

## ST HELENS PARISH COUNCIL

DATE: 10 APRIL 2017

ITEM FOR: INFORMATION

AUTHOR: RESPONSIBLE FINANCIAL OFFICER

### FINANCIAL STATEMENT

#### PURPOSE OF REPORT

- 1 This report is the annual statement on the finances of the Council. It details the income and expenditure to year-end 2016-17, commenting on the outturn and financial resilience of the Council. The Council is invited to **NOTE** this report.

Appendix A shows the summary Receipts and Payments Account and Bank Reconciliation.

#### INCOME

- 2 The year opened with £25,800.95 in the bank current A/c and £6.15 petty cash in hand. There were no unrepresented items, requiring set-aside provision, outstanding. There was also £277.43 available to spend on an Alto charge card bringing total opening balances to £26,084.53.
- 3 The precept and grant, totalling £30,483.00 were correctly received.
- 4 Other income has been received in the form of a contribution to grass cutting costs of £1000 from IW Council, a prize award of £150 from the Best Kept Village competition, credit interest and a return of over-paid salary together with other technical adjustments with the closure of the Alto charge card account.
- 5 Total net receipts to 31 March are therefore **£33,422.12** (excluding the opening balance). The usual VAT refund of £1082.49 for 2015-16 (a receipt, not income) has also been correctly received. The full account is at Appendix B.

#### EXPENDITURE

- 6 The Council's gross [bank] outgoing total £34,383.04 plus £6.15 petty cash expended (net **£33,004.10**). The Alto charge card balance was also used, then closed down, with a returned unspent balance of £2.22 and a fee refund of £4.00. Petty Cash has not, and will not, be replaced.
- 7 The approved budget for 2016-17 had a planned total expenditure of £43,104.15, some £11,000 more than planned income. It should be noted that this included projected expenditure on consultation (£6,500) and £13,780 toilet costs, either of which would have required draw down from reserves to balance the budget.
- 8 Acknowledging that the consultation exercise did not take place, and experience with toilets management showing costs at almost £4000 less than predicted, allows a review of other 'core' costs to show that they were contained within tolerable limits on most budget codes, and there was no impact on reserves. Had these two issues been known at initial approval stage, actual outturn would have effectively equalled planned expenditure.
- 9 Other more notable exceptions to the planned budget, notwithstanding that in general the overspends were balanced with underspends, are:

Overspend on salaries – although at first sight the outturn shows an overspend, this was in the main caused by an error by the payroll providers, repaid within days of it arising and showing as 'income'. The small residual overspend was due to a pay award increase, and the commencement of a staff pension (since closed).

Overspend on Miscellaneous Admin – unplanned expenditure on new laptop and printer, Office 365 subscription, IT consultancy, archive storage, job advert. (£1360 [net] actual, £580 planned);

Underspend occurred on Bins emptying with £2500 (net) allowed, and actual expenditure of approximately £1500 (net), and Insurances where just over £1000 was allowed with approximately £400 actual expenditure. However, this latter item was noted as contingent on the toilets potentially requiring insurance, which did not occur.

Other smaller underspends occurred on Printing, Postage, Room Hire, Elections, and Christmas.

- 10 A full payments account is at Appendix C. It should be noted that the budget cashbook has been prepared using gross values, whilst the approved budget was set at net values. This has the effect of appearing to show differences in actual to planned expenditure at wider margins than is actually the case. Future cashbook formats will show all values at net, so that consistent views can be taken on spending profiles.

## RESERVES

- 11 All the Council's funds are managed within one bank account. The accounting records do not have established earmarked funds for particular purposes, other than those set out in the revenue budget (parish plan consultation, for instance). The 'reserves' are therefore simply 'cash in bank' at the year-end. In this case, **£24,840.03** remains at the close, with provision required for an unrepresented cheque of £52.00, some £1000 less than the opening position. At year-end, the VAT refund for 2016-17 of £1378.96 remains due, which will further augment the resources available for 2017-18.
- 12 Guidance recommends that Parish Councils retain between 30-35% of the gross annual revenue budget in reserves. The current ratio is approximately 80%. However, the continuing uncertainty over the future impact on this Council of taking on full repair and maintenance leases on either one or two toilet blocks (with possible in-year costs in excess of current Tenancy at Will arrangements and which already represent almost 35% of the current total budget agreed for 2017-18) and the possibility of engaging in further maintenance tasks on the Greens, suggests that such capacity continues to be justifiable in the short term.

## CONCLUSION

- 13 The Council is in a sound financial position. All expenditure has been contained within readily available resources and the carry-forward position is strong, supporting both planning and contingencies for the following year.

## RECOMMENDATION

- 14 The Council is invited to **Note** this report.

**APPENDIX A**

<b>Reconcilliation 2016/17</b>							
Bank B/F			25800.95				
Petty Cash B/F			6.15				
<b>Balances B/F</b>			<b>25807.10</b>	BOX 1			
Bank Credits			33422.12				
Bank Debits		-34383.04					
Petty Cash Debit		-6.15					
			-34389.19				
<b>Sub total</b>			<b>24840.03</b>	BOX 7	Agrees to bank statement 31 March 2017		
less u/p chqs	52.00						
			52.00				
<b>TOTAL C/F</b>			<b>24892.03</b>				

**APPENDIX B**

<b>Receipts 2016/17</b>				
<b>Receipts</b>	<b>Received from</b>	<b>Reason</b>	<b>Amount</b>	
13-Apr-16	IW COUNCIL - AP	Precept	30483.00	
27-Apr-16	Dyer Lisa	Wages correction	666.96	
04-Jun-16	Credit Interest		15.45	
14-Sep-16	alto card	card closed	2.22	
14-Sep-16	alto card	fee refund	4.00	
28-Sep-16	Credit Interest		18.00	
04-Nov-16	HMRC	vat/refund 15/16	1082.49	
10-Jan-17	Best K V	Winner	150.00	
08-Feb-17	I W COUNCIL - AP	Grass grant	1000.00	
		Total	<b>33422.12</b>	



