

SKEGNESS TOWN COUNCIL

Minutes of the Management Committee Meeting

Held at 7.00pm on Wednesday, 24th November 2021

PRESENT: Councillor B Brookes (Deputy Mayor) in the Chair.

Councillors D Brookes, P Barry, S Blackburn, T Burnham (Town Mayor), R Cunnington, M Dannatt, S Dennis, D Edginton, A Findley, D Kirk, C Macey, J Sadler and T Tye.

Officers: Town Clerk (Via Zoom), Deputy Town Clerk and Admin Assistant.

Absent: Councillors S Claxton and P Sutton.

No members of the public or press attended the meeting.

M34. MINUTES OF THE LAST MEETING (Agenda Item 1)

It was proposed, seconded and

RESOLVED: *That the minutes from the Extra Ordinary Management Committee Meeting on Wednesday 17th November 2021 be approved.*

M35. TO NOTE APOLOGIES (Agenda Item 2)

Apologies were received from Councillors M Anderson, J Brookes, S Emsen, S Kirk and G Saxon.

M36. DECLARATIONS OF INTEREST (Agenda Item 3)

Cllr B Brookes item 4 recommendations from Mayors Working Group – Category A Deputy Mayor

M37. DRAFT BUDGET 2022/23 (Agenda Item 4)

The Deputy Town Clerk highlighted the approved changes that had been made to the draft budget.

Cllr B Brookes declared a Category A interest and withdrew from the meeting for this item.

It was proposed, seconded and

RESOLVED: *That:-*

a) the draft budget be approved.

b) the recommendation to increase the Mayors allowance to £3000

for 2022/23 then increase by the rate of inflation each year be approved.

**M38. LINCOLNSHIRE COUNTY COUNCIL LOCAL TRANSPORT PLAN
(Agenda Item 5)**

A short discussion around the importance of engaging and sharing the consultation took place.

It was proposed, seconded and

RESOLVED: *That the consultation be noted.*

M39. LOCAL LIST OF HERITAGE ASSETS SKEGNESS (Agenda Item 6)

The Deputy Town Clerk spoke briefly on the invitation and a short discussion took place.

It was proposed, seconded and

RESOLVED: *That Councillors D Edginton, T Tye and P Barry be approved as Council representatives to assist with the project.*

M40. POST OFFICE SURVEY (Agenda Item 7)

It was proposed, seconded and

RESOLVED: *That the survey be noted.*

M41. DOGGER BANK SOUTH OFFSHORE WIND FARM (Agenda Item 8)

The proposals were considered, and a short discussion took place.

It was proposed, seconded and

RESOLVED: *That Skegness Town Council supports offshore windfarms along the coast.*

M42. MAYORS CHARITY ACCOUNT (Agenda Item 9)

The proposed changes to the account were considered, and a short discussion took place.

It was proposed, seconded and

RESOLVED: *That from 2022/23 the Mayors Charity Account is managed online by the Mayor.*

The meeting closed at 7.33pm

SKEGNESS TOWN COUNCIL

REPORT TO: MANAGEMENT COMMITTEE
26TH JANUARY 2022
BY: TOWN CLERK
SUBJECT: Governance Monitoring Report - Risks

PURPOSE:

To report the third quarter risk management for 2021/22 so that the Committee can review progress, risks to identify any exceptions or new controls needed.

1 INTRODUCTION AND BACKGROUND

- 1.1 The Council have a responsibility to ensure it considers business risks and how these are managed. The Council has appointed the Town Clerk and Responsible Finance Officer to take responsibility for day-to-day matters and has delegated the monitoring and governance function to the Management Committee.
- 1.2 This report covers the third quarter of 2021/22.
- 1.3 The Committee has delegated authority from Council to identify and resolve any issues or concerns. It is emphasised that it is the responsibility of Councillors to scrutinise the information and ensure appropriate action is taken.
- 1.4 The previous overall Governance report has been broken down into separate reports to ensure that each is given equal priority.
- 1.5 As the overall number of risks has increased, it is the Town Clerk's intention to bring the Risk Register to every Management Committee as it is vital that Council has a frequent view of its risks and understanding of whether the proposed mitigation is in place and operating as intended.

2 RISK MANAGEMENT

- 2.1 The Council is required to assess the effectiveness of its systems of Internal Control at least annually and the Council has decided this should be done on a quarterly basis. The Management Committee reviews the Council's risks at the end of each quarter and subsequently takes action to remedy any issues.
- 2.2 The updated Risk Register is attached as **Appendix A (risks)**.

2.3 The Risk Register shows three types of risks.

2.3.1 Strategic Risks:

- Compliance with the law and regulations
- Prioritisation and use of resources
- Communication and Reputation
- Council finances
- HR
- Management of assets
- Health and safety

2.3.2 Operational Risks:

- Significant risks occurring through routine activities

2.3.3 Project Risks:

- Significant risks that occur as a consequence of undertaking a specific non-recurring project or activity. Council has instructed that the principal risks associated with the Community Hub and Asset Transfer project are overseen by the Committee

2.4 When Council identify risks they must consider the likelihood of the risk occurring, the impact or severity of that risk happening and how they it is to be managed. There are several ways in which risks can be managed:-

2.4.1 If the impact of the risk is small, Council may decide to accept the risk and the consequences if it occurs. Typically, this might involve riding out any reputational damage or managing financial consequences within reserves.

2.4.2 Some risks may be transferred to others (e.g. through insurance). Many Council risks are managed this way especially where the consequences are very high, but the likelihood is lower.

2.4.3 It may be possible to take action to lower the likelihood of a risk. For example, regularly inspecting play equipment to ensure it is not dangerous would reduce the likelihood of an accident occurring.

2.4.4 It may be possible to avoid the risk (i.e. stop doing the thing the risk is associated with)

2.4.5 It is more difficult to reduce the consequence of a risk occurring, but it may be possible in some areas to limit damage.

2.5 The Risk Register has been completely reviewed by the Town Clerk with some proposed changes to mitigations and comments on the current situation. There are also some suggested changes to the risk scores as part of the review.

3 FINANCIAL AND RESOURCE IMPLICATIONS

- 3.1 When the Council takes action to manage a risk this will either have financial or resource implications. This may present itself in an insurance premium, staff time to inspect or check something or paying for a third party to undertake work.
- 3.2 Each identified risk will have some residual risk even after mitigation. Council may often accept this residual risk rather than trying to eliminate risk altogether. Where Council accepts risks, it should make provision in reserves for that risk occurring. For example a vehicle insurance policy may have an excess payment to pay and the Council needs to have enough money to pay this should an accident occur. For some risks Council has decided to accept a much higher level of potential financial risk. This is particularly true in respect of major repairs, on expected income and those matters set out in the budget report earlier this month.
- 3.3 Part of Council's responsibility through this regular agenda item is to regularly consider all of its risks and consider whether the balance of those risks when compared to its resources is correct. For example, if all the large asset items such as playgrounds, paths, ponds, trees, buildings, car park etc all needed major works at the same time, there would not be anywhere near enough money in reserves to cover this. Therefore, Council relies on the probability that this will not occur. This is of course a risk in its own right. One way of managing this risk is to maintain a capital programme that examines when assets are likely to need major repairs or replacement and to manage this over a long period spreading the costs and risks so that they are affordable. Risks must be managed systemically, otherwise the process relies on instinct and chance, rather than known facts and proper assessment.

4 RECOMMENDATIONS

4.1 The Management Committee is recommended to:-

- a) Note that the Risk Register will now be reviewed at every Management Committee meeting.
- b) Review, confirm and approve the Risk Register and identify any actions needed

For information relating to this report please contact The Town Clerk, Tower Gardens Pavilion, Rutland Rd, Skegness or email info@skegnesscouncil.org.uk
Background papers – Appendices as set out in report

FOR DECISION

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

STRATEGIC RISKS

AIM	RISK	ACTIONS TO MINIMISE RISK	TIMESCALE FOR IMPLEMENTATION	UNDERLYING RISK LEVEL (Likelihood x Impact)	MANAGED RISK LEVEL Likelihood x Impact	Status  Risk Controlled  Action required  Aim is not being achieved  Risk Falling  No Change  Risk Rising	Comment on Status	Person(s) Responsible
1. To ensure compliance with the Acts of Parliament, Council's Standing Orders, Financial Regulations and Code of Conduct.	1. Lack of knowledge of regulations and codes.	(a) Ensure that all Councillors have copies of Code of Conduct and Standing Orders together with the "Good Councillor Guide". Highlight essential parts and provide training where required. (b) Experienced and competent Town Clerk/Staff (c) Keep up to date with new regulations (d) Councillors to undertake training on a regular basis. (e) Remind Councillors of the LALC Training courses on a monthly basis. (f) Monitor any new regulations.	Send out monthly LALC newsletter with training lists. Other matters ongoing	(3x4) = 12	(1x4) = 4	 	Very few Councillors make use of the LALC training the Council pays for or undertakes any other training funded or provided by Skegness Town Council. This will pose a problem for the attainment of the Gold Award as it is one of the measured criteria.	All Councillors, Town Clerk, Deputy Town Clerk, Management Committee
	2. Standing orders are out of date.	(a) Ensure that Standing Orders are produced, issued and understood by Councillors. Council to review at least once per year.	SO to be updated May 2022	(2x3) = 6	(1x3) = 3	 	Changes to Standing Orders are made at the first meeting of the Council Year incorporating any changes the Council have made and any legal or best practice changes	All Councillors, Town Clerk
	3. Actions by the Town Council outside its powers laid down by Parliament.	Council to consider motions, proposals and reports and check that every resolved motion is within its legal power. Town Clerk/Deputy Town Clerk can advise.	Ongoing	(2x4) = 8	(1x4) = 4	 		Council as advised by Town Clerk

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4. Lack of commitment and adherence to regulations and procedures.	(a) Regular reference to appropriate regulations in agenda items. (b) Reports/motions put forward by Members should contain a comment by the Town Clerk	Motions should contain a comment by the Town Clerk to reduce risks.	(2x3) = 6	(1x3) = 3	✓ ⇄		Chairman of Committees All Councillors Ongoing responsibility as advised by Town Clerk
	(c) Council to ensure that there is no delegation of responsibilities to individual Councillors (as there is no legal basis for this).	Ongoing					✓ ⇄
5. Items/services purchased without proper tendering procedures, resulting in accusations of commercial favouritism.	(a) All purchases to go through the Town Clerk's Office. (b) Ensure that all Councillors are aware of regulations re estimates and full tender procedures. (c) Review purchasing and contract procedure rules. (d) Adequate controls validated by regular Internal Audit	Ongoing	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk acting as Responsible Finance Officer. Financial Regulations reviewed in May 2019 Committee to identify any areas it wishes to examine in addition to standard review.
6. Payments made without prior approval and adequate control.	(a) Ensure all payments are approved in Council meetings and recorded in minutes. (b) Keep cash payments to a minimum and avoid if possible. (c) Review payment procedures (d) All cheques must be signed by at least 2 Members plus Town Clerk (e) Adequate controls validated by regular Internal Audit (f) Electronic payments to be separately categorised when reported to Council	Ongoing	(3x3) = 9	(1x3) = 3	✓ ⇄		Petty cash payments checked and signed off at intervals during year and at year end by Mayor or other nominated Councillors. Council to appoint Internal Auditor to undertake annual review. Management Committee to identify any areas it wishes to examine in addition.
7. Lack of control of signatories to cheques.	(a) Keep authorised signatories to a minimum consistent with practicalities. (b) Signatories approved by Council	Ongoing	(2x3) = 6	(1x3) = 3	✓ ⇄		Town Clerk acting as Responsible Finance Officer Council review signatories annually.
8. VAT not properly accounted for, resulting in overclaims and large demands from C&E.	(a) Ensure appropriate publications held and that Officers have adequate knowledge of regulations. (b) Adequate controls validated by regular Internal Audit (c) Monitor procedural changes due to increase in size and responsibilities. (d) Get professional advice when needed.	Ongoing.	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk acting as Responsible Finance Officer Management Committee Council to appoint Internal Auditor to undertake review

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2. To identify and regularly review the Council's priorities, using a risk based approach, to ensure these are clear and achievable.	1. Lack of knowledge of how to set objectives, set priorities, and identify risks resulting in lack of clarity, direction and appropriate allocation of resources.	(a) All Councillors to be made aware of need for objectives and identification of risk. (b) Attend training sessions if practicable. (c) Establish agreed priorities that are matched to available resources in a 5 year business plan. (d) Support and guidance to be given to any newly elected Councillors. (e) Risks to be reviewed regularly by Council or Management Committee	A New five-year business plan in place before the New Financial Year. Risk Management to every Management Committee	(2x3) = 6	(1x3) = 3		Council as a corporate body needs to set out its overall aims and objectives so that there is a clear sense of direction. Without this decisions are adhoc and can sometimes be uncoordinated. One way of doing this would be to take the existing Business Plan and review it to see whether it still fulfils the Council's overall sense of purpose	Town Clerk, Deputy Town Clerk. All Councillors
	2. Lack of "buy in" by council members to a risk based approach.	(a) Review risk assessment at each Management Committee, identifying any changes or actions needed (b) All reports, proposals and motions to provide a risk assessment	Review of Risk Register at each Management Committee Ongoing activity for any reports actions and motions	(3x3) = 9	(1x3) = 3		Council should not make significant decisions that affect resources or assets without considering the risks to council and any mitigation required Council must ensure that existing risk mitigation measures remain in place or alternatives are found.	Chairmen of Committees and all Councillors
	3. No risk analysis carried out.	As at 2.2 above.	As at 2.2 above	(3x4) = 12	(1x4) = 4		As at 2.2 above	All Councillors
	4. No steps taken to combat identified risks	As at 2.2 above.	As at 2.2 above	(3x4) = 12	(1x4) = 4		As at 2.2 above	Town Clerk Chairmen of Management Committee
3. To influence other Council departments and Government organisations to fulfil the requirements of the town population.	1. Lack of effective lines of communication with other organisations.	(a) Identify influencing organisations (b) Ask local District and County representatives to produce a regular report for Council to consider (c) Establish a Communication Plan (d) Attend invited events that are likely to impact Town (e) Ensure adequate feedback to Council from Council representatives	Communication Plan by end May 2022. Officially ask Council Reps from ELDC and LCC to give update reports Ongoing activity for other items	(4x3) = 12	(1x3) = 3		Good communication is essential to achieve the Gold Award	All Councillors on Outside Bodies Management Committee Town Clerk

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	<p>2. Lack of effective lines of communication with parishioners.</p>	<p>(a) Take every opportunity to publicise role of Town Council. (b) Regular Town newsletter. (c) Effective use of notice boards. (d) Use website and Council's Social Media to publicise Town Council work (e) Use key issues to raise profile of Town Council and to test parishioner's views. (f) Create Town Council Business plan and seek parishioners views on vision and aims. (g) Review Community Engagement Policy and ensure it is fit for purpose (h) Implement Community Engagement Plan</p>	<p>Review Policy by April 2022</p> <p>Some face to face Community engagement is currently restricted due to Covid but this should be reinstated once the reviewed Community Engagement Policy is approved and regulations allow.</p> <p>Other elements are in place and ongoing</p>	<p>(4x4) = 16</p>	<p>(1x4) = 4</p>		<p>Good communication is essential to achieve the Gold Award</p>	<p>All Councillors Deputy Town Clerk for Newsletter/Web</p>
	<p>3. Lack of preparation on subjects requiring influence.</p>	<p>(a) Ensure that all councillors are aware of need for careful research and are guided as to where to obtain relevant information on issues under discussion. (b) Expectation by Chair and colleagues that Councillors have read and understood any supporting documents for an agenda item prior to the meeting with any issues raised with the Office prior to the meeting.</p>	<p>To be re-iterated by Council/Committee ongoing</p>	<p>(3x3) = 9</p>	<p>(1x3) = 3</p>		<p>Lack of preparation can lead to misunderstanding of matters under discussion and can lead to poor decision making.</p>	<p>All Councillors</p>
	<p>4. Lack of confidence by Town Councillors.</p>	<p>(a) Experienced councillors to assist newcomers to establish essential contacts. (b) Attend Councillor Training (c) Speak with Town Clerk/Deputy Town Clerk</p>	<p>Ongoing activity</p>	<p>(4x2) = 8</p>	<p>(1x2) = 2</p>			<p>All Councillors</p>
<p>4. To ensure that all Councillors are aware of their responsibilities, and possible liabilities, and to provide adequate insurance cover for all possible risks.</p>	<p>1. Lack of knowledge of possible responsibility and liability of Councillors.</p>	<p>(a) Familiarisation with Standing Orders and Good Councillor Guide. (b) Newly elected Councillors to be provided with support, guidance and training.</p>	<p>Ongoing activity.</p>	<p>(4x2) = 8</p>	<p>(1x2) = 2</p>			<p>Town Clerk, Deputy Town Clerk. All Councillors</p>
	<p>2. Lack of education of Councillors regarding responsibility and liability.</p>	<p>(a) Experienced councillors to assist newcomers (protocol agreed). (b) Attend any training courses available. (c) Attend annual training on Financial Management & Responsibilities</p>	<p>Ongoing activity</p>	<p>(4x2) = 8</p>	<p>(1x2) = 2</p>		<p>At the last annual training only 3 Councillors out of 21 attended. This is a Quality Gold Award Requirement</p>	<p>All Councillors</p>

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	3. Inadequate insurance cover taken out – Property, personal liability, employer's liability.	(a) Review annually at Management Committee (b) Review whenever significant operational changes	Ongoing activity Major review due March 2022.	(3x4) = 12	(1x4) = 4	✓ ⇄		Town Clerk, Deputy Town Clerk, Management Committee
5. To keep appropriate books of account accurately and up to date throughout the financial year.	1. Lack of knowledge of accounting requirements.	(a) Ensure that all Councillors are familiar with current financial regulations and include them in standing orders. (b) Regularly review Financial Regulations. (c) Experienced RFO and Finance Officer (d) Deputy Town Clerk undertaking Financial Management Qualification	Financial regulations due for review May 2022	(4x4) = 16	(1x4) = 4	✓ ⇄		Town Clerk acting as Responsible Finance Officer
	2. Lack of commitment to accounting requirements.	(a) Ensure that all Councillors are familiar with current financial regulations and include them alongside standing orders. (b) Responsible Finance Officer to produce quarterly financial reports as part of the Governance and Performance Monitoring Report to Management Committee. (c) Internal audit to be undertaken annually plus review of adequacy by Management Committee. Reports to be made available to all Councillors and any recommendations to be acted upon promptly. (d) Review whenever significant operational changes.	Ongoing activity	(3x4) = 12	(1x4) = 4	✓ ⇄		Town Clerk acting as Responsible Finance Officer Management Committee Council
	3. Bank charges unnecessarily incurred.	(a) Responsible Finance Officer to carry out regular inspection of books of account.	Ongoing activity	(2x1) = 2	(1x1) = 1	✓ ⇄		Town Clerk acting as Responsible Finance Officer
	4. Inaccuracies in recording amounts, totals in books of account, and bank reconciliations.	(a) Responsible Finance Officer to ensure that accounts and systems are kept in such a way that internal controls are included and activated. (b) Accounting system that performs integrity checks and balances (c) Regular internal audits to advise on internal controls required. (d) Any issues or errors to be reported to Council or Management Committee (e) Deputy Town Clerk to undertake financial training to create further depth of knowledge and provide cover.	Ongoing activity	(2x4) = 8	(1x4) = 4	● ⇄		Town Clerk acting as Responsible Finance Officer Management Committee reviewing financial reports Deputy Town Clerk Finance Officer,

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	5. Inaccuracies and interest losses caused by account transfers.	(a) Operate in accordance with the Council's Investment Policy.	Ongoing activity	(2x3) = 6	(1x3) = 3	✓ ⇄		Town Clerk acting as Responsible Finance Officer Chairman of Management Committee Interest rates are still historically Once the current economic situation becomes clearer a review will be undertaken.
	6. The most beneficial interest terms not being obtained.	(a) Operate in accordance with the Council's Investment Policy.	Ongoing activity	(2x3) = 6	(1x3) = 3	✓ ⇄		See 5 above
	7. Inadequate control of cash receipts and payments.	(a) Avoid cash payments and receipts if possible. (b) Where cash payments and receipts are unavoidable a properly controlled petty cash account with a set maximum balance. (c) Separation of duties in relation to cash receipting and banking/accounting	Ongoing activity	(4x3) = 12	(1x3) = 3	✓ ⇄	Procedures in place for Café, Car Park, and payments to reception	All Office based staff and Café Manager
	8. Books of account not kept up to date/invoices not posted promptly.	(a) Regular checks by Responsible Finance Officer and internal auditor. (b) Responsible Finance Officer to produce quarterly financial reports as part of the Governance and Performance Monitoring Report to Management Committee. (c) Accounting system to perform internal control and integrity checks	Ongoing activity	(3x3) = 9	(1x3) = 3	● ⇄	Increasing finance workloads and tight resources means that this will need to be kept under review. Covid has identified further risks for resourcing	Town Clerk acting as Responsible Finance Officer Finance Officer Management Committee reviewing budget reports. Bank Reconciliations
	9. Internal controls not in place or not operated.	As at 5.8 above.	Ongoing activity	(3x4) = 12	(1x4) = 4	✓ ⇄	As 5.8 above	As 5.8 above
	10. Payments missed or delayed due to inadequate filing of invoices.	As at 5.8. above.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	As 5.8 above	As 5.8 above
	11. Clerk taken ill or leaves without replacement.	(a) Council have approved the appointment of a Deputy Town Clerk who is CiLCA qualified. (b) Deputy Town Clerk training to strengthen Financial Roles (c) Working Procedures to be documented and staff trained (d) Deputy Town Clerk is a full banking signatory and electronic banking administrator (e) Business continuity measures including working at home tested.	Ongoing activity	(3x3) =9	(1x3) =3	✓ ⇄		Town Clerk acting as Responsible Finance Officer Chairman of HR Committee Deputy Town Clerk Finance Officer

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	12. The tendering process being carried out in a manner that does not ensure fairness to tenderers or inspire public confidence in the tendering process.	(a) Adequate procedures set out in contract procedure rules (b) Tender processes reported to the Management Committee	Ongoing activity	(2x4) = 8	(1x4) = 4	✓ ⇄		Town Clerk acting as Responsible Finance Officer
6. To ensure that payments made from council funds and the use of assets represent value for money, are adequately managed, and comply generally with the wishes of the residents.	1. Lack of knowledge of wishes of residents.	(a) As at 3.2 above.	As 3.2 above	(4x4) = 16	(1x4) = 4	● ⇄	Linked to Gold Award Plan.	All Councillors
	2. Use of funds not giving value for money.	(a) Effective budget planning processes. (b) Creation of a medium-term financial plan linked to priorities in a Business Plan (c) Expenditure monitored	See 2.1 above Ongoing activity	(3x3) = 9	(1x3) = 3	● ↑	Business Planning is crucial to long term financial stability. Short term actions can lead to unintended consequences which ultimately can cost residents more and lead to poorer value for money.	Management Committee Town Clerk acting as Responsible Finance Officer
	3. Charges for use of facilities inadequate.	(a) Effective financial management by Responsible Finance Officer. (b) regular review of Fees and Charges at least at budget setting time. (c) Internal audit checks.	Ongoing activity	(3x2) = 6	(1x2) = 2	✓ ⇄		Town Clerk acting as Responsible Finance Officer Management Committee
	4. Fund raising not properly controlled or not in accordance with regulations.	(a) All Councillors to be aware of need to check regulations before commencing fund-raising activities. (b) Effective financial management by Responsible Finance Officer.	No additional action required at this time as there are no fund raising activities	(3x3) = 9	(1x3) = 3	✓ ⇄		All Councillors Town Clerk acting as Responsible Finance Officer
7. To ensure that the annual precept requirement results from an adequate budgetary process; progress against the budget is regularly monitored; and reserves are appropriate.	1. Lack of knowledge of budgetary process and Council regulations.	(a) Include Financial Regulations alongside Standing Orders issued to all Councillors. (b) Include within review of budget process and actions required through training	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk acting as Responsible Finance Officer to re-issue and publish on website
	2. Lack of commitment to budgetary process.	a) Involve all Councillors in budgetary process and are clear about responsibilities. (b) Ensure Councillors are aware of impact on income and expenditure due to risks and the need to maintain an adequate General Reserve	Ongoing activity	(3x3) = 9	(1x4) = 4	● ⇄		All Councillors Town Clerk acting as RFO Chairman of Committees
	3. Inadequate consideration of requirements for annual precept.	(a) Place item on agenda early in September remind councillors of budget process and actions required.	Ongoing activity	(3x4) = 12	(2x4) = 8	● ⇄		Town Clerk and Deputy Town Clerk
Ongoing activity							Town Clerk and Deputy Town Clerk	

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	(b) Start consideration of calculation at least 3 months prior to submission date.	Ongoing activity					Town Clerk and Deputy Town Clerk
	(c) see 6 (2b) above.	Ongoing activity					
	(d) Monitor the effects of wider economy, including inflation.	Ongoing activity					Town Clerk and Deputy Town Clerk
	(e) Monitor impact of major national incidents on income and precept for annual budget. Including the possibility that the tax base may fall due to the increase of people on benefits.						
4. Calculation not in accordance with Council regulations.	(a) Checks by Responsible Finance Officer and Internal Auditor.	Ongoing activity	(2x3) = 6	(1x3) = 3	✓ ⇄		Town Clerk acting as Responsible Finance Officer
5. Inadequate internal controls with regard to monitoring expenditure.	(a) Checks by Responsible Finance Officer and Internal Auditor. (b) Summary of Financial and budget progress reports to Council with payment information.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk acting as Responsible Finance Officer
6. Reserves set at wrong level.	(a) Monitored by RFO quarterly (b) Considered regularly by Management Committee and Annually by Council as part of budget setting.	Ongoing activity	(3x3) = 9	(1x4) = 4	● ⇄	Reserves need to be monitored regularly	Council Town Clerk acting as Responsible Finance Officer
7. National policy on Minimum Wage pushes up employee budget base	(a) Council should consider the potential for costs to rise beyond planned budget and put pressure for increase in precept and consider mitigation by maintaining a suitable level of the General Reserves.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Management Committee Town Clerk acting as Responsible Finance Officer.
8. The general economy and inflation impacts Council finances	(a) Inflation exceeds levels allowed for in budget consider mitigation by maintaining a suitable level of the General Reserves. (b) Government policy incurs increased local costs consider mitigation by maintaining a suitable level of the General Reserves.	Ongoing activity	(3x4) = 12	(1x4) = 4	● ↑	Inflation is currently rising. This needs to be checked regularly against the budgeted increase to ensure it is sufficient	Management Committee Town Clerk acting as Responsible Finance Officer.
9. Council is now reliant on a higher percentage of non-precept income making it more vulnerable to cashflow problems or debtors	a) Non precept income which is more vulnerable now represents about 20% of the Council's expenditure. Consider keeping General Reserve at a level that allows the Council to continue should income stream stop or fall.	Ongoing activity	(3x3) = 9	(1x3)	●	New Risk	Management Committee Town Clerk acting as Responsible Finance Officer.

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8. To explore all possible sources of income and to ensure that expected income is fully received.	1. Lack of knowledge of possible sources of Income, e.g. grants.	(a) To be considered as part of any new scheme or change of service. (b). To be considered in respect of Capital Programme	Ongoing activity	(4x2) = 8	(2x2) = 4	✓ ⇄		Town Clerk, Deputy Town Clerk Committee Chairman All members
	2. Lack of commitment/resources to pursue possible sources of income.	Staff resources – allow sufficient capacity to search and apply for funding	Ongoing activity	(4x2) = 8	(2x2) = 4	● ⇄		Town Clerk, Deputy Town Clerk, Management Committee
	3. Receipts not banked or not banked properly.	Bank statement checks Internal audit checks.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Responsible Finance Officer
	4. Debts not pursued promptly.	Cross check between systems Internal audit checks. Payment plans with debtors. Insufficient resources - Allow sufficient resources when an issue	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	If it becomes an issue then it is likely to take both staff and potentially legal resources	Responsible Finance Officer Council for resources if required
	5. VAT claims not made promptly or made incorrectly.	Ensure Clerk has appropriate and up to date VAT official publications.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk, Deputy Town Clerk and Finance Officer
9. To ensure that salaries paid to Employees and amounts paid to Councillors and contractors are paid in accordance with council regulations, and adequately monitored.	1. Inappropriate rate of pay to employees.	(a) Ensure employee regulations are available and understood. (b) Contracts of employment are in place for all staff and updated as required (c) Payroll entered by Finance Officer and checked by Town Clerk/Deputy Town Clerk	Ongoing activity	(2x3) = 6	(1x3) = 3	✓ ⇄		Town Clerk Council
	2. Tax and NI arrangements not in accordance with regulations.	(a) RTI payroll system	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk to keep under review.
	3. Amounts paid to contractors not in accordance with contract and inadequately monitored.	(a) Regular Internal audit checks with written confirmation. (b) Separation of duties between process and approval of payments (c) Ensure that systems are synced when working remotely	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	Controls have recently been strengthened to ensure systems are up to date when working remotely and that there is no duplication of activity.	Town Clerk acting as Responsible Finance Officer Council
	4. Amounts paid to Councillors not in accordance with tax and NI arrangements and Council regulations.	(a) RTI payroll system	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk to keep under review.

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

10. To ensure that year end accounts are prepared on the correct accounting basis, on time, and supported by an adequate audit trail.	1. Lack of knowledge of Council regulations and procedures.	(a) Include financial regulations alongside standing orders. (b) Attend training seminars where available. (c) Arrange locally based training for interested Councillors whenever possible. (d) Experienced RFO	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	Town Clerk acting as Responsible Finance Officer Council All Councillors
	2. Late or non-submission of annual accounts.	(a) Include a timetable in Financial Regulations.	Ongoing activity	(3x4) = 12	(1x4) = 4	● ⇄	Town Clerk acting as Responsible Finance Officer Council
	3. Year-end accounts not prepared, inaccurate, or not in accordance with Council requirements.	(a) Internal audit checks. (b) separation of duties and checks	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	RFO Internal Auditor
	4. Inadequate audit trail from records to final accounts.	As at 10(3a) above.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	RFO Internal Auditor
11. To identify, value and maintain all assets of the Town Council and ensure that asset and investment registers are complete, accurate and properly maintained.	1. Lack of knowledge of assets of Town Council.	(a) Ascertain and record all assets for which Town Council is responsible. (b) Create permanent asset register. (c) Update regularly and when any significant new assets are obtained (d) Ward checks by Ward Councillors to identify any problems (e) Undertake Tree Surveys to manage risks on all Council owned land.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	Town Clerk/Deputy Town Clerk/Councillors. Management Committee
	2. Assets lost or misappropriated.	(a) Establish who is responsible for security and maintenance of each asset. (b) Asset register to be reported to Management for review at least annually.	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	Town Clerk Management Committee
	3. Inadequate or inaccurate valuation of the Council's assets.	(a) Arrange for periodic review of valuations and arrange for professional valuation where necessary. (b) Annual check of assets vs insured (c) Annual report to Management Committee	Ongoing activity	(3x4) = 12	(1x4) = 4	● ⇄	Town Clerk Management Committee
	4. Asset register not established or inadequately maintained.	(a) Create asset register in accordance with <u>Accounts and Audit Regulations</u> .	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄	Town Clerk

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

12. To comply with appropriate Government legislation regarding disability, racial equality, safeguarding children, etc.	1. Lack of knowledge of applicable legislation.	(a) Town Clerk to have all appropriate legislation available. (b) Council to have an appropriate policy in place (c) Motions/Reports assessed for Equality Impact (d) CiLCA qualified Town Clerk and Deputy	Ongoing activity	(3x4) = 12	(1x4) = 4	● ⇄		Council Town Clerk, Deputy Town Clerk Management Committee HR Committee
	2. Lack of public awareness of applicable legislation.	(a) Include, as appropriate, in any public consultations/reports.	Ongoing activity	(4x2) = 8	(1x2) = 2	✓ ⇄		All Councillors
	3. Failure to comply with applicable legislation.	As at 12(1) above.	Ongoing activity	(3x4) = 12	(1x4) = 4	● ⇄		All Councillors
	4. Councillors lacking knowledge of applicable legislation.	(a) Arrange appropriate training for Councillors. (b) LALC Training	As required and via monthly training list	(3x4) = 12	(1x4) = 4	● ⇄		Town Clerk and Deputy Town Clerk
13. To carry out adequate safety checks on all buildings, properties and equipment for which the Council is responsible.	1. Lack of information on properties, buildings and equipment.	(a) Adopt a Health and Safety Policy (b) Ensure that all current legislation and advice is held by Clerk/Deputy. (c) Include in asset register all properties for which Town Council is responsible. (d) Keep adequate Ear Marked reserved to cover unexpected expenditure on property land assets and to replace equipment. (e) Keep registers of Maintenance and Testing Required	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk, Deputy Town Clerk Management Committee
	2. Lack of knowledge of safety requirements	(a) Adopt a Health and Safety Policy (b) Ensure that all current legislation and advice is held by for access by Town Clerk and Deputy Town Clerk. (c) Adequate risk assessments, reviewed regularly (d) Include exceptions in quarterly Governance Report to Management Committee	Ongoing activity	(3x4) = 12	(1x4) = 4	● ⇄		Town Clerk, Deputy Town Clerk Management Committee
	3. Lack of resources to carry out safety checks.	As at 2. Above plus review staff arrangements regularly (a) Review and ensure staff resources remain sufficient to undertake necessary regular checks and reports.	Ongoing activity	(3x4) = 12	(1x4) = 4	● ⇄		Town Clerk Management Committee
14. Play Areas	1. Inadequate checks lead to accident or fatality	(a) Undertake external annual safety check (b) Undertake routine checks at least weekly (c) Report findings to Management Committee as part of Governance Report (d) Provide Staff Training (e) Ensure sufficient resources to undertake tasks	Ongoing activity	(3x4) = 16	(1x4) = 4	● ⇄		Town Clerk, Deputy Town Clerk Management Committee

SIGNIFICANT OPERATIONAL RISKS

AIM	RISK	METHOD USED TO MINIMISE RISK	Timescale for implementation	UNDERLYING RISK LEVEL Likelihood x Impact	MANAGED RISK LEVEL Likelihood x Impact	Status  Risk Controlled  Action required  Aim is not being achieved  Risk Falling  No Change  Risk Rising	Comments on status	Person(s) Responsible
O1. Safety in Play Areas the Council are responsible for	Inadequate checks lead to accident or fatality	(a) Undertake external annual safety check (b) Undertake routine checks at least weekly (c) Report findings to Management Committee as part of Governance Report (d) Provide Staff Training (e) Ensure sufficient resources to undertake tasks	Ongoing activity	(3x4) = 12	(1x4) =4	 		Town Clerk, Deputy Town Clerk, Management Committee

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

O2. To safeguard lone working staff	<p>1. Unknown person enters building after meeting or when staff working alone and confronts, attacks or intimidates lone worker.</p> <p>2. Staff member has accident when working alone and time elapses before found</p>	<p>(a) Avoid wherever possible</p> <p>(b) Keep external doors shut and locked.</p> <p>(c) Have buddy system to make contact if issues arise and to confirm exit from building after normal office hours or when alone (buddy could be colleague or partner/family member someone who knows when to expect the staff member back).</p> <p>(d) If only one member of staff present at meetings then the Chairman or another nominated councillor should remain until the open areas of the building have been checked and the entrance door and alarm secured.</p> <p>(e) Staff should carry phone with them to make emergency call in case of accident</p>	Ongoing activity	(2x4) = 8	(1x4) = 4	● ⇄		Lone worker for making appropriate arrangements prior to working alone. For regular meetings the Town Clerk/Deputy Town Clerk to be buddy unless other arrangements in place.
O3. To ensure the ability to pay bills and staff.	<p>1. Slow response to request to change bank mandates leaving Council unable to authorise payments.</p>	<p>Attempt to keep at least 3 signatories on the list from year to year and avoid making frequent changes.</p> <p>Move as many payments as possible to electronic on-line payments</p>	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Council Responsible Financial Officer
O4. Manage financial liabilities	<p>1. Current Council Policy is to refund pre-purchased exclusive rights to graves on request less an admin fee. The Council has maximum potentially £60,000 - £80,000 of liability in this respect.</p>	<p>(a) The risk is to be accepted and the Council will monitor any significant change in the number of requests for a refund.</p>	Ongoing activity	(2x3) = 6	(2x3) = 6	● ⇄		Management Committee for monitoring
O5. Meet obligations and duties relating to the management of the Council Cemetery	<p>1. Concerns that burial records kept from some years ago have been shown to contain inaccuracies some of which may place the Council at risk of making mistakes with burials, not being able to meet obligations or of highlighting a previous error</p>	<p>All written records have now been computerised. Remaining historic risks will have to be accepted. Similar issues in other Councils show that compensation claims may be high. Administrative mistakes may be covered by Insurance. Systemic errors may not be covered.</p>	Ongoing activity	(2x4) = 8	(2x4) = 8	● ⇄		Management Committee for monitoring
O6. Meet the Councils operational & strategic objectives	<p>2. Known short term staff resources problems</p>	<p>(a) Proper resourcing of new projects/ services.</p> <p>(b) Avoid new projects with high resource implications until resources in place.</p> <p>(c) Manage existing priorities</p>	Ongoing activity	(2x4) = 8	(1x4) = 4	● ⇄		Town Clerk Councillors

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

O8. Meet obligations and duties relating to General Data Protection Principles	Data Breach or unable to process subject access request.	(a) Action plan in place identifying all actions needed to be fully compliant. (b) Keep Information Security Policy updated to reflect changes in regulations and provide guidance. (c) External Professional ICT Support	Ongoing activity	(3x3) = 9	(1x3) = 3	✓ ⇄		Town Clerk, Deputy Town Clerk and Management Committee.
O9. Café Dansant operating in compliance with all regulations.	1. Accident of injury to staff or customers. For example food poisoning, burns. 2. Hygiene Rating falls	(a) All staff inducted and trained including food allergies and cross contamination. (b) Seek to keep safer food service with five (very good) food hygiene rating from ELDC. (c) Policies and procedures in place including Better Food better business folder in use and regularly reviewed. (d) Allergy menu and allergy matrix in place. (e) COSHH regulations followed. (f) Staff to keep up to date with changes in regulations. (g) Covid risk assessment in place for café.	Ongoing activity	(4x4)=16	(2x4)=8	● ⇄		Café Manager and staff, Town Clerk, Deputy Town Clerk, Management Committee.
O10. Café Dansant does not become a financial burden to Council.	Café service has a high net cost being paid for from the by Council from the precept	(a) Regular review of outgoings and income. (b) Regular governance reports to Council. (c) Flexibility for staff to adjust opening to suit demand (d) Run in conjunction with the hall hire (e) Focus on the service benefits as well as the café simply as a business	Ongoing activity	(4x3)=12	3x3=9	● ⇄	Council cannot control some elements that alter demand (e.g. the weather).	Café Manager, Town Clerk, Deputy Town Clerk, Management Committee.
O11. All Council operations and services are Covid secure.	Spread of Covid 19	(a) Covid 19 risk assessments in place. (b) Staff keep up to date on current guidance. (c) Staff working from home where possible and with social distancing measures in place if not. (d) Café staff provided with visors/masks. (e) Hand sanitiser provided to staff and in Tower Gardens Pavilion. (f) Appropriate signage in place where necessary. (g) Increased handwashing and cleaning.	Ongoing activity whilst Covid Regs in place.	(3x3)=9	(2x3)=6	● ⇄		All staff and Councillors

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

O12. To ensure all Council owned land is free from Japanese Knott Weed.	Japanese knotweed spreading into a wild area/Council owned land	(a) Identify Japanese knotweed (b) Prevent any areas spreading onto anyone else's property (c) Ensure specialist treatment and disposal of any identified areas (d) Communicate with other local landowners to prevent spread of weed.	Ongoing activity	4x3=12	2x3=6			Town Clerk, Deputy Town Clerk
O13. Ensure all Council owned land is free from illegal occupation.	Trespassers on Council owned land.	(a) Risk assess (b) Secure all sites as much as is feasible and affordable. (c) Take action against people occupying land illegally.	Ongoing activity	4x3=12	4x2=6			Town Clerk, Deputy Town Clerk, Council. Council to fund any action
O14. Administration & Management of New Community Building and other transferred assets.	Higher impact on resources than initially expected and resourced. Facilities Management and land management administration is more than anticipated.	a) Identify the areas that are impacting resources b) Regular reports to Council on resources needed and issues identified when managing new building and assets. c) Manage and monitor costs d) Understand the appropriate powers and complexities of each asset	Ongoing activity	4x3=12	2x3=6			Town Clerk, Deputy Town Clerk, Council Management Committee
O15.	Tower Gardens Paths are deteriorating with potential trip and slip hazards. Paths are raised in areas due to tree roots The rate of deterioration has increased	(a) Professional help to identify and cost works. (b) Council will need to identify funds to pay for work but can use the draft Capital Programme and the associated reserves	The paths are deteriorating, and a solution needs to be found asap.	3x4=12	Plans not yet in place to mitigate			Management Committee/ Council to provide budget and resources
O16	Vehicle Insurance cover would not provide sufficient funds for replacement of vans in case of complete write off	(a) exacerbated by the state of the vehicle market (b) Council will need to determine whether to keep sufficient reserves to cover the shortfall or in future to opt for a leasing arrangement which will be an ongoing revenue but lower amount. (c) Move to electric vehicles will be potentially expensive if purchased	Expanding risk that needs a planned medium term resolution by time of next budget	2x3=6	Plans not yet in place to mitigate			Management Committee/ Council to provide budget and resources
O17	New cemetery regulations from DEFRA prevent or significantly reduce the Council's ability to use the Cemetery and therefore income could also reduce putting pressure on the Council's budget and accounts.	(a) Need to fully understand implications of new regulations (b) Engage others to prevent regulations being implemented (e.g. local MP)	Regulations due Autumn 2022	4x3 = 12	Plans not yet in place to mitigate		This is an emerging risk that is not yet fully understood	Management Committee/ Council to provide budget and resources

SIGNIFICANT PROJECT RISKS

AIM	RISK	METHOD USED TO MINIMISE RISK	Timescale for implementation	UNDERLYING RISK LEVEL Likelihood x Impact	MANAGED RISK LEVEL Likelihood x Impact	Status 	Comment on Status	Person(s) Responsible
P1.Maintain Gold Award Standard	1. Inadequate staff resources	(b) Consider overall resources and impact when starting new projects or activities. (c) Additional staff hours authorised (d) Monitor requirements are still being met (d) make Gold requirements day to day procedures rather than special requirements	This has been delegated to the Town Clerk to decide	(3x3) = 9	(2x3) =6	 Aim is not being achieved	Working towards this where it is within the powers of the Town Clerk	Town Clerk, Deputy Town Clerk and Management Committee.
	2. Insufficient Commitment from Councillors to achieve Community Engagement	(a) Councillors to engage in community engagement activities across a broad representative spectrum of the community. (b) Councillors to attend regular training so that it can be shown there is a regular commitment from Council to support and attend training	This has been delegated to the Town Clerk to decide but requires commitment from Councillors	4x3 = 12	1x3 = 3	 Aim is not being achieved	Currently there is a low commitment to attend training. Work is required to develop the Community engagement aspects as society comes out of covid restrictions	Councillors Management Committee

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

P3. Neighbourhood Plan.	1. Risks currently removed as document has been submitted		NDP Submitted await response from ELDC	(3x4) = 12	(2x4) = 8	✓ ⇄	NDP Submitted await response from ELDC	NPD Working Group and NDP Steering Group
				(3x4) = 12	(2x4) = 8	✓ ⇄		
				(3x4) = 12	(1x4) = 4	✓ ⇄		
P4. To undertake a Memorial Safety Inspection	1. Inadequate staff resources.	(a) Consider overall resources and impact when starting activity. (b) Additional staff hours authorised.	Re plan for summer 2022	(3x4) = 12	(2x4) = 8	● ⇄		Town Clerk Deputy Town Clerk
	2. Unsuitable weather conditions for inspections.	(a) Monitor weather and plan accordingly.		(2x2) = 4	(1x2) = 2	✓ ⇄		
P5. Remembrance Parade 2022 not yet started								
P6. Emergency Plan							Suggest removal as Council do not appear to want to do this	
P7. Cemetery Path Maintenance.							Removed as now part of day to day operations and not of current concern	
P9. Event previously known as VE Day	1. Lack of clarity of scope of event Other risks to be determined by the Committee		Event postponed until June 2022	TBA	TBA			VE Day Committee Chair of VE Day Committee

SKEGNESS TOWN COUNCIL – RISK REGISTER AT 14/01/2022

RISK LEVEL MATRIX

IMPACT ON COUNCIL LIKELIHOOD	1	2	3	4
1	1	2	3	4
2	2	4	6	8
3	3	6	9	12
4	4	8	12	16

CONSEQUENCES OF IMPACT	
1	Temporary or minor impact on Customer, finance or reputation – impact over less than a month
2	Some impact on reputation and/or finances – impact less than 3 months
3	Substantial impact with moderate financial or reputational consequences – impact up to a year
4	Significant impact with likely large scale financial or reputational consequences – impact over more than one year

LIKELIHOOD	
1	Unlikely to happen – once in 20 years or more
2	Unlikely to happen – once in 10 years
3	Likely to happen within the 4 year term of Council
4	Very likely to happen within year or has happened recently

	Overall risk is low. Regular monitoring but action not urgently required
	Overall risk is medium. Monitoring essential and action required to mitigate risks
	Overall risk is high. Essential action is required immediately to manage risk.

SKEGNESS TOWN COUNCIL

REPORT TO: **MANAGEMENT COMMITTEE**
26TH JANUARY 2022
BY: **TOWN CLERK**
SUBJECT: **Governance Finance Monitoring Report**

PURPOSE:

To report the third quarter Financial Performance for 2021/22 so that the Committee can review and identify any exceptions or new controls needed.

1 INTRODUCTION AND BACKGROUND

- 1.1 The Council have a legal responsibility to ensure that the business, finances of the Council are properly governed. The Council has appointed the Town Clerk and Responsible Finance Officer to take responsibility on a day-to-day basis and has delegated the monitoring function to the Management Committee. Financial Procedures originally approved in May 2016 and updated as required by the RFO, together with the Financial Regulations approved by Council in May each year, form the basis of the Internal Control mechanisms. A regular Governance Report is one of the ways in which the Committee and thereby the Council can satisfy itself that everything is in order or if not raise concerns.
- 1.2 This report covers the third quarter of 2021/22.
- 1.3 The Committee which consists of all Councillors has delegated authority from Council to identify and resolve any issues or concerns.

2 FINANCIAL REPORT

- 2.1 The Appendices to this report contains the income and expenditure and Balance Sheet reports for the quarter 1st October 2021 to 31st December 2021.
- 2.2 The Income and Expenditure report shows how actual income and expenditure compares with the budget that was set for 2021/22. This is reported to the Committee each quarter with explanations of expenditure and income trends during the year. Expenditure and income does not come in evenly through the year and so there will be times when these may legitimately appear higher or lower than the projected budget percentage. The Town Clerk will usually explain this within the report or verbally at the meeting. The fallout from Covid continues to mean there is a degree of uncertainty in respect of income and expenditure although this

is reduced from the height of the last financial year and projections are now becoming clearer. Explanations of the anticipated impacts are set out below.

- 2.2.1** Employee costs currently have a number of factors which require adjustment to fully understand. The pay award for 2021/22 has still not yet been agreed and so is not contained within the figures for this year yet. Unison has balloted for industrial action but although 70% voted in favour of strike action less than 50% voted. Other Union ballots are expected later this month but are disaggregated and so only require 50% at a specific site to be valid to take action. The offer from the National Employers is already above the budget estimate and so there will be an overspend. It looks as if this dispute may have some way to run, but there is a risk that the pay award could be significantly above what has been budgeted. When the award is agreed all staff employed during the year will receive a lump sum in back pay. If the dispute is not resolved by the end of the financial year, then an estimate of the total backpay will need to be accrued in the accounts as a liability. Overtime continued to be worked to cover sickness in the grounds team up until December. Overall, Employee Costs will most likely be overspent by year end. **AN OVERSPEND OF ABOUT 4% IS EXPECTED**
- 2.2.2 Town Hall Office expenses is now removed from the budget.
- 2.2.3 Some Supplies and Services costs are incurred early in the year. The printer/copier contract is due for renewal this year and given the current market regarding technology it is possible that costs may increase. However, the shortage of chips means that the supplier has extended the use of the existing copier at a low price. It is likely that those areas that will overspend will be at least balanced by those that are underspent or can be held temporarily under budget beyond the year end. **POSSIBLE SMALL UNDERSPEND**
- 2.2.4 Professional Fees will be shown as overspent due to the work on the NDP. The overspend will therefore need to be supported by the Ear Marked Reserve for that purpose. **AN OVERSPEND OF 30% IS EXPECTED**
- 2.2.5 Grants and Donations is likely to be underspent as there has been few requests and one was turned down. **LIKELY UNDERSPEND**
- 2.2.6 Democratic and Civic is usually predictable but there have been two elections held and the elections budget has been exceeded by the cost of the first election. This will need to be supported from reserves as **AN OVERSPEND OF 33% IS LIKELY**
- 2.2.7 Publicity and Marketing Events is showing a surplus of income but this includes 2 years of funding from Visit Lincs Coast for the provision of the

- Jolly Fisherman. The excess of £1000 will be reserved for next year. **ON TARGET**
- 2.2.8 As previously discussed, the Industrial Units have needed remedial work on the electrics in order to issue the required electrical safety certificates and meet staff safety standards. This will likely need to be funded from the Public Property Reserve or from a virement from the public property revenue code if there is capacity at year end. **AN OVERSPEND IS LIKELY**
- 2.2.9 The Allotment rent income budget shows as exceeding the budget but this figure includes deposits that are returnable when the allotment holder leaves the allotment in a decent state and so cannot be considered as usable income. These deposits are reserved at year end. **INCOME BUDGET ON TARGET**
- 2.2.10 Tower Gardens and Pavilion Expenditure. As previously discussed, energy costs are higher than budgeted and the market conditions suggest that there could be further significant increases. There is also a lot of cost pressures from the Playground. This playground is very heavily used and there are regular repairs and maintenance costs. There are costs that have not yet appeared in the accounts. Some costs such as the cleaning of the pond will be in next year. **AN OVERSPEND IS POSSIBLE**
- 2.2.11 Kiosk income is **ON TARGET**
- 2.2.12 Despite the loss of some days' income due to the car park machine being inoperative, the busy summer school holidays has meant that the income for the year has been achieved. Car Park receipts from October tend to reduce sharply and so that whilst the yearly budget has been comfortably achieved the yearly budget is unlikely to be significantly exceeded unless the autumn and winter holiday periods have good weather and visitors come. There is an outstanding electricity bill which is due and may cover charges since 1st November 2019. **NET INCOME BUDGET LIKELY TO BE EXCEEDED**
- 2.2.13 Cemetery income is up by about 50% on where it usually is at this time. **INCOME BUDGET EXCEEDED**
- 2.2.14 Public Property is generally in line with expectations but there are significant repairs outstanding for which getting repair dates is proving difficult due to contractors being exceptionally busy and suffering staffing problems. It is therefore possible some of the budget will need to be reserved to pay for these in the new year. Fuel prices have increased significantly, and this looks likely to continue. **WITHIN BUDGET**
- 2.3 The Balance Sheet is a statement of the Council's assets and liabilities and shows the position at the 31st December 2021.

- 2.3.1 The General Reserve includes the current year reserves (i.e. money that will be spent through normal day to day activities shown in the budgets and cannot be touched).
- 2.3.2 At this stage it is difficult to predict the end of year position with certainty. However, based on expenditure and income thus far it is expected to be broadly balanced in terms of the General Reserve with some pressure on ear marked reserves where these are used to fund overspends. Some unspent revenue may be reserved where orders for works have been placed but there is a delay in the work being undertaken. This will be set out in the end of year accounts.
- 2.3.3 Copies of the bank reconciliations up until the end of December are included here in the **Appendix** for completeness, but these have already been approved at Council.

3 RECOMMENDATIONS

3.1 The Management Committee is recommended to:-

- a) Receive and note the report for the third quarter of 2021/22
- b) Note the Bank Reconciliations for the quarter approved at Council.
- c) Note the Income and Expenditure and Balance Sheet.
- d) Identify any actions to be undertaken or matters that should be sent to Council

For information relating to this report please contact The Town Clerk, Tower Gardens Pavilion, Rutland Rd, Skegness or email info@skegnesscouncil.org.uk
Background papers – Appendices as set out in report

FOR DECISION