



HAVERHILL
TOWN COUNCIL

Finance Committee

Date: 13th January 2015

Agenda item 6

Report from Responsible Financial Officer

6a HTC Report January 2015

1 – Narrative to Budget Report

The following notes should be read in conjunction with the Budget report in section 2 below. Minus figures below means we are better off than we might have expected, had we correctly forecast what our financial situation would be.

The condensed budget report provides an overview of the Council's financial situation as at 30th November as we have not closed the December accounts at the time of writing. Highlighted below are the major variances and the explanations I have been given for them. If any Councillor has questions on the budget report, please feel free to raise it at any time before the meeting – this gives me a chance to find the answer, as I am unlikely to be able to answer off the top of my head during the meeting itself.

Expenditure Cost centre 105 – Central Administration Budget 187,274 Actual 134,481 Variance -52,793

As reported in September, the variance reflects the difference in staffing budget and actual staffing expenditure.

Income Cost centre 105 – Central Administration Budget 26,152 Actual 101 Variance 26,051

The Annual Budget set for 2014-15 included a budget for Youth Co-ordinator; actuals to November have no Youth Co-ordinator as this comes from cost centre 120.

Expenditure Cost centre 120 – Youth co-ordination Budget 16,666 Actual 24,890 Variance 8,224

Budget only until August 2014 as future funding was unsure at time of Budget, actual expenditure to November 2014.

Income Cost centre 120 – Youth co-ordination Budget 16,666 Actual 31,536 Variance -14,870

Unspent Income of £ 10,702 carried forward from 2013-14 and underspend on salary and expenses.

Expenditure Cost centre 205 – Events Budget 116,446 Actual 87,215 Variance -29,231

Expenditure on Festival Costs below budget by £ 5,629, Vehicle Rally by £ 854, Winter Events by £ 14,070, Pensioners' Events by £ 5,484 and no expenditure to date for WW1 Commemoration (£1,500 budget).

Income Cost centre 205 – Events Budget 26,414 Actual 37,599 Variance -11,185

Income received for H1 Branding Grant £ 4,500 not budgeted for.

Expenditure Cost centre 210 – Arts and Leisure – Young People Budget 18,360 Actual 8,265 Variance 10,095

Budget set for Media hub staff, currently vacant

3 – HTC Bank Reconciliation for financial period ending 30th November 2014.

Balances as per statement at 30th November 2014.

| Account name | | Statement date | Page no. | Balance | Deposit maturity date |
|----------------------------------|--------------|------------------|----------|----------------------|-----------------------|
| Business Account | | 30/11/2014 | 92 | £10,334.44 | |
| Bus Instant Access | | 30/11/2014 | 69 | £219,656.00 | |
| Payroll Account | | 31/10/2014 | 47 | £33.14 | |
| Scottish Widows | | 01/10/2014 | 26 | £117,657.67 | |
| High interest Deposit | Ref: 9521881 | 1 month @ 0.42% | | £200,000.00 | 10/12/2014 |
| High interest Deposit | Ref: 9441069 | 3 months @ 0.57% | | £600,000.00 | 14/01/2015 |
| High interest Deposit | Ref: 9521851 | 6 months @ 0.7% | | £150,000.00 | 07/05/2015 |
| High interest Deposit | Ref: 9521908 | 6 months @ 0.7% | | £400,000.00 | 12/05/2015 |
| | | | | | |
| | | | | £1,697,681.25 | |
| Less Un-presented Cheques | | | | £34,625.98 | |
| Plus receipts not banked/cleared | | | | £0.00 | |
| Balance as per cash book | | | | £1,663,055.27 | |
| Difference | | | | £0.00 | |

4 – HTC Payments made in November 2014

A total of £ 122,429.29 was expended in November. Cheque list goes to Full Council.

5 – HTC Debtors & Creditors to 30th November 2014

The debtors list has now been reviewed and we are establishing that many of the debts dating back to June 2012 are non-existent because the manual system was not consistent with the accounts, so paid bills did not marry up to debts – a problem removed now customers are invoiced via the Sales Module for RBS Omega. Those debts that appear to be real will be chased. Up until now there has been no process followed for chasing debts. The first step should be for the finance officer to alert the Arts & Leisure Manager or Clerk to any bill unpaid after 30 days, so it can be investigated and the customer chased.

Current debtors include an invoice to Suffolk CC for £ 58,824.00. Debts of £ 9,550.29 owed by Hartseats cleared early December.

| | |
|---------|-----------|
| Current | 68,353.80 |
| 30 days | 6,070.82 |
| 60 days | 331.40 |
| 90 days | 596.46 |

6b Hartseats Limited

1 – Narrative to Budget Report

The following notes should be read in conjunction with the Budget report in section 2 below. This report is for month 5 of the current financial year to the end of November 2014. The budget is a prediction based on past performance.

Sales – Bistro Income Budget 39,333 Actual 43,706 Variance 4,373

Takings were over the budget due to a steady increase in sales each month.

Sales – Bistro Expenditure Budget 16,000 Actual 21,946 Variance 5,946

Bistro expenditure was higher than budget due to stock purchasing covered by increased sales.

Sales – Bar Expenditure Budget 11,333 Actual 8,010 Variance -3,323

Bar expenditure was lower than budget increased sales, through staff getting better deals on supplies which helped boost the profit margin.

2 – Budget Report

| Hartseats 2014/15 YTD Budget to 30 th November 2014 | | | | | | | | |
|--|---------------|-----------------|--------------|--------------|--------------|---------------------|---------------|--------------|
| Cost Centre | Annual Budget | Expenditure YTD | | Income YTD | | Net YTD Expenditure | | Variance |
| | Net | Budget | Actual | Budget | Actual | Budget | Actual | (-= good) |
| Sales | | | | | | | | |
| Bistro | -35000 | 16000 | 21946 | 39333 | 43706 | -23333 | -21760 | 1573 |
| Bar | -22000 | 11333 | 8010 | 26000 | 25965 | -14667 | -17955 | -3288 |
| Tuck | -3500 | 2000 | 1308 | 4333 | 3770 | -2333 | -2462 | -129 |
| Gross Profit | -60500 | | | | | -40333 | -42177 | -1844 |
| | | | | | | | | |
| Overheads | | | | | | | | |
| Staff | 38400 | 25600 | 24817 | | | 25600 | 24817 | -783 |
| Employers Cost | 10600 | 7067 | 5962 | | | 7067 | 5962 | -1105 |
| Administration | 0 | | 35 | | | 0 | 35 | 35 |
| Rent | 1200 | 800 | 800 | | | 800 | 800 | 0 |
| Public Performance Licence | 0 | | 95 | | | 0 | 95 | 95 |
| Equipment | 0 | | 1102 | | | 0 | 1102 | 1102 |
| Sundries | 600 | 400 | 378 | | | 400 | 378 | -22 |
| Sub Total | 50800 | 33867 | 33189 | 40333 | 42177 | 6467 | 8988 | -2521 |
| | | | | | | | | |
| Net Profit | 9700 | | | | | 6467 | 8988 | -2521 |

3 – Bank Reconciliation for financial period ending 30th November 2014.

Balances as per statement at 30th November 2014.

| Account name | Statement date | Page no. | Balance |
|---------------------------------|----------------|----------|-------------------|
| Business Account | 05/12/2014 | 38 | £20,007.27 |
| Less Un-presented Cheques | | | £28.70 |
| Plus receipts cleared | | | £1,989.55 |
| Balance as per cash book | | | £21,968.12 |
| Difference | | | £0.00 |

4 – Payments made in November 2014

A total of £ 4,580.41 was expended in November.

5 – Debtors and Creditors

As at 30th November 2014 Debtors amounted to £ 1,630.39 relating to invoices owed by:

Haverhill Town Council £ 1,630.39

As these are internal transfers there is no concern on chasing the debts. Until month end, the recharge to the Arts Centre and Town Council are not known, so these will always run a month behind.

As at 30th November 2014 the current Creditors amounted to £ 13,698.17 relating to invoices due to Haverhill Town Council £ 9,509.83 (for the payroll and petty cash) and suppliers £ 2,787.84. Until month end the recharge to Hartseats for Payroll and petty cash are unknown and therefore run one month behind for payment.

6c Haverhill Arts Centre Charity

1 – Narrative to Budget Report

The following notes should be read in conjunction with the Budget report in section 2.

This report is for month 5 of the current financial year to the end of November 2014.

Leiston Centre Hall Hire Income Budget 6,333 Actual 7,995 Variance -1,662

Income from hire of Leiston Centre is exceeding predictions due to Gateshead College hiring the Leiston Centre - not anticipated at time the budget was set.

Maintenance of Premises Expenditure Budget 38,000 Actual 16,751 Variance -21,249

Monthly Budget set at 1/12th of annual budget, expenditure is incurred as and when maintenance carried out.

Heat & Light Expenditure Budget 17,200 Actual 14,570 Variance -2,630

Expenditure is negative due to an “over accrual” of costs based on estimated invoices from suppliers, once the actual reading was taken costs were lower than expected.

Cleaning Expenditure Budget 16,667 Actual 18,448 Variance 1,781

Expenditure over budget due to Cleaners at the Leiston centre was not in the original budget as the acquisition came after the budget was set.

2 – Budget Report

| Haverhill Arts Centre 2014/15 YTD Budget to 30th November 2014 | | | | | | |
|--|---------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Cost Centre | Annual Budget | Expenditure YTD | | Income YTD | | Variance (-= good) |
| | | Budget | Actual | Budget | Actual | |
| Income | | | | | | |
| Town Council | 109000 | | | 73000 | 72000 | 1000 |
| Hartseats | 1200 | | | 800 | 800 | 0 |
| Leiston | 9500 | | | 6333.33 | 7994.75 | -1661.42 |
| Donations | 0 | | | 0.00 | 0 | 0.00 |
| Other rental income | 3720 | | | 3720 | 3720 | 0 |
| Total | 123420 | | | 52678.33 | 53629.75 | 451.42 |
| Expenditure | | | | | | |
| Maintenance | 57000 | 38000 | 16751.07 | | | -21248.93 |
| Heat & Light | 25800 | 17200 | 14569.96 | | | -2630.04 |
| Cleaning | 25000 | 16666.67 | 18447.87 | | | 1781.20 |
| Trade Waste Collection | 1400 | 1400 | 1480.96 | | | 80.96 |
| Insurance | 9000 | 6000 | 5905.52 | | | -94.48 |
| Rates | 4600 | 3066.67 | 2060.78 | | | -1005.89 |
| Professional Fees | 0 | | 1527 | | | 1527 |
| Other Admin | 500 | 0 | 3.74 | | | 3.74 |
| Equipment | 0 | 0 | 184.50 | | | 184.50 |
| Insurance claim | 0 | 6013.02 | 0 | | | 6103.02 |
| Sub Total | 123300 | 82333.33 | 66944.42 | | | -15388.91 |
| Net Profit | | | | | (Actual) | 8154.50 |

3– Bank Reconciliation for financial period ending 30th November 2014.

Balances as per statement at 30th November 2014.

| Account name | | Statement date | Page no. | Balance |
|---------------------------------|--|----------------|----------|-------------------|
| Business Account | | 20/11/2014 | 28 | £13,139.03 |
| Less Un-presented Cheques | | | | £35.00 |
| Plus receipts not cleared | | | | £0 |
| Balance as per cash book | | | | £13,104.03 |
| Difference | | | | £0.00 |

4 – Haverhill Arts Centre Payments made in November 2014

A total of £ 3,496.15 was expended in August.

5 – Haverhill Arts Centre Debtors and Creditors

As at 30th November the current Debtors amounted to £ 39,167.00 relating to invoices owed by:

Haverhill History Group £4,464.00 - issued in May to be paid once annual grant is agreed.

Haverhill Town Council £ 32,400.00 – Quarterly rent invoice in November for December payment.

Hartseats Limited £ 1,440.00 – Annual rent invoiced in November to be paid December

Leiston Centre Hirers £ 863.00

This amount relates to hires in November £ 266.00 and one hirer's debt from prior months of £ 410, this debt is being reduced on a monthly basis.

As at 30th November the current Creditors amounted to £ 7,858.17 relating to invoices due to suppliers.

Confidential Agenda Item 8 – Bids for the work of Internal Auditor

This work is the precursor to the external audit. It is the job of the Council to recruit an independent person to do an internal audit, which can be as wide-ranging as the Council wishes. The Council agreed the specification for the audit in September. I approached three organisations with a request to tender for the work. The results of the exercise are shown in a separate document as the details of a tender are confidential.

Confidential Agenda Item 9 – Provision of Christmas Lights

The agenda item will be a discussion to cover any observations on the existing service and any comments Councillors wish to make ahead of me drawing up a suitable specification for the tender.

Colin Poole

Responsible Financial Officer
Haverhill Town Council