

## **REPORT OF THE STAVELEY TOWN COUNCIL IMPROVEMENT BOARD**

### **Executive Summary:**

- There is a clear desire of Members to make the Town Council effective for Staveley residents.
- There is lots of potential and opportunities for the area with the Towns Fund etc, but the Town Council needs to embrace more effective partnership working, in particular with Chesterfield Borough Council.
- The Town Council needs to follow through on the delivery of the Corporate Delivery Plan for Staveley for the next five years and use this strategic document as a clear framework to channel its energies in improving the Town's future and amenities. That is the Town Council's principal purpose.
- Staveley Members need to place good governance, good systems and the effective discharging of respective roles at the forefront of their approach and actions to all aspects of Council business.
- The Council cannot engage in any further temporary borrowing and needs to make the repayment of its existing loans a primary objective, together with staying within approved budgets. The budget is an agreed annual financial framework and adhering to it ensures Members do not overspend.
- Any surplus resources need to be invested in the Council's reserves and not spent on what may seem to be more immediate matters. The lack of such an approach has been a major factor in the Council's current position. Over the last decade or so Members were told time and time again that the level of Council reserves were low but did nothing to effectively redress the problem.
- Elected Members need to discharge their responsibilities effectively, but also allow the Clerk to carry out their role properly: advising and supporting members and carrying out their important duties.
- There are a number of identified training needs for Members that need to be addressed: member/officer protocols, financial management and most importantly codes of conduct and behaviour.
- The public disputes in social media have done nothing to enhance the reputation of the Council and leading Members in particular need to set a mature and positive example in all their actions and comments by not engaging in social media any further. This toxicity has had a detrimental impact on individuals, parts of the community and the Council as an organisation. It simply needs to stop.
- Collegiate working, in what is a small organisation, needs to improve significantly and there needs to be a clear understanding of the small scale of the Council's operations and its functions. Trying to replicate operational norms from higher tier authorities is simply not appropriate for the sums of public money involved at Staveley and have had a damaging impact on the organisation.
- The current Clerk has good experience, a sound understanding of the Town Council's finances and Members can place a lot of confidence in her work.
- Members need to listen and act in light of the best advice they receive, especially from Staveley's external auditors. This is particularly so in relation to budgets and important statements like the Annual Governance & Accountability Returns. Members need to really understand what they are

signing off with these documents, and join up the dots behind them about the strategic direction of the Council. They should not accept them at face value or rubber stamp them.

- In November 2022 the Council had insufficient money to meet its commitments and this brought to a head a long period of poor financial management, overreach and a hand to mouth existence which was effectively masked by the borrowing to finance the Staveley Hall project. The 2011/12 to 2019/20 Administrations oversaw a number of costly problems (HR issues/cost overpends/lost income/lost grant opportunities etc) which led to an organisation which was structurally imbalanced financially by the time of the 2019/20 election.
- Administrations since then took insufficient action in time to address the problems they faced, and this is why the Council's financial failure occurred. As a result after Staveley's insolvency £360,000 had to be borrowing from Chesterfield Borough Council. The total amount of loans from Chesterfield are now equivalent to over 90% of the Council's current budget. Staveley Town Council was in a precarious financial position before Chesterfield Borough Council were approached for financial support in 2022. The Town Council was also in a similar financial position before COVID when Chesterfield advanced it £70,000 in September, 2020.
- The financial situation was of Staveley's own making over many years and administrations. Everyone needs to come together to take the Council forward now. This means drawing a line under the past. This means no longer raking over past issues. This means no longer trying to point the finger of blame at others; and most importantly recognising that the future COULD be very different. To achieve this Members need to work positively, constructively and respectfully together for the good of Staveley. Members who cannot do this need to recognise that is not what they are elected for and seriously consider stepping aside for those who can. Progress seems to be being hampered by individual's concerns at the expense of the community good. This is not acceptable and not what local people are paying their council tax for.

**STAVELEY TOWN COUNCIL**  
**CHESTERFIELD BOROUGH COUNCIL**

**28<sup>th</sup> November, 2023**

**REPORT OF THE STAVELEY TOWN COUNCIL IMPROVEMENT BOARD**

**1. Public Interest Test**

The Improvement Board has determined that the contents of this report are not of a confidential nature.

**2. Purpose of the Report**

2.1. In response to an agreement between the Local Government Association and Chesterfield Borough Council, Staveley Town Council agreed to establish a local Improvement Board:

- With the positive aim of the Board to regain public confidence in the Council.
- Demonstrate Staveley's ambitions and ability to deliver value for money services to the local community, whilst prudently managing its finances.

**3. Background**

3.1. The Improvement Board ("the Board") is a body set up to independently examine Staveley Town Council's ("the Council") operations and finances, and the governance arrangements relating to these matters, through to the end of the 2022/23 financial year. This follows a negative internal audit report and Operations Review in response to the Council's insolvency which was carried out in November 2022.

3.2 The Council's financial problems are now a national matter with questions about the Council being raised in Parliament and the involvement of the Secretary of State for Local Government & Building Safety. The National Association of Local Councils which represents England's 10,000 local councils are concerned about the impact of this situation on the reputation of the sector generally and especially with government and principal councils. It believes the issues highlighted need to be urgently addressed.

3.3 The Board comprises:

Mark Edgell:	Local Government Association Principal Advisor East Midlands, North East & Yorkshire and the Humber
Tracy Manning:	Deputy Chief Executive, Fylde Council
Jonathan Owen:	Chief Executive, National Association of Local Councils
Neil Taylor:	District Council Chief Executive (retired)

The Independent Board members have written this report based on their findings; and the representatives of Staveley Town Council have assisted in facilitating access to information and with identifying stakeholders. Our thanks are extended to Cllr B Dyke (Labour), Cllr P Jacobs (Liberal Democrats) and Cllr P Mann (Community Independents).

- 3.4 Open invitations were made to all local councillors, residents and local stakeholders to ensure as many people as possible who wanted to discuss matters with the Board could do so. Feedback was provided to the Full Board on findings, issues and discussion points during the drafting of this report to you. In completing the review the Board received a full spectrum of views, read numerous reports and documents, and attended Staveley Town Council meetings including an informal meeting with all Members before the formal publication of this report.

#### 4. **Staveley Town Council Improvement Board Terms of Reference**

- 4.1 In establishing the Improvement Board the Local Government Association agreed with Chesterfield Borough Council and Staveley Town Council the following terms of reference:

- (i) Determine the causes of the Council's financial insolvency.
- (ii) Forensically examine the Council's accounts from an agreed point in time through to the end of the 2022-23 financial year.
- (iii) Assess the Council's governance arrangements over the same time period, making recommendations for improvement.
- (iv) Provide advice to the Council on any forms of recourse that might be available to it to address any significant concerns raised during the Board's investigation.
- (v) Support the development and implementation of short-term and medium-term improvement programmes, focused on improving the Council's operations, finances and governance arrangements.
- (vi) Monitor the Council's delivery against the improvement programmes and make further recommendations to the Council as appropriate.

- 4.2 The Board is a non-statutory improvement board and will report its findings and recommendations back to Staveley Town Council and Chesterfield Borough Council. The Board's report and recommendations will be made public. The Board's work is intended to be supportive and positive, but ultimately it will be for Staveley Town Council to reflect on the Board's work and adopt the Board's recommendations in full or in part.

#### 5.0 **Staveley Town Council**

- 5.1 Staveley Town Council was formed in 1974 following local government re-organisation when previously it was an urban district council. It covers 9.89 square miles and serves a population of 18,060 (2021). The Council comprises 17 councillors. Following the 2023 elections there is no party in overall control: 6 Labour, 5 Liberal Democrats, 5 Community Independents; and 1 Independent Councillor.

The Council has a budget of £480,320 in 2023/24, levies a precept of £497,565 and provides the following services/amenities to the local community. All of these are discretionary services i.e. they do not have to be provided:

- i) Staveley Hall and Stables Business & Events Centre
- ii) The Speedwell Rooms Community Hall
- iii) Staveley Markets
- iv) Grit Bins
- v) Hanging Baskets
- vi) Remembrance Sunday Event
- vii) Christmas Lights and Switch on Event
- viii) Community Grants
- ix) Noticeboards
- x) Eight Allotment Sites

5.2 At Band D Staveley's precept is equivalent to £112.19 per year, or £2.16 per week.

5.3 The above emphasises a fundamental point, that Members need to keep a sense of organisational perspective. Staveley is a small, lower tier council with limited functions and resources providing some limited services to just 18,000 residents. Despite the modest scale of the Council's operations the Board was very concerned at the behaviours displayed including allegations of Member intimidation and the involvement of the Police as Council relationships had deteriorated so badly. These issues are significant in the position the Council now finds itself in.

## **6.0 What Has Happened?**

6.1 The Council's long standing financial matters came to a head in late 2022 when the incoming Clerk reported that the Council's bank balance was insufficient to discharge its obligations, and that when the final accounts for 2021/22 were completed there was a reported deficit of £263,000 – some 63% of the Council's precept figure for 2021/22. Contact was made with both local MP's and Chesterfield Borough Council who advanced a loan to Staveley of up to £400,000 at 4.4%, repayable over a five year period. This loan facility from Chesterfield required the agreement of the Secretary of State and the Department for Levelling-Up Housing and Communities.

6.2 From the work the Board has conducted there is no single issue that is responsible for the position the Council now faces. There are a number of contributory factors, some interrelated; and it is the cumulative impact of these issues and long standing financial structural issues which led to Staveley's insolvency problems. Decisions taken outside of the formal system of governance at varying points have also led to culture of lack of control and oversight. There is also confused and problematic historic record keeping.

6.3 This problem is underlined by the fact that there was no single issue of sufficient magnitude (£263,000) to lead to an in-year deficit in the 2021/22 financial year as the agreed budget for that year was insufficient to include such an item.

6.4 What occurred in 2021/22 was therefore an accumulation of issues going back many years which together cumulatively degraded the Council's financial position. The impact of Covid on the Council's income from March 2020 was the tipping point, but the circumstances had been in place for many years beforehand as the Council's Annual Governance & Accountability Returns (AGAR) shown on Appendix 1.

- 6.5 The Board has gone back to 2010/11 as the starting point for its work as this involves all combinations of political control. A recurring issue is that the majority of Members did little or nothing to either preserve, or build up, the Council's reserves despite advice and warnings from its auditors to do so over the 12 year period that has been reviewed.
- 6.6 The Council's Reserves as at 31st March 2015 were critically low which necessitated virement of funds to ensure that the Council's immediate costs are met. The Council's Accounts also show a deficit. *"This is poor management of resources could lead to the Council being unable to make payments in a proper and timely manner as and when they fall due in the future."*

As far back as March 2016 Members were advised by the Council's Internal Auditor:

*"Although there was an effective budgetary process and regular budget monitoring within the year the Town Council's Reserves are critically low and have been for some time. I must impress upon the Council the urgency of rectifying this situation with a budget set to correct this during 2016/17 and beyond in order to build up the Reserves and return them to an adequate level. If this is not done there will have to be consideration of further borrowing to alleviate the situation and this is not sustainable."*

- 6.7 The Council's financial situation was again summarised for Members at the 17<sup>th</sup> September, 2019 meeting of the Policy, Finance & Publicity Committee Meeting by the Council's Auditors. Members were informed:

*"Over the past FIFTEEN YEARS the Council has seen a gradual reduction in its reserves as a result of a number of cost pressures. These include, but are not exclusive to:*

- *The cost of the refurbishment of Staveley Hall and The Stables*
- *The use of the previously held reserves to support the Council's revenue account.*
- *Legal fees and associated employment issues."*

- 6.8 The Financial Out-turn for 2015/16 also shows that there was a £67,679 deficit for the year. In addition, further reporting in 2019/20 indicated a £25,000 - £30,000 deficit. The Council therefore has faced some structural financial issues over a number of years; and in October 2019 Members at the Policy, Finance & Publicity Committee were told:

*"Since 2014/15 the Council has operated on an annual revenue budget basis which has not been underpinned by the safety net of any reserves or overdraft facility."*

Given the reported in-year overspends from the Council's operations over a number of years this was simply not a sustainable organisational situation.

- 6.9 Another key issue is the turnover of Town Clerks, there have been six since 2010/11 which is the starting point for the Board's review.

2010/11	Liberal Democrats	Clerk A (this appointment dates back to 2002)
2011/12	Labour	Clerk A
2012/13	Labour	Clerk A
2013/14	Labour	Clerk A
2014/15	Labour	Clerk B/C/D (a variety of temporary appointments)

2015/16	Labour	Clerk E
2016/17	Labour	Clerk E
2017/18	Labour	Clerk E
2018/19	Labour	Clerk E
2019/20	Community Independents*	Clerk E
2020/21	Community Independents*	Clerk E
2021/22	Community Independents*	Clerk E
2022/23	Community Independents*	Clerk E/F
2023 24	No Overall Control	Clerk F

\* The Community Independents, whilst a minority administration in an overall position of no overall control held the posts of Leader, Deputy Leader, Chair of the Council and all the Committee Chairs.

- 6.10 Much flowed from the unstable key staffing position starting in 2011/12. Not least the resultant poor project management of the Staveley Hall scheme, the fraud loss suffered in 2015/16 as the Council's internal controls had effectively been disabled, missed grant income opportunities and the disruption to the Council's financial reporting mechanisms. All these contributed to the erosion of the Council's financial position and the organisation's sound internal management. For 2013/14 the Internal Auditor could only certify two positive issues out of ten on the Annual Governance & Assurance Return, and the Balances Brought Forward at the 31<sup>st</sup> March, 2013 were assessed as minus £60,265. The Internal Auditors report issued in November 2014 outlined a number of governance issues including sundry spending records not being kept up-to-date, confused record keeping, payments not supported by invoices, no risk management arrangements and an incorrect payroll function.
- 6.11 It should be noted that some of the clerks in post went beyond the call of duty by temporarily covering from their own money the Council's cashflow shortfalls (being repaid when the Council's precepts did arrive). This underlines the personal commitment there has been to keep the Council on a viable footing, however unwise this may have been. The fact it was happening was an unmistakeable red flag to Members that things were simply not right. Similarly, seeking advance payments of the Council's precept was another worrying sign about the Council's cash-flow issues and the organisation's lack of reserves which should have resulted in a consolidation of the Council's operations.
- 6.12 Given the work undertaken by the Board local people can be reassured that a qualified, competent and experienced Clerk is in post now. The new Clerk has proactively started to deal with the results of the turbulence of the last decade, tightened up a number of important procedures and has provided a sound overview of the Council's finances and future financial plans. A lot of community reassurance can be taken from her presence.
- 6.13 Another positive point of assurance to the community would be Staveley's commitment to work towards peer reviewed accreditation under the Local Council Award Scheme to demonstrate that good governance, policies and procedures are in place.

## **7.0 The Cumulative Financial Impact of Events**

- 7.1 Two main issues have led to the financial situation where Staveley had to rely on a series of discretionary loans from Chesterfield Borough Council to maintain the Town Council's operations:

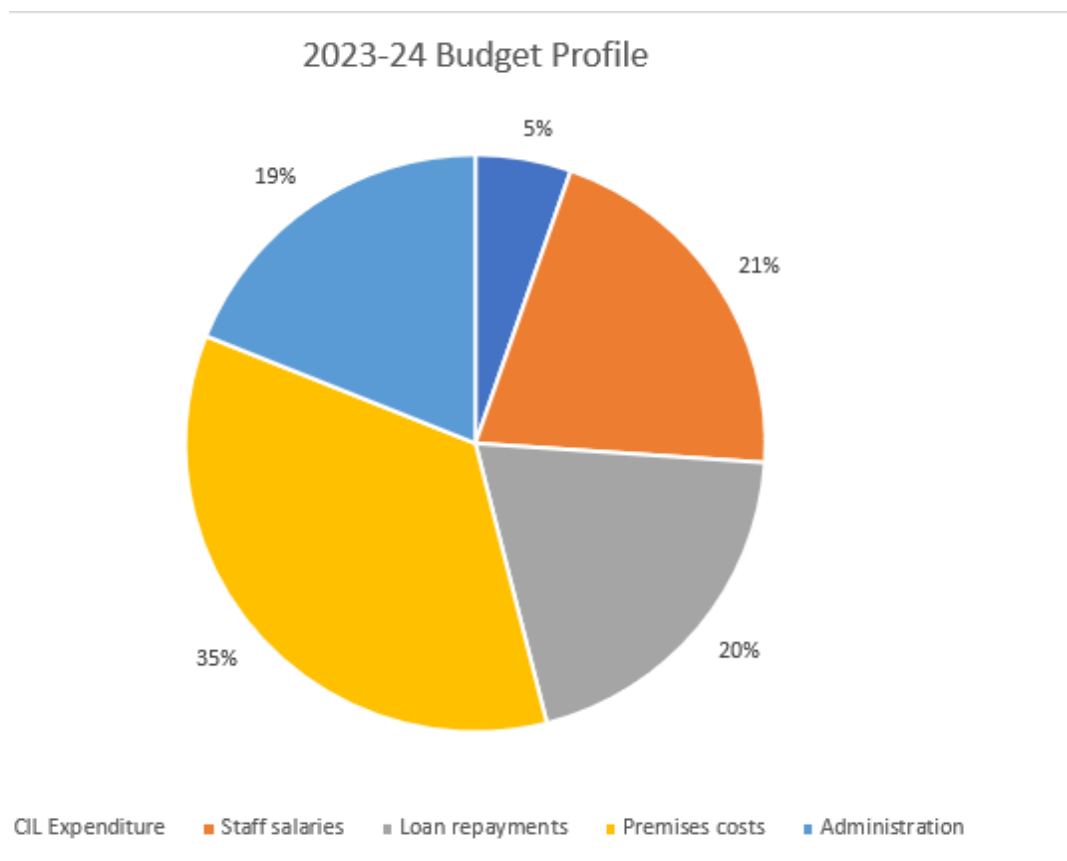
### **The Staveley Hall project**

- 7.2 This significant capital project was not managed well. The disbanding of the Heart of Staveley Stakeholder Steering Group which could have led to the charitable status of the building and would have been very financially beneficial was a further mis-move. The scale of this capital project provided too much of a risk for the organisation, given its scale to the size of the Town Council's mainstream revenue budget and the instability with the Town Clerk's position.
- 7.3 The Town Council acquired Staveley Hall, a Grade 2 Listed Building dating from 1604, for £31,285 in 1982. With that purchase came the responsibility to keep the building properly maintained. Failure to do so could have resulted in the local planning authority, Chesterfield Borough Council or the Secretary of State to undertake the works and recharge Staveley as the building's owner.
- 7.4 To be clear once the Council purchased Staveley Hall Members did not have a "do-nothing" option. The Council had to do something to address the situation for the building it owned and was responsible for. Indeed the local Civic Society were urging the Council to do so and there was also pressure from English Heritage to ensure the building did not fall into disrepair. When the incoming Administration took over the Council in 2011/12 they took responsibility for the issue. Points have been made to us that Members did not agree with the Hall project. This ignores the point above – something had to be done; and it does not absolve them from the responsibility for the scheme they then managed when they took administrative control. Following a desk-top review conducted by Chesterfield Borough Council in 2013 Staveley Town Council could not have been provided with more comprehensive information about the issues it faced in managing the project.

The end of the Charitable Trust initiative, which could have provided some revenue benefits was another contributory factor to the Council's current problems. To illustrate the points made above about the cumulative impact of these issues the capital overspend on the project was a significant contributory factor in the Council's worsening position:

- (i) The project significantly overspent.
- (ii) As a consequence of this and other budget overspends/lost income opportunities the Council had to take out loans to finance these extra costs – see Appendix 2.
- (iii) The resultant higher level of loans changed the Council's budget profile, increasing the amount of fixed costs in Staveley's budget profile:





(iv) Loan repayments following Staveley's insolvency in 2022 now constitute 20% of the Council's expenditure. If earmarked expenditure on the Community Infrastructure Levy is excluded these fixed costs increase to c25% of Staveley's budget profile.

(v) Therefore, when the Council's income fell away during Covid the structural imbalance in the Council's budget meant that the organisation was significantly hampered in responding to the situation it faced and insolvency therefore followed.

7.5 The Charitable Trust concept was a pragmatic one that fell by the wayside and is recommended to be revived.

### **The Annual Council Budget**

7.6 It should have been clear to all Members that the Council was in financial difficulties, just by the timing of the loans that had to be secured to sustain the Council's operations. This covers both Labour and Community Independent Administrations as Appendix 2 shows. If Members did not know it just emphasises the Board's point about the lack of transparency with a strong leader model of governance Staveley had in operation.

7.7 Plainly, Senior Members knew about these loans, or the need for them; the fact that they also knew about requests for advance precepts payments and that one of the Clerks was covering the Council's cashflow problems with their own money (to be repaid when the precept monies were paid); and when they were told that some staff were not being paid properly all these issues should have flagged up the most significant warnings about the sustainability of the Council's finances.

The “*Update Report on Staveley Town Council Finances*” to Full Council on the 14<sup>th</sup> December, 2021 provided the following clear information to Members as the purpose of the report was:

*To update Council on some significant financial issues affecting Staveley Town Council.*

*To set out, for the record, the context that has impacted on the town Council’s finances over the last ten years.*

The report then went on to outline that *the Council had been operating with no or little reserves since 2012. Between 2002 and 2012 the Council gradually used £116,142 [of its reserves].*

In that (2021) report reference was made to the Report to Full Council on the 14<sup>th</sup> January, 2019 which said:

*“The Council is facing a set of challenging financial circumstances. The situation is made more difficult by the lack of reserves.”*

- 7.8 The issue is not what Members were told or claims that they did not know, but that they took insufficient action to rectify the situation about the Council’s reserves either by raising additional income or cutting back on expenditure until it was too late and the new Clerk submitted her Operations Review report in November 2022. After repaying the Derbyshire County Council loans and taking out the PWLB loan in 2017 the annual revenue cost of servicing these capital costs was £55,000. It is these basic financial realities that are important and Members were provided reassurances from the previous Clerk that matters were in hand. Unfortunately they were not, and to cut through any obfuscation straightforward questions about the levels of money the Council had in the bank would have provided an irrefutable indication of the seriousness of the situation Staveley faced.
- 7.9 Senior Members can rightly say they asked for budgetary information which was not forthcoming (and they have told the Board they weren’t). Until Members could be satisfied what the Council’s financial position was then caution should have been the maxim to adopt. This is particularly so as they knew, and were repeatedly told that the Council’s reserve situation was perilous. No new expenditure and projects should have been approved and retrenchment on loss making services like the café should swiftly have been made. Following the May 2019 election the following budget reductions were made by Members after the information provided by the Clerk which provided some temporary respite:
- Closure of the 26 High Street office
  - Reduction of maintenance costs for Speedwell and Staveley Hall
  - Reduction of caretaker staff
  - Restructure after concluding the Hall Manager’s position
  - Cuts across all other budget headings
- 7.10 In addition, in July 2019 the PWLB contacted the Council to inform the Chair of Finance that £55,000 was owed as one payment had been missed from the 2018. As part of the 2020/21 budget Members had made a provision £15,000 for reserves, but once Covid started this was removed and in September 2020 Staveley borrowed c£75,000 from Chesterfield to bridge its budget another deficit for 2020/21. This was granted by Chesterfield Borough Council, as were the subsequent loan advances made by the Borough Council to support Staveley in March and July 2023. (During this period

Staveley was unsuccessful in securing any NNDR relief during Covid for its properties unlike Brimington Parish Council.)

- 7.11 Significantly the Annual Governance & Governance Returns for Staveley show that the all the Council's financial management operations were overall considered sound by the internal auditors in 2018/19 and 2019/20. By 2020/21 three out of fourteen were not; and by 2021/22 the internal control situation had deteriorated as ten out of the fourteen of the Council's financial management categories were not assessed as adequate. There was no improvement for the 2022/23 return which again showed that ten out of fourteen categories could provide no assurance for the Town Council's activities. This meant from April 2021 onwards appropriate accounting records were not kept adequately, budget management was not sustained; and income and petty cash etc was not appropriately accounted for. These financial management issues occurred irrespectively of Staveley's strategic financial decline to insolvency.
- 7.12 The point has been made to the Board that Chesterfield's loan in 2022/23 was not forthcoming as quickly as was requested and this delay led to the termination of staff contracts and precipitated the financial problems Staveley experienced. This is simply not the case. Staveley had already overspent by £263,000 the end of 2020/21 (para 6.1 above) and had reached a position of insolvency when the new Clerk was appointed in October 2022. As Staveley's financial budget structure was so imbalanced all any loan finance would have done is staved off the inevitable expenditure reductions to bring the Council's financial profile back into balance for a limited period. The loans provided are not sustainable year on year income. So, Members would have had to cut the Council's expenditure to balance it with money it receives from its annual precept and service income. Staveley now owes Chesterfield c£400,000 which equates to 83% of the Town Council's 2023/24 budget, the position therefore being advocated by some Members is simply an unsustainable one to take given the structural financial issues faced by Staveley.
- 7.13 Whilst Members rightly want to do things for the local community, something Members of all groups said they wanted to do, the Council cannot operate without adequate funds to cover them. They are elected to run the organisation on behalf of the community responsibly. Financial stability therefore needs to be at the forefront of any future decision making by Members.

### **Staffing & Continuity**

- 7.14 There is no doubt that many of the Council's problems have stemmed from the results of the Clerk's two year ill-health absence etc that occurred over a decade ago and the consequences over a number of years that immediately followed that unsettled period. The situation magnified the fact that there was no in-house management of the Council's biggest and most intricate capital project. These problems therefore could not have happened at a worse point and should have been uppermost in Member-staff relations at that time. This is emphasised by the fact that in the 2013/14 – 2015/16 period there were four people acting in the Clerk's role, including one Member. It was during this period that money was appropriated by someone working as a temporary member of staff – as there were insufficient internal controls at that time in place given the management action Members had taken. The cost to the Council of resolving these staffing matters stemming from these circumstances was significant, not only in terms of staffing payments, but legal advice, and severance costs which again weakened the Council's financial position. In addition, these issues led to personal stress and the time and effort taken to resolve them. For example *the Council has not undertaken a review*

*of its Risk Assessment during the year to 31st March 2014 nor has it been possible to locate a copy or any details for audit of the Risk Assessment in force during the year.*

- 7.15 When a new permanent Clerk subsequently took over in 2015/16 they did not inherit a position of financial security to manage and there was a lot to do to re-establish matters that had been allowed to drift. (By 2018/19 only one issue, out of 10 internal control categories from the Council's Annual Governance & Accountability Return was negative). But this financial management instability continued on and off until the latest Clerk joined in October 2022 and was able to articulate the perilous state the organisation was in by then. The new Clerk did this within a month of joining Staveley culminating in the Operations Review report to the November, 2022 Council meeting. With all the time and resources taken to resolve the staffing issues faced, the opportunity cost in terms of managing the building project, paying attention to basic financial issues etc was significant and had they not occurred the Council may not find itself in the situation it is in today.
- 7.16 On a positive note the current Clerk, who was appointed through open competition process, has introduced a new finance system and got a good grasp on the Council's organisational dynamics. The Council has reduced expenditure and Members now need to stick to the financial framework they approved when they set the Council tax for 2023/24 on the 14<sup>th</sup> February, 2023 and with it Staveley's Five Year Stability Plan. The 2024-2027 Corporate Delivery Plan identifies five important community core areas:
- Health and Well-being
  - Sustainable Future
  - Tourism and Economy
  - Community Development
  - People, Assets and Governance

Members need to be unflinchingly in focusing their attentions on, and delivering on, the priorities they have identified are important to local people.

## 8.0 Financial Reporting

- 8.1 Given the turnover of people (five) in the Town Clerk's role during the 2012 – 2015 period and all the related issues with staffing matters financial reporting was patchy. From the evidence the Board has seen it is quite clear the internal and external auditors did flag up sufficient concerns about what was going on, and the lack of reserves to support the Council appropriately. The Internal Auditor's comments for the year ended on the 31<sup>st</sup> March, 2014 sum this up:

*"Without properly drawn up and verified accounts it is not possible to confirm that the Council's Reserves, Assets and Liabilities have been properly accounted for."*

- 8.2 From 2015 onwards some budgets were put forward and approved in isolation, without reference to prior financial years' shortfalls; there were instances of staffing costs being budgeted for incorrectly, cash payments made out of income instead of accounting for them correctly, Community Infrastructure Levy monies being incorrectly included in the council tax receipts and capital receipts which were used to offset revenue cashflow gaps etc. All these issues should have made Members much more circumspect about the level of financial capacity of the Council. Whilst Members may have placed trust high in their priorities for the replacement Clerk in 2015/16, not to appoint anyone who was suitably Society of Local Council Clerk qualified or with experience of running a small

town council should have been taken into account. (Another example of this inexperience is that the Council's Minutes were not signed off by the Chair as a true record of the decisions taken.)

8.3 If there were excuses and obfuscation about providing budgetary information senior and experienced Members should have worked their way through the Annual Governance & Accountability Returns (AGAR) statements each year as they are meant to flag up, and they do, a simple overview of the Council's financial position. Appendix 1 provides this information for all years that records can be traced (some of the Council's records are somewhat haphazard but Members should have insisted they were provided and signed off, as required by the deadlines).

8.4 The AGAR for 2018/19 is the most significant one as it shows between March 2018 and March 2019:

- (i) The Council's "other receipts" decreased from £608,101 to £330,774 (a £277,327 reduction of some 45.6%).

At the same time:

- (ii) Staff costs were increased from £255,564 to £346,064 (a £90,500 increase, some 35%)

These two combined issues in one financial year resulted in a negative £367,827 impact on Staveley's budget profile by the 31<sup>st</sup> March, 2019.

8.5 As a result the Council's projected reserves went from £129,017 in March 2017, to £87,431 in March 2018 a reduction of £41,586, and then a further reduction of double that amount for 2018/19 eroded everything that was left with a reported level of reserves of minus £112 by 31<sup>st</sup> March, 2019.

8.6 In setting the 2019/20 budget, before the May 2019 Elections, these issues should have been apparent to both the Town Clerk & Responsible Financial Officer and the Members who approved that budget.

8.7 Similarly if this AGAR had been able to be studied it should also have been clear to the incoming Administration that even after their budget reduction exercise in 2019 a £75,000 loan from the Chesterfield BC was not going to solve the problem if the budget's financial profile was as imbalanced as it was. Staveley's financial structural problems were far more substantial than that.

8.8 The AGAR for 2019/20 shows a further deteriorating position of minus £112 in reserves, which increased to minus £24,396 by the 31<sup>st</sup> March 2020. Total other receipts further decreased from £330,774 to £314,568 (a £16,206 reduction) and staffing costs increased from £346,064 to £376,347 (a £30,283 increase).

8.9 The AGAR for 2020/21 shows a modest improvement to minus £14,872 as staffing costs had been reduced by £54,433 and other payments by £74,172, offset by lower other receipts of £100,700. However, the impact of Covid eroded the Council's Other Receipts figure to just £109,977 by the end of March 2022 which was the tipping point that led to the Council's insolvency by November 2022.



## **9.0 Governance Arrangements**

- 9.1 This is another key area for the Council: how decisions are made and the transparency of them as they are vital to avoid problems and provide transparency and community confidence. Proper decision making must be made within the formal framework – via reports that are drawn up by the Clerk, considered formally, and if appropriate approved by Members.
- 9.2 The term “strong leader model” is widely used within the Town Council. The “strong leader” model as generally understood refers to a form of leader and cabinet executive where the leader has authority to make decisions on behalf of the council. Unless they resign they can only be removed from office by a vote of full council. A town council cannot legally operate any form of executive, and no councillor, including the leader can have individual decision making power within the town council. The Board therefore takes the view that the strong leader model within the town council refers to a style of leadership characterised by the council there, rather than a form of governance. The Board has serious misgivings about whether such a style of leadership was, or remains appropriate, for an organisation as small as the Town Council. This is borne out on staffing matters and securing loan finances to highlight two significant examples. A more consensual and transparent approach to governance where decisions are taken legitimately and collectively by the Council will help embed better collective working for the benefit of residents. To emphasise the point about perspective Chesterfield Borough Council spends twice as much as all Staveley Town Council’s operations on a single service, homelessness.
- 9.3 A key issue in terms of governance are internal audit reports and the Annual Governance & Accountability Returns (AGAR) required to be submitted for the Town Council for approval. The annual return must be completed after the conclusion of the financial year, and before the end of June; and although signed by the Chair and Clerk it is done so on behalf of all members of the Council. It is a collective responsibility to ensure that there is a sound system of internal control. Had all Members paid more attention to these returns then they would have been more aware of the issues rather than a small group of senior councillors.
- 9.4 The agreement and publication of these AGAR’s are a basic internal control tool to provide the reassurance that the organisation is operating effectively. Again, senior Members, some of whom have been on the Council for over a decade, should know about the significance of these documents; and once the recommended Members’ training programme is conducted so will all the other Councillors. They need to be formally considered, agreed and submitted publicly, not through any delegated power.
- 9.5 Given the problems faced by Staveley these returns should never have been a “rubber stamp” exercise, or something left to an individual Member to sign off. If they were then the basic control they are supposed to provide is lost, and no individual members have any decision making powers.

## **10.0 Member Conduct & Training**

- 10.1 One fact needs to be made clear, the problems faced by the Council is not due to a set of issues faced by one Administration, it is a composite set of events over a number of years since the Labour administration from 2011/12 until 2018/19; and the Community Independents - with confidence and supply support from the Liberal Democrats from 2019/20 until November 2022 when this was withdrawn. The current political balance on Staveley Town Council is now:

Labour:	6
Lib Dems:	5
Community Independents	5
Independents:	<u>1</u>
<b>TOTAL</b>	<b>17</b>

- 10.2 Following the 2023/24 Election the Town Council is experiencing a situation where there is no one party or group in overall control, and councillors have to work together to transact the Council's business. In addition, there has been no agreement of groups working together and therefore the Council is operating without a so called leader. The Chair of the Council manages the Council's business at each Full Council meeting.
- 10.3 There has been a lot of accusations and long standing antagonism between Members and their respective Groups. In itself, this is a poor indicator of organisational health. No one comes out of this well and it just provides a smokescreen to getting on with the reason that Members are there for i.e. running the organisation effectively for local people. Such negativity could put local people from coming forward to be councillors.
- 10.4 There is also a disproportionately high number of complaints made in relation to councillors from Staveley Town Council to Chesterfield Council's Monitoring Officer. During the period between July 2012 and December 2022, 36 out of a total of 62 during this period – nearly 60% related to Staveley Town Council. Themes have ranged from statements and behaviours at council meetings and to the public and other councillors; through to action taken or a failure to act, together with pernicious social media postings.
- (Liberal Democrat Members have asked the Board to make it clear that they have a policy of simply not engaging in social media commentary and have made no complaints to Chesterfield during the review period.)
- 10.5 Tit for tat complaints about other Members' behaviour to the Monitoring Officer should be avoided, and any issue warranting a formal complaint only be made in extremis. They should only be made about substantive issues if they cannot be resolved locally by the Chairman or the Clerk in the first instance. The firm recommendation to Members is to step back from any potential flash points and pause before either complaining or making adverse comments. Members are all mature people, their actions are continually in the public eye and a far greater sense of give and take needs to be established and more harmony reached. This will pay significant dividends in terms of the Council's operational capacity – with less fuss and more work accomplished.
- 10.6 Inter Member animosity is a reputational factor for the Town Council, particularly so given the situation Staveley finds itself in. Every councillor the Board spoke to were mature people of experience. The community are looking for their Town Councillors to provide local leadership. Therefore, personality issues, some of them long standing, tit for tat spats, disparaging social media comments and the leaking of confidential information does nothing to improve the reputational damage Staveley has suffered from. This behaviour simply needs to stop.
- 10.7 Members who stand for office do not receive any remuneration for their time, unlike other councils. They are there to serve their constituents and should not use the platform the Council provides to pursue their own agendas.

- 10.8 Group Leaders in particular need to set a good example and enforce positive standards their Groups should be proud of.
- 10.9 If Members cannot contribute in a positive manner they would do well to keep their counsel. The poor working atmosphere amongst Members is a significant contributory factor to the position the Town Council finds itself in - as all the dissension generated has meant people have not been concentrating on the issues that really matter. The Board has unfortunately had direct experience of this sort of behaviour during the course of this review.
- 10.10 The Seven Principles of Public Life established by Lord Nolan's Committee in 1994 need to be continually applied in the manner Members conduct themselves.

**Selflessness** – Holders of public office should act solely in terms of the public interest. Not themselves.

**Integrity** – Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

**Objectivity** – Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

**Accountability** – Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

**Openness** – Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

**Honesty** – Holders of public office should be truthful.

**Leadership** – Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

- 10.11 As part of the Board's recommendations for Staveley the Town Council urgently needs to introduce a comprehensive training programme for Members. This is an important building block for improvement. Staveley should also seek to build some stronger relationships with Chesterfield Borough Council, the County Council, Derbyshire Association of Local Councils or its other near neighbours with some joint training. Working with others may also foster new perspectives and provide the opportunity to gain new ideas. The Board positively noted the recent training arranged by the Clerk on the Community Infrastructure Levy.
- 10.12 The Council should also include in its action plan a proposal to sign up to the national Civility and Respect Pledge committing the Council to treat councillors, the Clerk, other employees, members of the public, and representatives of partner organisations and volunteers with civility and respect in their roles and that it:

- Has put in place a training programme for councillors and staff



- Has signed up to the Code of Conduct for councillors
- Has good governance arrangements in place including staff contracts and a dignity at work policy
- Will seek professional help at the early stages should civility and respect issues arise
- Will commit to calling out bullying and harassment if and when it happens
- Will continue to learn from best practices in the sector and aspire to be a role model/champion Council.

This may assist Member knowledge with issues such as Member surcharge which still seems to have some currency in the discussions we have had with Staveley Members. It was withdrawn under the Local Government Act 2000 and no longer applies.

## 11.0 **Forms of Recourse**

- 11.1 The Board was specifically asked about potential issues of recourse. The issue in pursuing such a matter now would be the evidence gathering given the historical issues with confused record keeping by the Town Council combined with the fact this took place over seven years ago. The time lapse will not only be an issue with memory refreshing of potential witnesses but also with the time limitation of pursuing action with respect to fraud.
- 11.2 Theft is a criminal offence pursuant to the Theft Act 1968. The Limitation Act 1980 gives time limits to bring actions for differing offences, but the Theft Act 1968 is not subject to these time limits.
- 11.3 The potential for Criminal Fraud is more complex:
- In some cases there will be other possible offences such as False Accounting (section 17 Theft Act 1968), Making off Without Payment (section 3 Theft Act 1978), Obtaining Services Dishonestly (Section 11 Fraud Act 2006), offences under the Computer Misuse Act 1990, Forgery and Counterfeiting Act 1981, the Identity Cards Act 2006, the Proceeds of Crime Act 2002 or the Financial Services and Markets Act 2000. Crown Prosecutors must decide which offence properly reflects the criminality concerned. All offences are subject to the public interest and evidential test to ascertain whether or not to charge.
- 11.4 This may be an offence contrary to Section 4 Fraud Act 2006 which is brought by the Police and Crown Prosecution Service. A person is in breach if he or she occupies a position in which he/she is expected to safeguard, or not to act against, the financial interests of another person, and or dishonestly abuses that position, and or intends, by means of the abuse of that position, to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
- 11.5 He or she also could be charged with the offence of Fraud by false representation, contrary to Section 2 of the Fraud Act 2006 which states a person is in breach of this section if he or she dishonestly makes a false representation, and intends, by making the representation, to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
- 11.6 There is a time limitation pursuant to the Limitation Act 1980 period for bringing an action of fraud varying on the type of fraud. Fraud actions must be brought within six years; however Section 32 gives more time as time does not begin to run until the fraud

has, or with reasonable diligence would have been, discovered if the defendant deliberately conceals any fact relevant to the cause of action.

- 11.7 A person who is guilty of fraud is liable on summary conviction, which is conviction in the magistrates court , to imprisonment for a term not exceeding the general limit in a magistrates' court] or to a fine not exceeding the statutory maximum (or to both) which is £5,000. On conviction on indictment which means heard in the Crown Court, to imprisonment for a term not exceeding 10 years or to a fine (or to both). However, no monetary return would be made to the Town Council.

#### Civil Fraud Claim

- 11.8 The Town Council could have made a claim through the County Court for a civil fraud and there are differing heads of claim such as unjust enrichment. This head of claim applies when the defendant has wrongfully obtained a benefit or enrichment at the expense of the claimant through fraudulent means. The claimant seeks restitution to prevent the defendant from unjustly profiting from their fraudulent actions.
- 11.9 Civil claims can be pursued in the County Court, however based on the facts outlined above, this may be out of time for the limitation period of 6 years, unless the application can satisfy s32 of the Limitation Act 1980 which is based upon the fraud of the defendant. The limitation period does not begin to run until the claimant has "discovered the fraud...or could with reasonable diligence have discovered it." The state of knowledge which a claimant must have is knowledge sufficient to enable it to plead a claim. The burden of proof is on the claimant to establish that they could not have discovered the fraud without exceptional measures which they could not reasonably have been expected to take.
- 11.10 The Town Council, in consultation with Chesterfield Borough Council, is recommended to seek legal advice from a specialist fraud advisor to take a view on pursuing this matter.
- This is underlined by the misappropriation of resources by a temporary member of staff in 2015/16, who was subsequently convicted of dishonesty (for a similar offence in another local council). The Board can find no evidence of this matter being reported to the Police. Theft is a criminal offence pursuant to the Theft Act 1968. The Limitation Act 1980 gives time limits to bring actions for differing offences, but the Theft Act 1968 is not subject to these time limits.

However, this matter might also be deemed to fit in with an offence of fraud by an abuse of position, for which time limits do apply. It would be a matter for the Police to arrest, question, gather evidence and take witness statements. The case would then go to the Crown Prosecution Service who is responsible for determining the charge and prosecuting.

- The lack of staffing continuity was a significant factor in the problems encountered with the Council's largest capital project which was completed in 2016.

#### 12.0 **Conclusions**

- 12.1 In reaching the conclusions in this report the Board has seen sufficient evidence to make the recommendations outlined to the Council. Everyone who wanted to discuss matters with the Board was afforded the opportunity to do so, and we were grateful for their time and thoughts.

- 12.2 Members have a lot to do to re-establish organisational credibility and confidence in the Town Council. This will be a long term project and doing the basics right should be the overriding aim of all decisions and actions until the Council's loans are repaid and Members have sufficient financial capacity to embark on any other community projects they want to achieve for their residents.
- 12.3 As the Board has stressed the role of the Town Clerk is vital to the operation of the organisation, and the current incumbent is qualified, has good experience, is knowledgeable, has integrity and understands the parameters of what the organisation can achieve.
- 12.4 The Council's budget is now balanced and there is a clear understanding of the long term commitments Staveley has to manage:
- £803,450 is currently owed to the Public Works Loans Board ( to be repaid over a period of up to 50 years) ; and
  - £398,900 is currently owed to Chesterfield Borough Council ( to be repaid within the next 5 years)
- These loans do not reduce the amount the Council needs to raise or solve its budget deficit, it just allows Members to spread it's financial commitments over future years.
- 12.5 There is an over-riding need for Members to look at the big picture for Staveley.:
- what are local council taxpayer's paying for? And
  - how can Members make a strategic difference to the Town?
- The Council urgently needs to concentrate on the approved strategic plan for what it's doing, and engage/communicate with residents to ensure it maximises its role as a strategic local player for the Town and the Staveley area.
- 12.6 Time and capacity is also a budget item. It takes time and resources to ensure the Council's operations are adhered to and procedures are followed. Therefore, there needs to be a real sense of perspective/fitness for purpose of the Town Council itself - it is a third-tier authority with only a limited set of non-statutory services; Members are responsible for a budget of just £497,000; there are only 3 posts on the establishment, it comprises 17 elected Members and is not there to resolve every issue.
- For example, if residents are faced with a burst water main it is the responsibility of the water company, and not the function of the Town Council to provide residents with any temporary water. Having a Council Plan in place would ensure that this sort of immediate issue was not considered in the strategic context Staveley needs to operate in. For example, developing the Town's market offer.
- 12.7 Some improvements do not cost money and can start immediately – for example the political vendettas, animosity and point scoring need to just stop. All Members can start this at this evening's meeting with a civil approach to all contributions. The Board was very concerned to hear about allegations of Member intimidation and the involvement of the Police as relations had deteriorated so badly. It re-enforces the point about Members' loss of organisational perspective and the fact that Staveley is a small, lower tier council with limited functions and resources providing services for

just 18,000 residents. It is also telling that when asked by the Chairman at the Full Council meeting in February, 2023 it was minuted that a Member did not apologise for adverse social media comments about an officer. This is simply unacceptable behaviour in public office.

- 12.8 As part of our work the Board asked each person we spoke to about whether Staveley Town Council should continue. Without exception everyone said that it should as Staveley should be represented, it was the focal point for community efforts, there was a need to support the local community and without it there were fears that efforts and resources would be concentrated only in Chesterfield itself. (It should be noted that Chesterfield Borough Council was allocated £25.2m Town Deal funding in 2021 for the Staveley area, and the current Chair of the Town Council is a member of the Town Deal Board. Chesterfield has also secured the Town Council's survival loans, provided advice and previous financial support to Staveley in September 2020 when it was requested.)
- 12.9 Similarly the Board was impressed by the initiatives Members wanted to do for their communities, whether through their own efforts, sponsorship or through their community contacts. This is very much to Members' credit and is the creative approach to still fulfil what people enjoy, but without draining any further Council funds. Staveley needs a sustained period of consolidation, not expansion. This may be prosaic, but it is what is required. The fact that the Town Council has signed up to this improvement process is a positive and an important step, and there needs to be ownership (not denials) by Members of the situation.

### **13.0 RECOMMENDATIONS:**

#### **13.1 To Regain Public Trust & Confidence and the Town Council**

- (i) Members need to accept that when they get elected (whether it's a contested election or not) they are there to undertake a position of responsibility, and with that some maturity is required to fulfil that duty. Tit for tat arguments in Council meetings and on social media are tawdry, they bring the position of councillors into disrepute, and with it the Council's. If Members continue to abuse social media and bring the Council into disrepute there needs to be a formal sanction for such behaviour, in effect a Staveley Charter of Acceptable Behaviour enforced by other Members.
- (ii) To assist Members in their responsibilities a formal training programme needs to be established, to include:
  - (a) the purpose and function of the Town Council
  - (b) the Council's Constitution
  - (c) the respective roles of Members and officers
  - (d) local government finance and the annual governance statement
  - (e) Member Code of Conduct and the principles of good conduct to establish confidence in the members of the Town Council
  - (f) the proper use of social media and resources available, including from LGA, for councillors to manage on-line abuse.
- (iii) A more consensual and transparent approach to governance where decisions are taken legitimately and collectively by the Council will help embed better collective working for the benefits of residents. There is a role for Group Leaders coming together to help provide a steer to the Clerk when drafting reports for the Council to consider but it is underlined that decisions ultimately need to be reached through the Council's formal decision-making structure through the Council and its committees.
- (iv) The Town Council should formally abandon any concept of the strong leader model of governance. If Members want to be party to the development of ideas before draft reports are finalised they should be undertaken with consensus by group leaders as part of meeting with the Clerk. If lead Members cannot bring a mature approach based on positive outcomes for the Council as an organisation then this recommendation needs to fall by the wayside and the reports be just submitted for debate at the meetings with all Members. If that is the case then the time management of Council meetings by the Chairman needs to be very effective and appropriate time given to items of significance.
- (v) A lot negativity seems to have been generated by conjecture, hearsay and rumour. This needs to cease. If there are concerns or issues, rather than letting them run it would be helpful for Members to ask questions at Full Council about whatever the issue is so that a formal answer can be provided and the information known by everybody. In this way all Members will know about the issue and the response. The Clerk is building a new website for the Council and this should provide a better source of information about projects, decisions and issues. Together with a Council newsletter which the Clerk intends to instigate.
- (vi) There should be a Member-Officer Protocol put in place making the working relationship between elected members and the officers' of the Town Council clear. This should include working arrangements with the Council Chairman and respective Group Leaders in order that the Clerk and her staff have the ability to manage their time effectively to discharge Council business. Given the limited staffing levels at

present, Members should seek to make appointments for meetings with the Clerk rather than arriving unannounced when she may be serving customers or engaged in detailed finance work.

- (vii) A commitment to peer reviewed accreditation under the Local Council Award Scheme to demonstrate that good governance, policies and procedures are in place.
- (viii) The Council should sign up to the national Civility and Respect Pledge committing the Council to treat councillors, the Clerk, other employees, members of the public, and representatives of partner organisations and volunteers with civility and respect in their roles.

### **13.2 To demonstrate the Council's ability to deliver value for money services the Town Council:**

- (i) The Council needs to stop focusing on procedural issues, they will come through more transparent decision making. Staveley needs to concentrate its efforts on a bigger picture for Staveley - what does the Council want to achieve for its 18,000 residents? The 2024-2027 Corporate Delivery Plan, which includes staying within budget and building up its reserves form an important part of this important corporate task. The Corporate Delivery Plan will provide guide and a framework for future decision making, allowing Members to discount issues which do not fit within that agreed and strategic framework.

The fact that Staveley has access to local Community Infrastructure Levy resources means that effective and meaningful decisions are there for Members to make.

- (ii) All internal audit reports, external audit reports an Annual Governance & Accountability Returns (AGARs) should be formally reported to the Policy, Finance & Publicity Committee. In the case of the latter they should go to Full Council for scrutiny, Member information, discussion and formal sign off.
- (iii) Members need a formal financial statement for each quarterly meeting of Policy, Finance & Publicity Committee and that needs to be formally considered by Full Council at each of its meetings.
- (iv) The Town Council sets itself a financial target of 10% of its precept as a minimum level of reserves and works toward this figure with commitment. Whether this is through reducing expenditure further, or more importantly increasing income this needs to be done in a planned and methodical way.
- (v) Members should not embark on any new expenditure unless it is balanced by additional income.
- (vi) All new ideas for the distribution of Council grants, fund raising, asset sales – land and equipment etc should be the subject of a formal report from the Town Clerk, in the appropriate corporate template for approval by Members in a transparent way. Members' enthusiasm for schemes is a positive thing but the Council needs to undertake its work in a transparent way at all times. This particularly applies to cash raised at functions for example where gross receipts should always be formally recorded.

- (vii) The Council should review its asset base and resurrect the charitable status concept for Staveley Hall if it wants to retain it. Any decisions about the future of Staveley Hall need to take into account the commitments Staveley entered into with the Heritage Lottery Fund (£1.79m) and European Regional Development Fund (£1.17m) which may need some form of repayment if there were to be any changes which would breach the original grant conditions. Members would also need to get an assessment of current market valuations for their assets in the light of prevailing market conditions, as any market valuations may be lower than those in the balance sheet.
- (viii) The Council should formally review this report and recommendations; and prepare an action plan to implement improvements made, with review dates.

**Staveley Town Council - Annual Governance & Reassurance Returns: 2013/14 - 2021/22**

**Appendix 1**

	31st March 2013	31st March 2014	31st March 2015	31st March 2016	31st March 2016 (Restated)	31st March 2017	31st March 2018	31st March 2019	31st March 2020	31st March 2021	31st March 2022	31st March 2022 (Restated)	31st March 2023
Sign Off Date		15/07/2014	19/05/2015	14/06/2016	14/06/2016	13/06/2017	12/06/2018	09/07/2019	13/10/2020	14/09/2021	30/11/2022	27/06/2023	27/06/2023
<b>Balances Brought Forward</b>	£ <b>-(£60,265)</b>	£257,155	£394,418	£23,515	£23,515	£361,706	£129,017	£87,432	£2,888	£ <b>-(£21,396)</b>	£ <b>-(£11,873)</b>	£ <b>-(£110,799)</b>	£ <b>-(£219,093)</b>
Annual Precept	£331,562	£260,917	£294,226	£309,820	£309,820	£356,293	£368,763	£379,827	£396,936	£411,374	£420,307	£420,307	£450,394
Total Other Receipts	£522,900	£828,885	£395,533	£2,021,435	£2,661,435	£322,376	£608,101	£330,774	£314,568	£213,868	£109,977	£250,709	£615,867
<b>Income:</b>	£ 854,462	£ 1,089,802	£ 689,759	£ 2,331,255	£ 2,971,255	£ 678,669	£ 976,864	£ 710,601	£ 711,504	£ 625,242	£ 530,284	£ 671,016	£ 1,066,261
Staff Costs	208,459	218,364	254,731	270,504	270,504	174,503	255,564	346,064	376,347	321,914	348,312	348,312	373,250
Loan Repayments	10,403	20,807	35,201	41,616	341,616	141,616	300,394	66,711	27,286	35,822	83,890	83,890	153,518
All Other Payments	318,180	713,368	770,730	2,020,944	2,020,944	595,239	462,492	382,370	332,155	257,983	347,108	347,108	485,272
<b>Expenditure:</b>	£ 537,042	£ 952,539	£ 1,060,662	£ 2,333,064	£ 2,633,064	£ 911,358	£ 1,018,450	£ 795,145	£ 735,788	£ 615,719	£ 779,310	£ 779,310	£ 638,790
<b>Balances Carried Forward</b>													
Actual Figures:	<b>£257,155</b>	<b>£394,418</b>	<b>£23,515</b>	<b>£21,706</b>	<b>£361,706</b>	<b>£129,017</b>	<b>£87,431</b>	<b>£2,888</b>	<b>-(£21,396)</b>	<b>-(£11,873)</b>	<b>-(£260,899)</b>	<b>-(£219,093)</b>	<b>£208,378</b>
Reported Figures:								<b>-(£112)</b>	<b>-(£24,936)</b>	<b>-(£14,872)</b>	<b>-(£263,898)</b>		
Cash & Short Term Investments	257,249	189,753	<b>-(7,798)</b>	290,800	56,115	56,115	<b>-(5,416)</b>	<b>-(35,330)</b>	<b>-(24,873)</b>	1,703	4,865	4,865	179,384
Fixed Assests + Long Term Investments & Assets	7,014,725	7,014,725	7,014,725	7,014,725	6,915,600	6,915,600	6,991,917	6,995,899	7,013,022	7,022,460	7,030,187	7,032,699	7,035,358
Total Borrowings	329,478	737,071	725,753	1,053,999	941,793	941,793	925,472	904,887	958,618	950,143	927,585	938,598	1,165,469



## Appendix 2

Principal  
Balance  
Outstanding  
£

### Balance of Loans Outstanding