

Agenda item 7 - Museum funding arrangements

Royston Town Council has a Service Level Agreement with the Royston Museum Trust CIO regarding funding payments. The SLA states: “The Council will pay the Trust £91,000 per year in two instalments. The first £45,500 on 1st April in year 1 (on 15th April in subsequent years), and the second £45,500 on 15th September, on receipt of invoice. Inflationary increases based on CPI (Consumer Price Index) will be applied annually. Adjustments to the annual funding can be made with the agreement of both the Council and Trust.”

Whilst CPI is referenced it is not specified which month should be used to determine the CPI figure applied to the funding amount. An analysis of the CPI figures between September 2022 and February 2023 shows that the payment amount is unlikely to be much different dependant on which date we take. The CPI is a 12 month rolling calculation so over a number of years it will make no difference. In September CPI was 10.1%, since then the highest CPI has been was 11.1% in October and the lowest 10.1%

(<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/february2023>). Therefore the lowest amount the SLA would be this year would be £100,191 and the highest would be £101,101. The trust has advised that they don't have a preference for which month is used.

I propose that the CPI figure from November is used to determine the uplift both for this coming year as well as for subsequent years. For the purposes of this financial year this represents a 10.7% increase and would result in a total annual payment of £100,737 to the CIO for the coming financial year. This would be paid to the trust in 2 equal instalments in April and September of £50,368.50 in line with the SLA. RTC has currently budgeted £100,000 towards the SLA this year based on an estimate of CPI, the proposal is slightly above this as a result of using the actual CPI figures.

Due to the annual timelines of the RTC budgeting process the CPI figure for November should be released prior to full council approval of the budget in the new year – prior to the publication of the November figure the budget working party would be able to work from the latest available CPI figures.

Cllr Emma Squire-Smith