



Lymington &
Pennington
Town Council

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15 February 2024

TO ALL MEMBERS OF THE COUNCIL, you are hereby summoned to attend a meeting of Lymington & Pennington Town Council which will be held in the Council Chamber, Town Hall, Lymington on **21 February 2024 at 6.00pm** for the purpose of transacting the following business.

PUBLIC PARTICIPATION

Members of the public may speak in accordance with the Council's public participation scheme on anything which is in the specific remit of the Council, at the beginning of the meeting. In certain circumstances, for matters which are included on the Agenda, they may be specifically invited by the Chairman to speak when the Agenda item is called. In these circumstances they may only speak before members have started to debate the item. No member of the public shall speak for more than three minutes in total at any one meeting.

Members of the public may attend via video conferencing. Upon request, a link to the virtual meeting can be sent to the member of public.

Please note that this meeting will be recorded.

Louise Young
CEO/Town Clerk

MEMBERS OF PUBLIC MAY ATTEND

AGENDA

- 1. Apologies for absence**
- 2. Declarations of Interest**
To receive any declarations of interest on any items on the Agenda.
- 3. Public Participation**
To note any matters raised during the public participation.
- 4. Minutes of previous Council Meeting held on 10 January 2024**
To approve and sign as a correct record the Minutes of the previous Council Meeting.

5. **Sea Water Baths Offices**
To consider report
6. **LCA – Request for Funds**
To consider request against monies allocated in the Buckland Farm Access Fund.
7. **Temporary Amendment to Financial Regulations**
To consider report.
8. **Financial Risk Assessment 2024**
To consider the report
9. **Motion – Cllr King**
To consider motion
10. **Motion – Cllr Penson**
To consider motion
11. **Motion – Cllr Dunning**
To consider motion
12. **To receive verbal reports from Town Councillors**
13. **To receive verbal reports from District Councillors**
14. **To receive a verbal report from the County Councillor**
15. **Forthcoming Meetings**
13 March 2024, Planning 6pm
20 March 2024, Town Meeting 6pm
25 March 2024, Amenities 6pm
16. **Next Meeting**
To confirm the next meeting of the Council will be held on **24 April 2024** in the Council Chamber at 6pm.

Members: Cllr Jack Davies (Town Mayor), Cllr Colm McCarthy (Deputy Town Mayor), Cllr Thomas Brindley, Cllr Barry Dunning, Cllr Jacqui England, Cllr Sara Frost, Cllr Richard Gray, Cllr Martina Humber, Cllr Ted Jearrad, Cllr Jerry King, Cllr Iestyn Lewis, Cllr Ian Loveless, Cllr Simon Morgan, Cllr Alan Penson, Cllr Hannah Phillips



**Minutes of the Council Meeting
of Lymington & Pennington Town Council
held in the Council Chamber, Town Hall, Lymington
on 10 January 2024 at 6.00pm**

<u>PRESENT:</u>	Councillors	Jack Davies (Mayor) Colm McCarthy (Deputy Mayor) Barry Dunning Sara Frost Richard Gray Martina Humber Ted Jearrad Jerry King Iestyn Lewis Ian Loveless Simon Morgan Alan Penson
	Officers	Louise Young, CEO/Town Clerk Lesley Way, Deputy Town Clerk Sue Finnimore, Responsible Finance Office
	Also Present	4 Members of Public and 1 member of press via zoom

97. **Apologies for Absence**
Received and approved from Cllr Brindley, Cllr Phillips and Cllr England.

98. **Declarations of Interest**
None

99. **Public Participation**
None

100. **Minutes of Council Meeting held on 13 December 2023**

Resolved: That the minutes of the previous Council meeting held on 13 December 2023 be signed as a correct record.

Proposed by Cllr McCarthy, seconded by Cllr Gray. All in favour.

101. **Revised Budget 2023/24 and Budget 2024/25**

The RFO talked through the revised budget and the budget for 2024/2025.

Resolved:

- i. That the revised budget for 2023/24 and the draft budget for 2024/25 is approved.
- ii. That the proposed new bids for 2024/25, are approved.
- iii. That the precept of £982,689 for 2024/25 is approved.
- iv. The proposed transfers to provisions and reserves, is approved.
- v. That the three year forecast is noted
- vi. That the schedule of fees and charges for 2024/25 is approved.

Proposed by Cllr Morgan, seconded by Cllr King. All in favour.

102. Members Allowance

Members discussed the increase in allowance for 2023/24.

Resolved: That the members allowance is not increased for 2023/24

Proposed by Cllr Morgan, seconded by Cllr McCarthy. 11 in favour, 1 abstained.

103. CEO/Town Clerk Vacancy

Resolved:

- i. That the resignation of the CEO/Town Clerk be noted.
- ii. That the Staffing subcommittee undertake the recruitment process for the vacant post.
- iii. That the Staffing subcommittee bring a recommendation of appointment to Council for approval in due course.

Proposed by Cllr McCarthy, seconded by Cllr Penson. All in favour.

104. To receive verbal reports from Town Councillors

Cllr Humber advised that St Marks Church in Pennington have now appointed a new Vicar.

The Mayor reported that before Christmas he had attended Santa on the Quay which proved very popular this year. He had also delivered chocolates to local care homes and attended a Christmas Dinner at St Thomas Church on Christmas Day. He wanted to thank all the volunteers involved for making the day special to the guests.

105. To receive a verbal report from the District Councillors

Cllr McCarthy he had recently attended the Armed Forces Veterans Breakfast Club.

106. To receive a verbal report from the County Councillor

Hampshire County Council have been trying to recruit a replacement School Patrol at Avenue Road but, so far, have not had any interest in the post.

There are ongoing discussions at Hampshire County Council to improve the road safety for the school. Cllr Dunning confirmed funding sources are being obtained and there is a high degree of certainty that the delivery of an item of infrastructure will result.

South Grove – HCC have confirmed that the £1000 committed from the Town Council will be utilised towards the initial reports which would then inform a plan for the area. The parking feasibility study for South Grove has now been added to HCC’s Traffic Management programme. The study will take the form of a desktop review of parking within South Grove and the surrounding area and they anticipate it will commence sometime over the coming months.

Even though Cllr Dunning had fought against HCC introducing parking restrictions along the High Street, following occupancy surveys by HCC, it has shown the scheme is working well. Previously around 170 vehicles per day were shown to be ignoring the maximum stay period, this has been virtually eradicated to only 4 PCNS had been issued to vehicles ignoring the maximum stay period. The scheme is subject to continual monitoring.

107. Forthcoming Meetings

- 17 January 2024, Planning 6pm
- 30 January 2024, Policy and Resources 10.30am
- 5 February 2024, Amenities 6pm

108. Next Meeting

The next meeting of the Council will be held at 18:00pm on 21 February 2023.

Meeting concluded at 6.33pm.

Date: **Chairperson’s Signature:**

Expenditure required for Sea Water Baths Offices

Report to Full Council 21st February 2024

1.0 INTRODUCTION

- 1.1 The long-term tenants have vacated the Sea Water Baths offices.
- 1.2 An evaluation has been done on the remedial work required before the offices are advertised for rent.

2.0 DISCUSSION

- 2.1 There is no budget, for the works required, and the maintenance budget does not have sufficient funds in this financial year.
- 2.2 Quotations for the work are being sought but have not all been received; the estimated cost is £7500 - £10,000.
- 2.3 The Sea Water Baths reserves has sufficient funds to cover the expenses.

3.0 RECOMMENDATION

- 3.1 That funds of up to £10,000 are taken from the Sea Water Baths reserve to cover the cost of remedial works to the Sea Water Baths offices.

Louise Young
CEO/Town Clerk

REQUEST FOR EARMARKED FUNDS FROM THE LYMINGTON COMMUNITY ASSOCIATION

Report to Full Council 21st February 2024

1.0 INTRODUCTION

- 1.1 The Lymington Community Association (LCA) Celebrating 70 Project was earmarked £ 900,000 from the Buckland Farm Access Fund.
- 1.2 To date £461,000 has been granted to the project, on a match-funded basis. These have funded projects following a predetermined plan, designed to minimise disruption and to provide a systematic basis for each phase.
- 1.3 The remaining funds earmarked (£439,000) will contribute towards Phase 3b of the project.
- 1.4 The LCA has written to the Town Council requesting the remainder of funds. See appendix 1 and supporting document LCA Redevelopment 2023 to 2026.

2.0 DISCUSSION

- 2.1 The LCA have now been able to match fund the remainder of the earmarked funds having raised £550k towards the cost of phase 3B.
- 2.2 The scheduled work is set to take place during the spring and summer 2024.
- 2.3 To transfer funds to LCA we would need to withdraw funds from our Nationwide Account, this requires three months notice. To enable us to have sufficient time to release these funds, it is recommended that the CEO/Town Clerk liaise with the LCA to set up a schedule of payments set against the staged work.

3.0 RECOMMENDATION

- 3.1 That the earmarked funds of £439,000, allocated from the Buckland Farm Access Fund, are transferred to the Lymington Community Association.
- 3.2 That the CEO/Town Clerk schedules payments set against the staged work program of phase 3b.

Louise Young
CEO/Town Clerk



The Lymington Community Association

The Lymington Centre
New Street Lymington SO41 9BQ
Tel: 01590 672337
Registered Charity 1188765

Miss L Young
CEO/Town Clerk
Lymington and Pennington Town Council
Avenue Road
Lymington
Hants
SO41 9ZG

9th February 2024

Dear Louise

We trust you are well. We are sorry to learn that you will be leaving the Council soon.

We are writing to report progress on the use of the Council's Pledge for the LCA redevelopment programme "Celebrating 70" and to request further support to allow completion of the next phases.

The redevelopment programme has reached the stage where we can begin major works on the main building leading to the rebuilding of the 1950s Malt Café which is the social heart of the Centre's Community activities. We recently obtained NFDC planning permission for the demolition and reconstruction of the Café which is located in a sensitive conservation area. This was a major milestone in the programme; we have also yesterday (Thursday 8th February) received permission for the addition of Solar Panels on the roof of the proposed new Café.

Attached you will find a copy of the updated document entitled "The Business and Community Case for Redevelopment" focusing specifically on the case for redevelopment and the need for continued financial support from the Pledge. It provides a summary of completed development works and their associated costs and describes the different kinds of benefits for each part of the redevelopment programme. Importantly, it presents the cost estimates for the next phases of work and funding needs.

The main conclusions are:

- Since the Pledge was awarded in 2018, approximately £903k has been spent on LCA Redevelopment projects (Capital and non-Capital costs). None of this could have been achieved without the Council Pledge.
- The projects followed a pre-determined plan, designed to minimise disruption and to provide a systematic basis for the following steps. They include the Pottery, Fuller Kitchen, Pre-School relocation, Wellington Corridor and Wellington Kitchen refurbishment, Normandy refurbishment, installation of a new, enlarged first floor Lift, and most recently the removal of the Wellington Staircase with the installation of two new Toilets on the first floor, and the re-configuration of the Toilets on the ground floor to include a "Changing Places" facility which will be one of only two available in the town.

- The LCA has successfully match-funded the generous £461k support already provided from the Council Pledge through local authority grants, gifts, legacies, charitable foundations, and extensive fund-raising activities.
- Phase 3B, the next works, are in two parts with a total estimated cost of £1.2 million:
 - o Spring 2024 – Refurbishment of ground floor corridor with replacement of existing services to enable the continued use of a corridor through the main building throughout the re-development of the Café.
 - o Summer 2024 - Demolition and reconstruction of the Malt Café and Kitchen leading to a modern, expanded Café and Bar, with access from the Malt Theatre with solar panels and an attractive outside Piazza. This will offer the significant benefits of greater usage and income and lower running costs for the Centre.

Having already raised £550k towards the cost of Phase 3B the LCA is comfortably able to match the remaining £439k of the LPTC Pledge. In addition, good progress is being made with grant applications to raise the balance of £211k which will be required to complete this phase.

The LCA is pleased to report that we have up to this date raised over £900k to put towards the capital costs of “Celebrating 70” and so have met the condition that the funds so generously pledged by the Council be match funded.

Our request to the Council is to approve the release of the remainder of the LPTC Pledge of £439K to enable us to proceed with the commencement with the next phase of works as detailed above.

The importance and advantage of being able to show prospective beneficiaries that we have already obtained substantial funding cannot be overstressed when trying to attract further contributions

We are conscious of the need to provide you with an assurance that LCA remains a going concern with good prospects, and we attach a copy of the audited 2022/23 Annual Report. This was presented at the AGM of the Association last night (Thursday 8th February 2024) and demonstrates that the Charity is in a sound financial position.

Please let us know if there is any additional information, we can provide. Once again, we would like to extend our sincere thanks to both you and the Lymington and Pennington Town Council for the continued support of the Association and the work of the Community Centre.

Yours sincerely



Norman Browne
Acting Chairman
Lymington Community Association



New Street Lymington SO41 9BQ
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5 Feb 2024

LCA Redevelopment 2023 to 2026

The Community and Business Case

FINAL

Executive Summary

The role of the Centre and its importance to the local Community is described in detail in the 2023-26 Business Plan. The current report addresses the specific case for continued LPTC financial support from the match funded Pledge of £900k set aside for redevelopment in 2018.

- The Centre has undergone continuous and often piecemeal development since its inception in 1948. The result is a complex arrangement of rooms and spaces available for a wide variety of Community uses. Without continuous renovation and modernisation, it will become increasingly difficult to meet the ever-changing needs of the Community and to meet the costs of maintaining and heating its aging buildings. Failure to renovate and modernise will inevitably lead to the Centre being untenable in its current form.
- As a financially self-supporting Charity, the LCA must ensure its financial viability whilst meeting its charity objectives. It is essential to balance the often conflicting needs to invest in longer-term upgrade and renovation projects whilst maintaining short and long-term financial objectives. A summary of the individual completed and planned phases showing the different kinds of benefit arising from each phase is presented. It shows the direct and indirect financial, long-term sustainability, community, energy saving and improved limited mobility access benefits.
- A brief review of completed works is given with a summary of costs and the contribution from the LPTC Pledge. To date, total development costs (capital and non-capital) are estimated at £903k of which £461k has come from the LPTC Pledge and £442K from LCA development fundraising and own resources. The LCA has risen to the challenge of matching funds.

A summary of the next phases of work leading to the replacement of the 1950s Malt Café and kitchen by a modern facility allowing substantial increase in income from a larger and purpose-built restaurant for which NFDC planning permission was recently approved. Estimated costs are presented with the financial support from the remainder of the LPTC Pledge to be requested. LCA plans to meet its match funded contributions are outlined. Current estimates indicate that Toilet Reconfiguration works will come in below the original budgeted figure of £312k at £265k. We have already received match funding for the £312k of £156k from the Pledge. This leaves £439k for Phase 3B which is less than 50% of the estimated cost of £1,200k. The Pledge would therefore be exhausted leaving the LCA to fund the remaining amount of around £761k.

- The report concludes with a brief review of the LCA's current financial status and prospects for the next 3 years. In summary, Covid restrictions were managed without drawing on reserves and activities and income are gradually returning to pre-Covid levels. The energy crisis presents a major source of uncertainty in financial planning which is allowed for when making commitments to major capital works.

- **The Community and business case**

Unlike purely commercial enterprises, the return on financial investment in a Community Centre is measured primarily in social benefit terms. Broadly, this means ensuring that immediate and future community needs continue to be met i.e. for long-term sustainability. Value for money is however as important to a community-based organisation as a commercial enterprise and sound financial management is a key factor when determining how to best maximise future income and reduce running costs. This document briefly overviews progress on the Redevelopment Programme to date and presents the planning and funding of work leading to the rebuilt Malt Café, kitchen and external area (Phases 3B) and the estimated matched fund support from the LPTC Pledge. Planning and indicative costings for Phase 4 involving refurbishment of the main office, the reception area and the link to the Gate's Hall and, miscellaneous works is included for the sake of completion.

- **The case for redevelopment: different kinds of benefit**

As a financially self-supporting Charity, the LCA must maintain its financial viability whilst meeting its charity objectives. It is essential to balance the often conflicting needs to invest in longer-term upgrade and renovation projects whilst maintaining short and long-term financial balance. Table 1 (below) showing the different kinds of benefit arising from both completed and planned phases These include direct and indirect financial benefits, long-term sustainability, community, energy saving and improved limited mobility access benefits. The relative importance of the individual benefits is entirely indicative, but, taken overall, serves to show the broad range of benefits resulting from the comprehensive and methodological approach.

Table 1. Different kinds of benefits arising from individual redevelopment actions (numbers indicate relative importance from 0 to 5)

Phase	Synopsis	Benefits									
		Financial benefit - Direct	Financial benefit - Indirect	Sustainability	Community	Energy	Limited mobility access	Services	Maintenance		
Pottery	Transfer from derelict Craft building		1	3	3	2		1			
Fuller kitchen enlargement	Provision of full catering facility for Gates Hall	3	2	1	2						
Pre school	Move from area scheduled for redevelopment. Pre School upgrade to meet Ofsted regulations		3		4				1		
Main building lift	Replacement of small old lift with larger lift allowing wheelchair and carer	1		3	2		3	1	1		
Main building 1 st floor corridors	Upgrading first floor and public access to Wellington dance studio	1	3	2	2						
Main building toilets	Upgrading aging and unattractive toilet facilities including new Changing Places Facility and additional first floor toilet	1	3	2	2		3	3	3		
Removal of Wellington staircase	Essential enabling work for rebuilding of enlarged Malt café with modernised kitchen		2								
New 1 st floor WCs and kitchen	Providing integrated 1 st floor facilities		2		2		2				

Next phases 2023- 24

Synopsis		Benefits									
		Financial benefit - Direct	Financial benefit - Indirect	Sustainability	Community	Energy	Limited mobility access	Services	Maintenance		
Phase 3B											
Rebuilding of enlarged Malt Café with modernised kitchen	Replacement of the Centre's core 1950s era café and kitchen with enlarged and modernised facility allowing full dining facilities for e.g. theatre and cinema users	5	5	5	5	5		5		3	
Café patio upgrade	Provision of comfortable external drinking and dining area	4	4	2	4						
Longer term											
Phase 4											
Main entrance and reception area	Rebuilding to create attractive main entrance, larger reception area, upgraded admin offices	1	3	5	1	4					
Covered link between Main building and Gates Hall	Separate buildings inhibit integration of Centre facilities e.g. toilets, access to Café, conference break out areas	2	2		2	2					
Replacement Phoenix room	Well used but aging and energy inefficient timber structure	1	2	3	3		2			2	

- **Progress and costs to date**

Tables 2a summarises Capital costs of development works completed and in hand since the LPTC Pledge was awarded in 2018. Table 2b presents the total Capital and non-Capital costs to date.

Phase		When	Costs £k	
			Total	LPTC Pledge
1	<i>Pottery</i>	2018	44	37.5
	<i>Gates Hall Kitchen</i>	2019	109	37.5
	<i>Pre-School relocation and upgrade</i>	2020	190	85
	<i>Internal redecoration</i>	2020	Staff, volunteers	
2	<i>Wellington dance studio upgrade</i>	2021	10	
	<i>Main staircase refurbishment (in hand)</i>	2023	22	
	<i>Wellington corridor and kitchenette, Cowper</i>	2022	54	105
	<i>New main building lift</i>	2022	84	
	<i>Redecorate Studio and entrance area</i>	2022	Staff and volunteers	
	<i>Removal of Wellington Staircase and installation of two new toilets on first floor and reconfiguration of downstairs toilets with the addition of "Changing Places Facility"</i>	2023/2024	265 (original quote £312)	156
Total			778	421

Table 2a. Completed project phases and costs

	Total	LCA funded	LPTC Pledge	Notes
Capital	778	357	421	
<i>Planning and legal costs</i>	72	32	40	<i>Professional inc. estimated legal fees (Planning and abortive land sale)</i>
<i>CIO conversion</i>	15	15		<i>Trustee liability protection</i>
<i>LCA project costs (Estimated)</i>	38	38		<i>Supervision and contract administration at 7.5% capital costs</i>
Totals	903	442	461	Remaining Pledge £439

Table 2b: Total costs including estimated non-Capital expenditures to date (£k)

Conclusion

- the development plan has advanced steadily and methodically even if slower than hoped.
- **the total costs** (Capital and non-capital) costs to date are estimated to be **£903k**.
- To date, **capital projects to the value of £778k** have been completed or are in hand.
- the **LCA has succeeded in raising an estimated £442k** through local Authority grants (HCC, NFDC), charitable foundations, gifts, legacies, extensive charity activities and own administrative resources.

4. Next phases and estimated support required from the LPTC pledge

4.1 Work and costs

The Malt Café has been the hub of the Community Centre since it was erected as a temporary Nissan Hut structure in the 1950s. It's replacement by a modern café and kitchen offers substantial scope for wider usage and, importantly, greater income from a purpose-built dining facility serving, for example

pre-cinema and theatre meals. An attractive external area for coffee, a glass of wine or a meal in the Café courtyard has clear financial potential.

4.1 Planning application for a rebuilt Malt Café.

NFDC Planning approval took account of the location of the café in a conservation area where it abuts the Grade II listed Malt Hall. The application was granted in December 22 (subject to certain conditions) and allows costing and firm planning for construction work to be made, subsequent approval has been granted in February 2024 for the addition of Solar Panels to be installed on the roof. The new café will increase the number of potential covers from 28 to 44. Planning includes a modern kitchen allowing full advantage of the increased capacity for both individual and group functions. We will be targeting an income of £1,600 per week over 5.5 days/including evening events with a margin of 25%. This will be an increase on turnover year ending 2022 of 48%. The longer-term potential target would definitely be a turnover of approx. £120K per annum.

The practical work is in two phases:

Phase 3A were essential enabling works involving reconfiguring the main building toilets and removal of the central staircase both of which are pre-requisite to relocating the Malt kitchen.

Phase 3B addresses the creation of a new Malt Café, kitchen and an attractive external courtyard providing additional dining space. The estimated costs and corresponding contribution from the Pledge are presented in Table 3b.

Phase 3B	Costs, £k			
	Total	LCA	LPTC Pledge	Remaining Pledge
<i>Demolish malt café, corridor and Main corridor</i>	£1,200	£761	£439	£0
<i>Temporary works</i>				
<i>New café, kitchen and corridor, solar power</i>				
<i>External courtyard</i>				

Table 3b: Phase 3B costs and the corresponding Pledge contribution

4.2 Funding and fund raising

Matching the funds for Phase 3B requires an extensive fund-raising effort to raise around £761k which has already identified potential and realistic sources including charitable foundations, local authority grants and the National Lottery to raise its contribution. Current funding is around £550k based on existing funds, legacies, fund raising, etc.

The following are the top funding Organizations that we are approaching with an indication of amounts that we intend to apply for:-

- The Peoples Lottery - £100,000 – re-applying in NFDC – Grant towards solar panels - £26,000 – decision by end March 2024.
- Bernard Sunley Foundation – Capital Grant - £200,000 awaiting final costings to support application.

There are a number of smaller funding opportunities which we will be actioning over the coming weeks now we have received the Planning Permission,

A campaign to approach wealthy local benefactors and businesses is under preparation. There will be a smaller campaign for local community users to enable them to support specific purchases and fixtures and fittings.

We have also approached a Charities Lending Institution ([wwwCharityBank.org](http://www.CharityBank.org)) and have been given favourable indicators for borrowing if necessary.

It cannot be over stressed that funding application are much more likely to be supported if there is already a commitment from a partner such as the LPTC to meet around 50% of the costs.

4.3 Timelines

The following timelines take account of the recent planning approval for the Malt Café reconstruction and the availability of LCA funds to match the costs for Phase 3B. Raising a currently estimated £761k to match funds for Phase 3B will be the priority for the LCA fund raising group.

	2023				2024				2025			
220	Jan	Mar	Jun	Dec	Jan	Mar	Jun	Dec	Jan	Mar	Jun	Dec
PHASE 3B Café and Kitchen												

Blue = Construction. Red= Planning, fundraising, tendering

Completion of Phase 4 and other important development tasks remains a commitment for the LCA (annex). However, given the current economic uncertainties related to high energy costs and inflation, no attempt is made here to forecast timelines for these activities.

4.4 Additional works.

The following summarises other important works including those which have been paused to allow funding to focus on revenue generating activities. The Malt Hall, dating from the 18th Century, did not form part of the Development plan but remains a potential source of concern, especially regarding energy efficiency.

	Costs £k
External Pottery lift	150
Level access to lift and play area (Wheelchair, disabled, pushchair access)	
Replace/refurbish the Phoenix	
Demolish craft building and restore carpark	45
Malt Hall – listed building refurbishment	No cost estimates available
Remodel/extend reception and office area Covered access to Gates Hall New 1st floor meeting room Refurbish external area	250 to 1,280 depending on extent of works

5. The LCA: Post Covid financial situation and prospects 2023 to 2026

Potential funding bodies inevitably seek reassurance concerning the long-term financial viability of the recipient organisations. The following provides a brief overview of the LCA's current financial status and forecasts for the next 3 years. More detailed information is available in the 2023-26 LCA Business Plan

Covid

The LCA benefitted from Government support schemes and an insurance policy which allowed it to manage Covid restrictions without drawing on reserves to meet losses from lockdown. Following a "post Covid" recovery full year, membership and user numbers and, critically room-hire income, is steadily returning to pre-Covid levels.

Energy costs – Energy savings and solar panels

The aging and energy inefficient building stock is a matter of a major concern and increased tariffs are likely to add ca £50K per annum between now and April 24. As all comparable organisations, the LCA is taking urgent measures to reduce costs and energy wastage. Redevelopment incorporates up to date energy saving construction and material standards. Reducing temperature within the building has to be balanced against the needs of the many older users who are particularly sensitive to the cold. Active efforts are underway to assess the potential and affordability of Solar Panels both on existing and the rebuilt café for which we have received planning permission for the Café Solar Panels in February 2024. LCA roofing and orientation offers considerable potential for extensive use of solar energy but, at a cost.

6. Financial forecasts: 2023 to 2026

Financial forecasting during a period of high and unpredictable inflationary pressures and massive increases in energy costs, greatly limits the reliability of financial forecasting. Although no attempt is therefore made to allow for inflation, the LCA will continuously balance inflationary increases in its operational charges against the need to provide an affordable community service during a period of increasing financial hardship for many of its members and users. The forecasts assume that the LCA will continue its active policy of reducing operational overheads.

INCOME Year to:	Aug19*	Aug20*	Aug-21*	Aug-22*	Aug-23	Aug-24	Aug-25	Aug-26
LCA operations (ex fundraising and gifts)	454	396	286	449	550	550	600	675
Overheads	417	427	335	500	535	540	600	625
Net Operating position	37	-31	-49	-51	15	10	0	50
Fundraising General	13	193	54	13	33	35	40	45
Net position	50	162	5	-38	48	45	40	95
Development Fundraising	143	141	320	22	150	440	100	125

* For historical comparison

Table 4: Budget forecast for years ending Aug 23 to 26 – Figures as of Feb 2023.. Growth adjusted for the redevelopment outcomes, ie; Café closure and re-opening.

Aug20 Fundraising General includes a legacy of £190K

Operating costs jump in 2025 to reflect opening implications of new Café and Bar

TEMPORARY AMENDMENT TO FINANCIAL REGULATIONS

Report to Full Council 21 February 2024:

1.0 INTRODUCTION

- 1.1 We have been reviewing how best to ensure that all Council accounting functions continue, mindful of the security of council funds, during the period of changeover of the two senior positions of the Council.

2.0 DISCUSSION

- 2.1 Financial Regulation, point 6.12 'Instructions for the Making of Payments, states;

6.12. Where internet banking arrangements are made with any bank, the Clerk and the RFO will be the Service Administrator. Payments cannot be set up and released by a single person. Payments under £500 can be authorised by either the Clerk or RFO. Payments over £500 can be authorised by either the Clerk or the RFO and will also require authorisation of two Councillors. The two Councillors who can approve payments can be any two out of the four Councillors who serve as Mayor, Chair of Policy and Resources, Chair of Amenities and Chair of Planning.

- 2.2 The changes of appointment to both the RFO and the CEO/Town Clerk are likely to be staggered over a period of 3 – 6 months, depending on successful applicants being appointed.
- 2.4 To ensure payments are made to our regular suppliers, with no delay, it is recommended that Lesley Way, the current Deputy Town Clerk is added to the financial regulations, point 6.12. to give authorisation to payments for a period of 6 months. This ensures that we have 2 officers able to authorise payments even if one senior post is not filled. This authorisation is only applicable to Lesley Way. If the Deputy Town Clerk postholder was changed, this authorisation would not continue.

3.0 RECOMMENDATION

It is recommended that:

- 3.1 That Lesley Way is added to financial regulation point 6.12, for a period of 6 months, to authorise payments.

Louise Young
CEO/Town Clerk

**RISK ASSESSMENTS OF FINANCIAL SYSTEMS' CONTROLS FOR
LYMINGTON AND PENNINGTON TOWN COUNCIL IN 2024**

Report to the Full Council: 21 February 2024

1.0 INTRODUCTION

- 1.1 A risk assessment of the financial controls of the Council is required to be prepared annually.

2.0 DISCUSSION

- 2.1 The Council is asked to consider the Risk Assessment of Financial System's for the Council in Appendix 1.

3.0 RECOMMENDATION

It is recommended that:

- 3.1 The report of the Risk Assessments of Financial Systems' for the Council is approved.

S Finnimore
RFO

Report to Council 21 February 2024: ITEM 8 Appendix 1

RISK ASSESSMENTS OF FINANCIAL SYSTEMS' CONTROLS FOR LYMINGTON AND PENNINGTON TOWN COUNCIL IN 2024

PREPARED BY THE RESPONSIBLE FINANCE OFFICER

No.	Internal Control Tests	Findings
1.	Proper Bookkeeping	
1.1	Is the cashbook maintained and up to date?	A computerised cashbook is maintained. A full analysis of Income and Expenditure codes is kept up to date and can be reviewed at any point.
1.2	Is the cashbook arithmetically correct?	Computerised system ensures arithmetical accuracy.
1.3	Is the cashbook regularly balanced?	Cashbook is balanced monthly together with monthly bank reconciliations for all bank accounts held by the Council. The monthly reconciliations are signed off by the RFO.
2a	Standing Orders and Financial Regulations	
2.1	Has the Council formally adopted Standing Orders and Financial Regulations?	The Standing Orders and Financial Regulations were both reviewed and approved at the AGM in May 2023.
2.2	Has a Responsible Financial Officer (RFO) been appointed with specific duties?	The current RFO was appointed in May 2017.
2.3	Have items or services above a de minimis amount been competitively purchased?	Between £100 and £5,000 best endeavours to obtain three estimates. Between £5,000 and £30,000 an authorised officer will use best endeavours to obtain 3 quotations. Contracts above £30,000 are subject to the Public Contract Regulations 2015.

2b		
2.4	Is S.137 expenditure separately recorded and within statutory limits?	This is currently not applicable as the Council is eligible to use the General Power of Competence.
2.5	Is the correct authorisation obtained for payments?	<p>All payments above £500 are only released after approval has been obtained by two Councillors. The relevant payments are also reported in line with transparency requirements.</p> <p>There is always a separation of duties over making and releasing payments – the person releasing bank payments cannot be the same person who has set the payment up on the system.</p>
3		
3.1	Are annual risk assessments carried out?	<p>Regular inspections of play equipment and the skate park are conducted by staff and dated documentation is held to support such reviews. An annual ROSPA report is carried out on all playgrounds.</p> <p>In 2015 Peninsula Employment services including Health & Safety advice was retained by the Council.</p> <p>Health and safety procedures are reviewed annually, and an annual inspection from Peninsula services is made each year, with their advice and recommendations followed up, and further checks and maintenance checks carried out as required.</p> <p>The last inspections were carried out in July 2023.</p>

3.2	Is insurance cover appropriate and adequate?	<p>There is an insurance contract in place which was initiated in June 2021 for 3 years.</p> <p>This contract will be due for renewal at the end of May 2024.</p> <p>The level of insurance cover is reviewed annually when the renewal is undertaken and updated during the year for any new assets are purchased, building work-in-progress and disposals.</p>
3.3	Are internal financial controls documented and reviewed regularly?	<p>The financial systems controls have been reviewed during the year and some procedures adapted and documented to ensure sufficient controls remain in place.</p> <p>The financial system will be independently scrutinised during the annual internal audit process which is scheduled for May.</p>
4	Budgetary Controls	
4.1	Has the Council prepared an annual budget in support of its precept?	<p>The Budget for 2024/25 was prepared & approved by Council on 10 January 2024.</p> <p>The annual budget approved by Council is converted into a detailed management budget to support financial control at an activity accounting level.</p> <p>During the annual budgeting process, the Council review the forecasts for the following three years to ensure reserves look reasonable in this period and within levels to support planned expenditure.</p>
4.2	Is actual expenditure against the budget regularly reported to the Council?	<p>Budgetary control reports are regularly presented to the P&R Committee, showing actual expenditure for the year, compared with total budgets.</p> <p>The RFO investigates expenditure codes where spend is out of</p>

		<p>line with the percentage to be expected for the time of year.</p> <p>As part of the process to strengthen financial management budget variations are investigated, and where an unavoidable budget overspend is identified a budget virement is identified, reported to P&R Committee for approval and in this way the Council aims to ensure that spend is managed within the approved budget.</p> <p>Any supplementary estimates, virements and variations are formally minuted.</p>
4.3	Are there any significant and unexplained variances on budget?	
5	Income Controls	
5.1	Is income properly recorded and promptly banked?	<p>All income received directly in the office is formally receipted (sequentially numbered), and input to the computerised system, & banked promptly.</p> <p>The names of the debtors and the receipt numbers, where appropriate, are entered on the bank paying-in-slips, or identified from the bank statement where payments are received by direct bank transfer.</p> <p>An increasing proportion of our income is paid by customers directly into our bank account or by card payment. Receipts of this nature are referenced to the original invoice.</p> <p>The RFO maintains a sales invoice checklist for the financial year – which considers all areas of anticipated income for Council facilities and monitors income against this list to review for completeness.</p> <p>The RFO also checks that specific income streams are on target to meet the budget for the year and investigate any shortfalls.</p>

5.2	Does the precept recorded in the cashbook agree to the District Council's notification?	Precept received in April and September, are paid directly into the current account. The amounts are agreed with NFDC's remittance advices for the year, and also with the precept calculation submitted to NFDC by the RFO.
5.3	Are security controls over cash adequate and effective?	£5,000 insurance cover for cash in safe and in transit. Cheques and small cash items secured overnight in safe and banked as soon as is practicable, or, at least weekly.
6	Petty Cash Procedures	
6.1	Not applicable	Petty cash is no longer used to make payments.
7	Payroll Controls	
7.1	Do salaries paid agree with those approved by the Council?	All salaries are paid in accordance with the National Joint Council approved pay scales.
7.2	Has PAYE/NIC been properly operated by the Council as an employer?	Since April 2011, the payroll has been prepared by an external company on a monthly basis and input to the financial system. Monthly payments are made to HMRC & H.C.C. for pension contributions. The RFO checks monthly that the balances for PAYE/NIC and pension contributions agree to the amounts paid over to these agencies.
8	Assets Controls	
8.1	Does the Council keep an asset register of all material assets owned?	The asset register is updated when items are purchased or sold, and reviewed at the end of each financial year. A sample inspection of the asset register against the physical assets takes place on an annual basis.
8.2	Are the Assets/Investments registers up to date?	Guidance notes on keeping the asset register have been reviewed. Currently, no investment register exists, as there are only 3 investments.

9	Bank Reconciliation	
9.1	Is there a bank reconciliation for each account?	Current Account - Monthly reconciliations are carried out for the Council's bank accounts. These reconciliations are prepared each month by the accounts assistant and signed off by the RFO.
9.2	Is a bank reconciliation carried out regularly on receipt of statements?	Monthly reconciliations are carried out using statements obtained online where possible and against postal receipt of statements when no online banking.
10	Year-end Procedures	
10.1	Are year-end accounts prepared on a receipts and payments or income and expenditure basis?	Income and expenditure basis.
10.2	Do the accounts agree with the cashbook?	Income and expenditure Accounts are reconciled to the computerised cash book.
10.3	Is there an audit trail from underlying financial records to the accounts?	Full audit trail exists from original documents to the final accounts.
10.4	Where appropriate, have debtors and creditors been properly recorded?	Outstanding orders as at 31 March are summarised together with outstanding Council invoices, from which the lists of debtors and creditors are compiled. The lists of Debtors and Creditors are compared with the appropriate Control accounts as part of the final accounts process.

Motion: Councillor King

Seconded: Cllr Phillips

Potholes

This council notes that Hampshire County Council are currently consulting on the future of local services. The consultation is due to run until 31st March 2024.

This Council further notes that, as part of this review of local services, Hampshire County Council plans to cut £7.5 million per year from its road maintenance budget.

This Council believes our local roads are already poorly-maintained. Residents feel ignored and have been left, literally, paying the price for the terrible state of our local roads. Further cuts to road maintenance will only make the situation worse.

This Council, therefore, calls on the Town Clerk, acting on behalf of the Town Council, to respond to the consultation stating this council's opposition to further cuts to road maintenance.

Motion: Councillor Penson

Seconded: Cllr Dunning

That the Town Clerk writes to the CEO of the New Forest District Council to express the following request from this Council:

The L&PTC is pleased to note that the NFDC is to review the current Local Plan. The District Council has been made aware on numerous occasions of the massive local concern over the excessive development of retirement homes in Lymington and Pennington and the lack of affordable housing. The Local Plan has been found to be failing to deliver the necessary balance of housing for the town with the most recent example being the Police Station site. This was for a development of 32 retirement apartments none of which were proposed to be affordable. Despite overwhelming local opposition and that of all our Town, District and County councillors and notwithstanding the applicant's inability to comply with the affordable housing requirements (a target of 50% in the Local Plan) the scheme was deemed compliant and approved. This despite the fact that there were some 90 retirement properties on or about to come on the market in the town including 42 in another new development. At the same time there were just 6 non-retirement properties below £250,000 (one of which was a studio flat smaller than a double garage) plus the very long NFDC waiting list for rented accommodation.

Changes to the Local Plan are clearly required and this Council urges the NFDC to act quickly and decisively to ensure that the planning system is able to deliver the range of housing required to meet the needs of Lymington and Pennington.

Motion: Councillor Dunning

Seconded: Cllr Frost

That the Town Clerk writes to the CEO of Hampshire County Council with the following requests:

The L&PTC notes the HCC plans to increase the number of care home places in the county from 900 to 1,000 and acknowledges that some of the existing accommodation is becoming unsuitable. The Council understands that as a result of a review a decision has been made that the Solent Mead Care Home in Lymington is not suitable for investment to bring up to today's standards and to increase capacity and as such will close. Given that there are no other public sector care homes in or near Lymington the Council requires the assurance from HCC that Solent Mead will not close until suitable local alternative accommodation is available for the residents.

The Council further understands that the HCC are planning to construct three 80 - 100 bed specialist care homes designed to cater for older adults with complex needs. One of these is to be in the New Forest area and the Council urges the HCC to locate it in or close to Lymington.

The Council wants to ensure that future developments will meet the needs of the town. As such, if all or part of the Solent Mead site is subsequently sold for housing, it should be on the express condition that at least 50% of the dwellings constructed will be affordable as defined in the Local Plan.