128 Information Technology	£ 10,000	£ 6,702	£ -	£ -	£ 10,000	£ -	£ 10,000	£ 5,611	£ 10,000	£ -	£ -			
4130 Insurance	£ 10,000	£ 8,166	£ -	£ -	£ 10,000	£ -	£ 10,000	£ 8,357	£ 7,770	£ -	£ -	decrease £2230 for muniments and add to Insurance in C&D - create insurance code in Civic & Democratic for Mayors car £2230 (move from 4211) Decrease by £2000 and create budget in Community Services fro 4140 advertising and marketing	£ 2,230	
4140 Advertising and Marketing	£ -	£ 101	£ -	£ -	£ 12,000	£ -	£ 12,000	£ 954	£ 10,000	£ -	£ -			
4143 Newsletter	£ 10,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -			
4155 Accounting Support	£ -	£ -	£ -	£ 4,000	£ -	£ -	£ 4,000	£ 1,770	£ 4,000	£ -	£ -			
4159 Legal & Professional Fees	£ -	£ 603	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -			
4190 Equipment	£ 20,000	£ 2,711	£ -	£ -	£ 10,000	£ -	£ 10,000	£ 8,138	£ 10,000	£ -	£ -			
Overhead Expenditure	£ 573,500	£ 284,582	£ -	£ 4,000	£ 469,500	£ -	£ 473,500	£ 191,996	£ 577,570	£ -	£ -			
Movement to/(from) Gen Reserve	(573,500)	(284,582)			(469,500)		(473,500)	(191,996)						
<b>105 Corporate Management</b>														
4150 Bank Charges	£ 1,000	£ 54	£ -	£ -	£ 500	£ -	£ 500	£ 18	£ 1,000	£ -	£ -	increase of £52 (£18x12 + £28 x12) +£448 to cover 2nd bank account for Mayors donations		
4155 Accounting Support	£ 4,000	£ 3,599	£ -	£ 4,000	£ 4,000	£ -	£ -	£ -	£ -	£ -	£ -			
4156 Audit Fees	£ 4,000	£ 3,390	£ -	£ -	£ 4,000	£ -	£ 4,000	£ 3,500	£ 4,000	£ -	£ -			
4159 Legal & Professional Fees	£ 30,000	£ 9,302	£ -	£ -	£ 30,000	£ -	£ 30,000	£ -	£ 30,000	£ -	£ -			
4160 NCALC Addl Support	£ 12,000	£ 9,653	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -			
4162 Health and Safety	£ 10,000	£ 32	£ -	£ -	£ 8,000	£ -	£ 8,000	£ 50	£ 8,000	£ -	£ -			
Overhead Expenditure	£ 61,000	£ 26,030	£ -	£ 4,000	£ 46,500	£ -	£ 42,500	£ 3,568	£ 43,000	£ -	£ -			
Movement to/(from) Gen Reserve	(61,000)	(26,030)			(46,500)		(42,500)	(3,568)						
<b>110 Civic and Democratic</b>														
4015 Travel and Subsistance	£ -	£ 37	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -			
4130 Insurance									£ 4,460			create code in C&D. Move £2230 from 4211 /110 and £2230 from 4130/101	£ 1,960	
4140 Advertising and Marketing									£ 2,000			moved £2000 from Mayoral Activity		
4200 Elections	£ 70,000	£ 98,301	£ -	£ -	£ 40,000	£ -	£ 40,000	£ -	£ 40,000	£ -	£ -			
4208 Mayoral Activity	£ -	£ -	£ -	£ 12,600	£ -	£ -	£ 12,600	£ -	£ 12,000	£ -	£ -	reduced to £11,200 moved £2,000 to Marketing and Advertising 4140 added £800 from Deputy mayor		
4209 Deputy Mayoral Allowance	£ -	£ -	£ -	£ 2,800	£ -	£ -	£ 2,800	£ -	£ 2,000	£ -	£ -	Change name and remove 'allowance' done		
4210 Mayoral Allowance	£ 28,000	£ 21,170	£ -	£ 15,400	£ 28,000	£ -	£ 12,600	£ 10,548	£ 12,000	£ -	£ -	reduced by £800 as 10% of Mayoral Allowance		
4211 Mayor's Transport	£ 27,000	£ 15,271	£ -	£ -	£ 27,000	£ -	£ 27,000	£ 13,830	£ 24,770	£ -	£ -	Decrease by £2230 for car insurance	£ 270	
4212 Councillor Allowances	£ 30,000	£ 18,700	£ -	£ -	£ 30,000	£ -	£ 30,000	£ 10,825	£ 30,000	£ -	£ -			
4213 Councillor Training/Conference	£ 5,000	£ 660	£ -	£ -	£ 5,000	£ -	£ 5,000	£ 114	£ 5,000	£ -	£ -			
4214 Civic Events	£ 12,000	£ 11,851	£ -	£ -	£ 12,000	£ -	£ 12,000	£ 10,601	£ 16,000	£ -	£ -	increased by £4,000 (SC) but need forecast from LH		
4215 Civic Regalia	£ 1,000	£ 674	£ -	£ -	£ 2,000	£ -	£ 2,000	£ 6,966	£ 6,966	£ -	£ -	need quote from LH		
4216 Council Meetings & Room Hire	£ 5,000	£ 1,535	£ -	£ -	£ 5,000	£ -	£ 5,000	£ 1,064	£ 5,000	£ -	£ -			
4540 Town Twinning	£ -	£ 700	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,000	£ -	£ -	create budget for Town twinning decrease Contingency under Guildhall (£9,000)	£ 2,000	
Overhead Expenditure	£ 178,000	£ 168,899	£ -	£ -	£ 149,000	£ -	£ 149,000	£ 53,950	£ 162,196	£ -	£ -			
Movement to/(from) Gen Reserve	(178,000)	(168,899)			(149,000)		(149,000)	(53,950)						
<b>115 Other Cost and Income</b>														
1190 Bank Interest Funds									£ 5,000			New code to be used for bank interest received via CCLA		
1150 Grants Received	£ 80,000	£ 6,000	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -			
1176 Precept Received	£ 1,775,500	£ 1,775,500	£ -	£ -	£ 1,793,300	£ -	£ 1,793,300	£ 896,650	£ 1,793,300	£ -	£ -	assumed same as last year		
Total Income	£ 1,855,500	£ 1,781,500	£ -	£ -	£ 1,793,300	£ -	£ 1,793,300	£ 896,650	£ 1,793,300	£ -	£ -			
4998 Service Reserve	£ 214,500	£ -	£ -	£ -	£ 214,500	£ -	£ 214,500	£ -	£ 214,500	£ -	£ -			

4999 Contingency	£	200,000	£	-	£	-	£	-	£	200,000	£	-	£	-	£	200,000	£	-	£	-			
Overhead Expenditure	£	414,500	£	-	£	-	£	-	£	414,500	£	-	£	-	£	414,500	£	-	£	-			
Movement to/(from) Gen Reserve	£	1,441,000	£	1,781,500			£	1,378,800	£	1,378,800	£	896,650	£	1,378,800									
<b>201 The Guildhall</b>																							
4300 Service Charge	£	65,000	£	64,638	£	-	£	-	£	70,000	£	-	£	70,000	£	33,289	£	77,000	£	-	£	-	increase by 10%
4390 Accommodation Reserve	£	115,000	£	1,572	£	-	£	-	£	115,000	£	-	£	115,000	£	420	£	108,000	£	-	£	-	decrease by £7000 move to 4300 (service charge)
4999 Contingency	£	9,000	£	-	£	-	£	-	£	9,000	£	-	£	9,000	£	-	£	-	£	-	£	-	Remove
Overhead Expenditure	£	189,000	£	66,210	£	-	£	-	£	194,000	£	-	£	194,000	£	33,709	£	185,000	£	-	£	-	
Movement to/(from) Gen Reserve		(189,000)		(66,210)				(194,000)		(194,000)		(33,709)					£	-					
Policy and Finance - Income	£	1,855,500	£	1,781,500	£	-	£	-	£	1,793,300	£	-	£	1,793,300	£	896,650	£	1,793,300	£	-	£	-	assumed same as last year
Expenditure	£	1,416,000	£	545,721	£	-	£	-	£	1,273,500	£	-	£	1,273,500	£	283,222	£	1,382,266	£	-	£	-	
Movement to/(from) Gen Reserve	£	439,500	£	1,235,779				£	519,800	£		£	519,800	£	613,428	£	-						
										£	1,273,500												
<b>Environmental Services</b>										<b>Environmental Services</b>													
<b>210 Open Spaces &amp; Environment</b>																							
1537 Northampton in Bloom Income	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	32,547	£	10,849	£	-	£	-	check with Julie if any £ expected from WNC assumed 1/3 of £32,547
Total Income	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	32,547	£	10,849	£	-	£	-	
4536 Northampton In Bloom	£	30,000	£	29,663	£	-	£	-	£	50,000	£	-	£	50,000	£	29,027	£	50,000	£	-	£	-	decrease by £25,000 amd move to new code Environmental Grants - create new code - done
4560 Climate Emergency	£	50,000	£	206	£	-	£	-	£	50,000	£	-	£	50,000	£	278	£	25,000	£	-	£	-	Rename Climate emergency to Environmental projects - done
Environmental Grants																	£	25,000					
Overhead Expenditure	£	80,000	£	29,869	£	-	£	-	£	100,000	£	-	£	100,000	£	29,306	£	100,000	£	-	£	-	
Movement to/(from) Gen Reserve		(80,000)		(29,869)				(100,000)		(100,000)		£	3,241				£	-					
<b>230 Allotments</b>																							
4400 Repairs and Maintenance	£	26,000	£	1,028	£	-	£	-	£	26,000	£	-	£	26,000	£	7,087	£	26,000	£	-	£	-	
Overhead Expenditure	£	26,000	£	1,028	£	-	£	-	£	26,000	£	-	£	26,000	£	7,087	£	26,000	£	-	£	-	
Movement to/(from) Gen Reserve		(26,000)		(1,028)				(26,000)		(26,000)		(7,087)					£	-					
Environmental Services - Income	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	32,547	£	10,849	£	-	£	-	
Expenditure	£	106,000	£	30,897	£	-	£	-	£	126,000	£	-	£	126,000	£	36,392	£	126,000	£	-	£	-	
Movement to/(from) Gen Reserve		(106,000)		(30,897)				(126,000)		(126,000)		(3,845)					£	-					
										£	126,000												
<b>Community Services</b>										<b>Community Services</b>													
<b>301 Community Grants</b>																							
4170 Community Grant Scheme	£	50,000	£	52,517	£	-	£	-	£	100,000	£	-	£	100,000	£	58,675	£	100,000	£	-	£	-	
Overhead Expenditure	£	50,000	£	52,517	£	-	£	-	£	100,000	£	-	£	100,000	£	58,675	£	100,000	£	-	£	-	
Movement to/(from) Gen Reserve		(50,000)		(52,517)				(100,000)		(100,000)		(58,675)					£	-					
<b>310 Community Services</b>																							
4171 Councillor Community Funding	£	75,000	£	47,339	£	-	£	-	£	75,000	£	-	£	75,000	£	26,952	£	75,000	£	-	£	-	
4221 Community Needs Analysis	£	150,000	£	99	£	-	£	-	£	50,000	£	-	£	50,000	£	2,796	£	50,000	£	-	£	-	
4225 Covid Community Projects	£	-	£	-	£	-	£	-	£	50,000	£	-	£	50,000	£	-	£	50,000	£	-	£	-	propose account code name change to Community Projects
Overhead Expenditure	£	225,000	£	47,438	£	-	£	-	£	175,000	£	-	£	175,000	£	29,747	£	175,000	£	-	£	-	
Movement to/(from) Gen Reserve		(225,000)		(47,438)				(175,000)		(175,000)		(29,747)					£	-					
<b>315 Public Events</b>																							
1155 WNC Transfer	£	-	£	-	£	-	£	-	£	215,000	£	-	£	215,000	£	-	£	107,000	£	-	£	-	proposed transfer from WNC
Total Income	£	-	£	-	£	-	£	-	£	215,000	£	-	£	215,000	£	-	£	107,000	£	-	£	-	
Fireworks code TBD																		£	5,000				Create new income code for fireworks
Total Income																		£	112,000				
4015 Travel and Subsistence	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	76	£	300	£	-	£	-	moved from 4015/101
4140 Advertising and Marketing	£	-	£	78	£	-	£	-	£	-	£	-	£	-	£	-	£	10,000	£	-	£	-	increased to £10,000. £2000 moved from 4140/101 & £8,000 from 4510 (General)
4500 Diwali	£	-	£	-	£	-	£	-	£	5,000	£	-	£	5,000	£	-	£	5,000	£	-	£	-	
4501 Christmas Event	£	41,000	£	14,160	£	-	£	-	£	186,000	£	-	£	186,000	£	225	£	200,000	£	-	£	-	increased by £14,000 from 4510
4502 Fireworks	£	7,500	£	7,440	£	-	£	-	£	45,000	£	-	£	45,000	£	20,819	£	55,000	£	-	£	-	increased to £55,000 move £10,000 from General 4510
4503 Bands in the Park	£	-	£	-	£	-	£	-	£	9,000	£	-	£	9,000	£	8,354	£	10,000	£	-	£	-	move £1000 from General
4504 Music Festival	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	650	£	-	£	-	£	-	?
4510 General Events	£	-	£	-	£	-	£	-	£	108,800	£	-	£	108,800	£	7,534	£	61,800	£	-	£	-	move £8,000 A&M/£10,000 FW/£1,000 BIP/ £10,000 NC/ £2,000 Van Hire/£14,000 to Christmas / £2000 to Pride

-£ 9,000

-£ 36,500

4511 EID	£	-	£	-	£	-	£	-	£	10,000	£	-	£	10,000	£	4,999	£	10,000	£	-	£	-	
4512 NMF22	£	-	£	-	£	-	£	-	£	10,000	£	-	£	10,000	£	9,582	£	10,000	£	-	£	-	
4513 Northampton Carnival	£	-	£	-	£	-	£	-	£	10,000	£	-	£	10,000	£	15,693	£	20,000	£	-	£	-	increase by £6000 from 4510. another increase of £4,000 from 4510
4514 Party in the Park	£	-	£	-	£	-	£	-	£	5,000	£	-	£	5,000	£	9,999	£	5,000	£	-	£	-	increase by £5000 from 4510, reduce back to £5,000 move to 4510
4515 Pride	£	-	£	-	£	-	£	-	£	2,000	£	-	£	2,000	£	2,000	£	4,000	£	-	£	-	increased by £2000 from 4510
4516 Queens Platinum Jubilee	£	-	£	-	£	-	£	-	£	10,000	£	-	£	10,000	£	7,593	£	10,000	£	-	£	-	leave but change description to Kings Coronation
4517 Remembrance Day	£	-	£	-	£	-	£	-	£	5,000	£	-	£	5,000	£	-	£	5,000	£	-	£	-	
4518 Town Festival	£	-	£	-	£	-	£	-	£	5,000	£	-	£	5,000	£	10,709	£	5,000	£	-	£	-	
4519 Armed Forces Day	£	-	£	-	£	-	£	-	£	5,000	£	-	£	5,000	£	-	£	5,000	£	-	£	-	
4520 Beer Festival	£	-	£	-	£	-	£	-	£	5,000	£	-	£	5,000	£	8,319	£	5,000	£	-	£	-	
4521 Van Hire (Events)																	£	2,000					Created new code and added £2000
Overhead Expenditure	£	48,500	£	21,678	£	-	£	-	£	420,800	£	-	£	420,800	£	106,551	£	423,100	£	-	£	-	
Movement to/(from) Gen Reserve		(48,500)		(21,678)						(205,800)				(205,800)		(106,551)		-					
Community Services - Income	£	-	£	-	£	-	£	-	£	215,000	£	-	£	215,000	£	-	£	107,000	£	-	£	-	proposed transfer from WNC
TBC Income from Fireworks																	£	5,000					create new income code
<b>Community Services Income</b>																	£	112,000					
Expenditure	£	323,500	£	121,633	£	-	£	-	£	695,800	£	-	£	695,800	£	194,974	£	698,100	£	-	£	-	
Movement to/(from) Gen Reserve		(323,500)		(121,633)						(480,800)				(480,800)		(194,974)		-					
<b>Planning</b>																	£	695,800					<b>Planning</b>
400 Planning																							
4600 Local Campaigns	£	10,000	£	-	£	-	£	-	£	20,000	£	-	£	20,000	£	-	£	20,000	£	-	£	-	
Overhead Expenditure	£	10,000	£	-	£	-	£	-	£	20,000	£	-	£	20,000	£	-	£	20,000	£	-	£	-	
Movement to/(from) Gen Reserve		(10,000)		-						(20,000)				(20,000)		-		-					
<b>Planning - Income</b>	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	
Expenditure	£	10,000	£	-	£	-	£	-	£	20,000	£	-	£	20,000	£	-	£	20,000	£	-	£	-	
Movement to/(from) Gen Reserve		(10,000)		-						(20,000)				(20,000)		-		-					
<b>Reserves</b>																							<b>Reserves</b>
900 Earmarked Reserves																							
9001 Covid Response	£	33,500	£	-	£	-	£	-	£	33,500	£	-	£	33,500	£	-	£	33,500	£	-	£	-	
9002 Health and Safety	£	9,900	£	-	£	-	£	-	£	9,900	£	-	£	9,900	£	-	£	9,900	£	-	£	-	
9003 Events Reserve	£	214,500	£	-	£	-	£	-	£	214,500	£	-	£	214,500	£	-	£	214,500	£	-	£	-	
9004 Accomodation	£	113,000	£	-	£	-	£	-	£	113,000	£	-	£	113,000	£	-	£	113,000	£	-	£	-	
9005 Climate Emergency	£	49,500	£	-	£	-	£	-	£	49,500	£	-	£	49,500	£	-	£	49,500	£	-	£	-	
9006 Council Community Funding	£	27,661	£	-	£	-	£	-	£	27,661	£	-	£	27,661	£	-	£	27,661	£	-	£	-	
9007 Community Needs	£	149,900	£	-	£	-	£	-	£	149,900	£	-	£	149,900	£	-	£	149,900	£	-	£	-	
9008 Unspent Grants	£	-	£	-	£	-	£	-	£	6,000	£	-	£	6,000	£	2,400	£	3,600	£	-	£	-	decreased due to spend in FY23
Overhead Expenditure	£	597,961	£	-	£	-	£	-	£	603,961	£	-	£	603,961	£	2,400	£	601,561	£	-	£	-	
Movement to/(from) Gen Reserve		(597,961)		-						(603,961)				(603,961)		(2,400)		-					
Reserves - Income	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	£	-	
Expenditure	£	597,961	£	-	£	-	£	-	£	603,961	£	-	£	603,961	£	2,400	£	601,561	£	-	£	-	
Movement to/(from) Gen Reserve		(597,961)		-						(603,961)				(603,961)		(2,400)		-					
Total Budget Income	£	1,855,500	£	1,781,500	£	-	£	-	£	2,008,300	£	-	£	2,008,300	£	929,197	£	1,931,998	£	-	£	-	
Expenditure	£	2,453,461	£	698,251	£	-	£	-	£	2,719,261	£	-	£	2,719,261	£	516,988	£	2,827,927	£	-	£	-	number includes General reserves
Movement to/(from) Gen Reserve		(597,961)		1,083,249						(710,961)				(710,961)		412,209		-895,929					Diff between Income and expenditure inc Gen Res
																	£	107,000					This is the budget diff exc Gen Res number

cmac	£	2,008,300
checks &	£	2,719,261
bals	-£	710,961

£ 10,000



**Northampton Town Council**

**Policy and Finance Committee**

**14<sup>th</sup> November 2022**

**Investment Strategy, Policy and Risk Management – report of Town Clerk**

**Purpose of report:** To present to the committee a document regarding investment policy and strategy

**Recommended:** i) Having carefully considered the current guidance, the council's cash flow and investment requirements, and considering the ongoing covid situation & the requirement for flexibility, it is recommended that:

- Members adopt this strategy document to be reviewed in 6 months.
- Convene a working group meeting to consider longer term investments and treasury management advise.

The Town Council is now in a position where it can look to invest some of its reserves in longer term investments. With this in mind a policy and strategy has been developed for the committee's consideration and some initial proposals have been put forward at agenda item 9.

**1. Introduction:**

- Northampton Town Council (the Council) acknowledges the importance of prudently investing surplus funds held on behalf of the community.
- Statutory Powers: The Council's Investment Strategy complies with the revisions set out in:
  - the Statutory Guidance on Local Government Investments (3rd Edition) for financial years commencing 1 April 2018.
  - The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes

**2. Reporting, Approval, Review and Amendment**

- 2.1. The Council is required to approve an annual Investment Strategy so that borrowing and investments remain prudent, affordable, and sustainable. The policy will be reviewed by the Responsible Finance Officer for consideration and approval annually.
- 2.2. The Annual Strategy for the coming financial year will be prepared by the RFO and presented for approval to the Policy and Finance Committee before the start of the financial year
- 2.3. The Council reserves the right to make variation to the Strategy at any time subject to the approval of Full Council. Any variations will be made available to the public.
- 2.4. Fund balances and Investment activity is to be reported at every Accounts Sub-Committee meeting.

**3. Investment Objectives**



3.1 The Council's investment priorities are as follows:

- Security of reserves i.e. protecting the capital sums invested from loss,
- Liquidity of its investments i.e. ensuring that funds invested are available for expenditure when needed. Cash available from the current account should be judged as adequate to cover the Council's commitments during the period of the investment(s).
- Yield i.e. the return on investment is considered once the first two objectives are satisfied.
- All investments will be made in sterling.

#### **4. Policy**

4.1. The Council's strategy requires investment in Bodies with high credit ratings i.e. ratings of UK clearing banks and building societies should be at least A- or equivalent.

4.2. The Council will only invest in 'Specified' investments as per the criteria defined below.

4.3. The Council's policy is to retain not less than 6 months estimated working capital (defined as precept) and capital requirements in current and deposit accounts giving immediate access.

4.4. Amounts representing the balance on Revenue Reserves at the beginning of the financial year to be placed on deposit of up to one year's duration, depending on the prevailing interest rates and forecast cash flow requirements;

4.5. Other funds to be placed on deposit of up to one year's duration, depending on the prevailing interest rates and forecast cash flow requirements.

4.6. The Council policy is to invest for the best income return having regard to the Statutory Guidance and the absolute requirement to avoid a capital loss.

#### **5. Investment Risk**

##### **5.1. Risk Management:**

###### **Limits**

Not more than 40% of the funds are to be placed with any one institution, however authorised officers (RFO and Finance Officer) may use their discretion to increase this to 50%.

###### **Categories**

Funds only to be deposited or invested in the following categories of specified investments (as defined by the 2003 Local Government Act):

- a) UK clearing banks or their subsidiaries, together with those former major building societies now banks;
- b) The Treasury Departments of building societies which are members of BSA with assets over £2bn;
- c) Non-UK financial institutions approved by the Policy and Finance Committee;
- d) UK Government stocks;
- e) UK local authority stocks or bonds;
- f) The money-market management operations of a UK public body or authority<sup>1</sup>, where the council's funds are pooled and invested on the money markets under the name of such UK public body or authority.

<sup>1</sup> For example, the Public Works Loans Board, or the treasury departments of a county or district local authority.

### **Monitoring of Investment Counterparties**

In the case of (a) and (b) above, for investments with maturity of 6 months or less the receiving body of investment scheme should generally have a short term credit rating of not less than A2 or equivalent as indicated by Standard and Poors, Moody's Investors Services or Fitch Ratings.

For investments with maturities over 6 months, the long term credit rating should be A- or equivalent. The committee may take other information into account in assessing the credit worthiness (e.g. sovereign support).

In the case of (c) and (f) above, where ratings are available, such credit ratings should be equivalent to A or above, and subject to prior approval by the Policy and Finance Committee.

Ratings are to be monitored not less than quarterly by the RFO and if the rating of any Council investment has fallen below the appropriate rating, the Council will take the earliest opportunity to withdraw the investment and re-invest the proceeds appropriately depending on the best rates of return on offer at the time.

### **5.2. Treasury Management Advice**

Within the limited range of potential investments identified it is not considered necessary to engage the services of a treasury management adviser at present though this may change if the council wishes to look at longer term investments.

### **5.3. Investment Training**

The Guidance recommends that the Strategy should state the process adopted for reviewing and addressing the needs of the authority's treasury management staff for training in investment management.

### **5.4. Investment of money borrowed in advance of need**

- The Guidance maintains that authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

## **6. Investment strategy review**

## 6.1. Specified Investments

The Council currently has 2 approved institutions in which it has money deposited. One is considered a short term investment, the other is the council's day to day operating account.

Ratings are assessed at least on a quarterly basis. Unity Trust Bank (current account) does not have a credit rating as it does not borrow from other banks. The last review listed was as at November 2022.

Name of Institution	Investment Period	Short Term Credit Rating	Long Term Credit Rating	Yield
Unity Trust Bank (Current account)	Instant access	N/A	N/A	0.0%
CCLA- Public Sector Deposit Fund (PSDF)	Daily access		AAA (Fitch)	2.5826%

### **CCLA Fund - Public Sector Deposit Fund**

It is an FCA regulated qualified money market fund with an AAA Fitch rating. The fund is instant access (although access does involve the selling of income shares) with interest paid at the end of each month. It aims to maximise net asset value of the Fund by investing in deposits with a range of highly rated sterling denominated deposits and instruments. The PSDF is a "Qualifying Money Market Fund" (QMMF) which is classed as a "low volatility net asset value" (LVNAV) short- term money market fund under the EU Money Market Funds Regulation. The weighted average maturity of the PSDF's investments will not exceed 60 days.

It offered a dividend yield of 2.5826% net of fees as of November 2022.

Owing to capital projects and related spending, funds will continue to be invested at maturities of no more than one year.

Overall, funds invested will be reviewed continually and aligned with both cashflow and projects. Maturities of a longer duration will only be considered after consideration of security and the absolute requirement to avoid capital loss.

## 6.2. Consideration of alternative investments

The Council may wish to introduce additional investments as requirements change so that funds can be spread more widely (but within reason) in order to minimise financial risk.

Consideration may be given to unspecified investments, CCLA funds and investing through a broker.

### **CCLA Funds - Local Authorities Property Fund**

Aims to provide investors with a high level of income and long-term capital appreciation. Fund invests in UK commercial properties. Capital growth is achieved while property prices continue to increase – but fund values would decrease in the event that property prices fall (e.g. in the event of a significant rise in interest rates).

It offered a gross dividend yield of 3.39% at the end of September 2020. Fund size is £1.451b at 30/9/22—only open to local authorities.

The investment is regarded as for the long term. Councillors should bear in mind the Council's current investment strategy which has an absolute requirement to avoid capital loss.

### **Investments through a broker**

Investing through a broker would allow access to building society and money market funds which may not be accessible directly. Brokers furnish an introduction to available funds, and provide information and facilitate the administration of opening accounts. No funds are provided to them, and there are no charges associated with their services – they charge the borrower.

Minimum investments are generally £1m for money market funds, but building societies will accept investments down to £500,000. While this would not be appropriate in normal circumstances for NTC, information may be sought should the opportunity arise.

- 2023/24 Budget includes income from interest of £5,000 though upon review this is likely to be revised to £10,000



**Northampton Town Council**

**Policy and Finance Committee**

**14<sup>th</sup> November 2022**

**Cash Investments**

**Purpose of report:** To seek the committee's view on the following cash bond investments

**Recommended:** i) That the committee considers the report below with reference to agenda item 8 and whether it wishes to instruct the Council to make an investment

ii) If it does it is recommended that the Clerk be delegated in consultation with the Chair of the Committee and with reference to the policy detailed in the previous agenda item to confirm the amount to be invested

**Background**

Members will recall that recently the council took the step of moving money to the CCLA Cash Deposit Account which has secured the money across multiple accounts and increased the interest return.

Looking beyond this for secure and stable returns on investments, the Clerk has researched and found three products that are open to parish councils. See below for details. These offer stable and secure investments at a greater interest rate than available in the current account and comply with the strategy set out in the previous report.

**Business 1 and 2 year fixed bond business accounts summary**

The below are all available to town and parish councils

**Cambridge & Counties Bank**

[1 year fixed rate business, trust and charity bond](#)

[2 year fixed rate business, trust and charity bond](#)

1 year 3.30% £10,000 / £5,000,000

2 year 3.50%

Also offer 3 and 5 year options

Interest paid annually

Cambridge & Counties Bank launched in June 2012 as a specialist business finance and savings bank

CCB has a unique ownership structure, being owned 50% by Trinity Hall, a Cambridge University college, and 50% by Cambridgeshire Local Government Pension Scheme

*'As we do not borrow money from the wholesale markets we do not require a credit rating. We are a member of the Financial Services Compensation Scheme (FSCS)'*

## **Nationwide**

### [18 month business saver](#)

3.0% £5,000 / £10,000,000

Paid after twelve months and then on maturity

Formed in 1846, Nationwide is the UK's largest building society and one of the seven largest savings providers in the UK, looking after £156.5bn of savings deposits.

Credit ratings: Standard & Poors A+, Moody's A1, Fitch Ratings A+

## **Redwood Bank**

### [1 year business saving bond](#)

3.00% yearly interest paid

2.96% monthly interest paid

### [2 year business saving bond](#)

3,50% yearly interest paid

3.45% monthly interest paid

£10,000 / £1,000,000

Received banking license in 2017, Redwood was founded by Jonathan Rowland and Gary Wilkinson and is owned by a company controlled by Jonathan and David Rowland in which Warrington Borough Council have a 35% stake. Redwood was the first cloud based UK Bank and is focused on the UK's small and medium sized businesses. It focuses its lending in Hertfordshire, Buckinghamshire, Bedfordshire and Warrington

Cannot find credit rating

### **Others that have been looked at:**

Santander – don't think eligible but business bonds paying 0.50% interest

HSBC – could not find a product available to town and parish councils

Investec – could not find a product available to town and parish councils

### **Long Term Option Non Cash Option**

#### [CCLA Local Authorities Property Fund](#)

Long term investment popular with the town and parish sector is the Local Authorities Property Fund. This is considered long term with a minimum 3 year investment to make it worthwhile. It is much more subject to the fluxes in world economics and interest rates are not guaranteed.

Minimum initial investment £25,000

Minimum subsequent investment £10,000

Dealing day - Last day of month

Bid to mid spread - 1.55%

Mid to offer spread - 6.75%

Aims to provide investors with a high level of income and long-term capital appreciation. Suitable for the long-term funds of any local authority seeking exposure to UK commercial property.

Redemption suspended at present

Clerk is of the opinion that at present not to invest in this fund.

### **Longer Term**

The Clerk took advise from an investment firm who advised that investments beyond cash have been so volatile that by luck or design the council has been lucky to not invest. The committee will need to consider if it would like to formally look at instructing a treasury management company to advise them on longer term investments. Members will have already considered the recommendation under the previous agenda item on convening a meeting to discuss longer term investments.