



HAVERRILL
TOWN COUNCIL

Finance Committee

Date: 5th April 2016

Agenda item - 7

Report from Responsible Financial Officer

6a HTC Report to end February 2016

1 – Budget Report

Town Council 2015/16 to 29 th February 2016										
Code	Cost Centre	Annual	Annual	Expenditure YTD		Income YTD		Net YTD Expenditure		Variance (=- good)
		Expenditure	Income	Budget	Actual	Budget	Actual	Budget	Actual	
Town Council										
101	Administration	619156	611998	567560	1136356	560998	646306	6562	490050	483488
102	Democracy	11700	7700	10725	12213	7058	7700	3667	4513	846
103	Mayor's Charity	0	0	0	1460	0	1776	0	-316	-316
200	Arts & Leisure	155610	166010	142643	112344	152176	148363	-9533	-36019	-26486
300	Arts Centre	479835	479835	439849	500705	439849	508621	0	-7916	-7916
400	Community	98600	98600	90383	105728	90383	98600	0	7128	7128
500	One Haverhill	85558	0	78428	35763	0	41080	78428	-5317	-83745
501	Youth Co-ordination	47437	51500	43484	44782	47208	50000	-3724	-5218	-1494
600	Bevan House	8005	5300	7338	10496	4858	7950	2480	2546	66
TOTAL		1505901	1420943	1380410	1959847	1302530	1510396	77880	449451	371571
			-84958							

2 – Budget Report – Haverhill Town Council

The following notes should be read in conjunction with the Budget report in section 1 above. 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 29th February as we have not closed the March accounts at the time of writing.

£500,000 was invested in purchasing units in the CCLA Property Fund, which skews 101 by +£500k. If that figure is subtracted from the variance column for 101 and the Total, the figures are -£16,512 and -£128,429, which are both good.

£50,000 has now been transferred to Haverhill Community Trust by way of a grant to assist with the cost of the Arts Centre 2016 refurbishment.

Recently, the Haverhill Old Age Pensioners Association bank accounts were closed and the resultant £7214.49 was transferred to Haverhill Town Council. **Councillors may wish to discuss how this money should be used.**

3 – HTC Bank Reconciliation for financial period ending 29th February 2016.

Balances as per statement at 29th February 2016.

Account name	Current Interest Rates	Statement date	Sheet no.	Balance	Deposit maturity date
Business Account		03/03/2016	24	£10,772.80	
Bus Instant Access		11/03/2016	3	£225,370.52	
Scottish Widows		31/12/2015	31	£118,247.22	
Lloyds Treasury		31/12/2015	1-2	£600,140.55	
Total				£954,531.09	
Less un-presented Cheques				£25,236.19	
Plus receipts not banked/cleared				£164.00	
Balance as per cash book				£929,458.90	
Difference				0.00	

4 – HTC Payments made in February 2016

A total of £118,120 was expended in February. Cheque list goes to Full Council.

5 – HTC Debtors & Creditors to 29th February 2016

Current Debtors	£20,917.93
30 days	£12,279.68
60 days	£5,861.58
90 days	£2,776.67

Since the end of February £15,936.28 of the above £20,917.93 total debtors has now been collected. Of the remaining outstanding balance of £4,981.65 only £1,065.50 now relates to pre-January 2016 and two outstanding invoices totalling £1,254.00 relate to January 2016 itself. It is expected that the majority of these older debts can still be collected.

However, one long standing debtor owes the Town Council and Community Trust a total of £575 and is not co-operating with us in our attempts to recover the funds. **I would like permission to take legal action to recover the funds plus costs.**

Creditors – At the end of February 2016 the total of outstanding creditors invoices was £33,865.90 – all but £381.67 of this total has now been paid.

6 - Earmarked Reserves (ITEM 8 on the Agenda)

Earmarked Reserves are funds tagged for a specific purpose by the Council. The Committee considered Earmarked Reserves at the Finance Committee meeting held on 7th April 2015, as per the attached sheet. The Committee is asked to consider recommending the following revised reserve list to Full Council:

Current value at March 31 st 2015	Reserve Use	Policy For Use	Management and Control	Fund Rule	Change to fund value 2015/16	Predicted value at 31 st March 2016
£22,533	Technical equipment	A sinking fund to smooth the cost of purchases of new technical equipment	To be used as a balance for 300-4800 Equipment Consumables - Technical. Unspent funds from 300-4800 to go into this reserve.	The fund is not to exceed the value required for complete replacement of technical equipment.	+ £621	£23,154
£8,000	One Haverhill	Funds earmarked by the council for spending on One Haverhill activity not including H1	Spending authorised by delegated power to the Clerk following documented agreement by One Haverhill Board	Annual review	- £2,366.84, (The cost to the Council of the Community Ambassador Co-ordinator	£5,633.16
£1,000.00	Website maintenance	A sinking fund to fund any major overhaul of the Council or Arts Centre websites	To be used as a balance for 100-4119 and 300-4119, IT website maintenance	The fund is not to exceed £5,000	-£57	£943
£2799.52	A&L Marketing development	A fund to support the cost of upgrading the events section of the Town Council website	Balance of 200-7014 be used under delegated authority to the Clerk	The fund is not to exceed £3,000	+£200.48 of £1,000 budgeted but not spent, ceiling reached, so balance to general reserves	£3,000
£20,000.00	Election reserve	A sinking fund to smooth the cost to the Town Council of elections	To be used as a balance for 4302 Electoral Costs	The fund is not to exceed £20,000	-£1,828 balance of cost of election over £8,000 budgeted.	£18,172
£8753.58	Environment	A sinking fund to smooth the costs of any expenditure on environmental projects	To be used as a balance for 4600 Environmental	The fund is not to exceed £10,000	-£2890	£5,863.58
£2744.45	Grit bins	A sinking fund to smooth the cost to the council of provision of grit bins	To be used as a balance for 4602 grit bins	The fund is not to exceed £10,000	+£3,000	£5,744.45 Councillors may want to consider combining this reserve and cost centre with Street Furniture, as this is rather specific.
£3629.40	Street Furniture Maintenance	A fund to maintain the street furniture owned by the Council	To be used as a balance for 4601 Street Furniture	The fund is not to exceed £15,000	-£3,629.40	£0 The Haverhill Clock came out of this cost centre. Note proposal above to combine the two centres
£26,751.72	Christmas lights	A fund to smooth the cost to the Council of provision of Christmas lights	To be used as a balance for 4610 Christmas Lights	The fund is not to exceed £30,000	-£3,264	£23,487.72
£25,700.00	Community grants	Funds representing grants committed to third parties by the Council L&C Committee but not awarded yet	To be used for holding funds allocated by the committee but not awarded yet	The fund is to be reviewed annually and any grant deemed not capable of being awarded to be returned to general funds.	-£25,000 payment to Haverhill Gymnastics +	£700 plus adjustments between grants accounts made in March

£20,931.52	Town Centre Development	To be spent on Town Council activity in the Town Centre	To be used under delegated power by the Leisure and Community Committee	Annual Review	+/-£0	£20,931.52
£5,550.00	A&L Leisure Development	A fund for new leisure projects created by any unspent balances from 200-7017 Arts Development and 200-7018 Leisure Development	To be used under delegated authority to the Arts Manager	The fund is not to exceed £10,000 and is subject to annual review	+£2,534	£8,084
£1,039.00	Activities for All	A fund to subsidise ticket costs for families known to REACH	To be used under delegated power to the Clerk	Annual Review	+/-£0	£1,039
£110,412.19	H1 Project (Activities)	To fund the activities to take place at H1	To be used as set out in a relevant budget.	The H1 project is subject to periodic review	+/-£0	£110,412.19
£300,000.00	H1 Project (Property)	To fund the capital works relating to the H1 project	Any spending requires full council authorisation except where delegated authority has been given to the Clerk.	The H1 project is subject to periodic review	+/-£0	£300,000
£300,000.00	Property acquisition fund	To fund the acquisition of property.	Any spending requires full council authorisation	Annual review	+/-£0	£300,000
£96,517.32	Staffing Reserve	To provide a fund for any liabilities arising not covered in the staffing budgets, such as pensions auto-enrolment	To be used as a balance for 4000 through 4005 staffing-related cost centres.	The fund is not to exceed 15% of the total staff budget (2016/17=£443,500)	-£30,017.32 to reduce the staffing reserve to 15% of the staff budget	£66,500
£200,000.00	Long-term maintenance provision	To fund large-scale maintenance projects over and above the maintenance programme	To be used for works not covered by the main budget or insurance.	Not to exceed £200,000, subject to a valuation exercise during 2016/17 to better inform long-term maintenance provision.	-£85,000	£115,000
£4,000	Section 17 Reserve	To provide for expenditure on crime and disorder reduction strategies	To be used under delegated power by the Leisure and Community Committee	Annual Review	+/-£0	£4,000 Some of which has been agreed to be spent, but in 2016/17
£5,000	Leiston Centre Reserve	To provide funds to give a grant to HCT for capital works required on the building	To be used under delegated power by the Leisure and Community Committee	Annual Review	+£5,000	£10,000
£0	Youth Skills Reserve	To Fund the Youth Skills Project from 2015/16 funds in 400-4504 Grants-Youth Projects and contributions from partners	To be used under delegated power by the Leisure and Community Committee	Annual Review	+£20,000	£20,000 plus any payments in from partners

6b Hartseats Limited

1 – Budget Report

2015/16 YTD 29th February 2016										
Code	Cost Centre	Annual		Expenditure		Income		Net Expenditure		Variance (- = good)
		Expend	Income	Budget	Actual	Budget	Actual	Budget	Actual	
	Sales									
1019	Bar	18000	46000	16500	15204	42167	41978	-25667	-26774	-1107
1020	Bistro	32000	62000	29333	28302	56833	65823	-27500	-37521	-10021
1021	Tuck	3000	6500	2750	1530	5958	1769	-3208	-239	2969
	Overheads									
4010	Staffing	65337		59892	59282			59892	59282	-610
	Recharge									
4109	Insurance	1500		1375	0			1375	0	-1375
4110	Clothing & Safety	250		229	0			229	0	-229
4113	Audit Fees	125		115	0			115	0	-115
4114	New Equipment	2000		1833	185			1833	185	-1648
4200	Rent	7200		6600	7200			6600	7200	600
4777	Other Costs	875		802	4213			802	4213	3411
7004	PPL Fees	95		87	65			87	65	-22
	Sub Total	130382	114500	119516	115981	104958	109570	14558	6411	-8147
	Net Profit		-15882							

2 - Notes to budget report

Hartseats' performance continues to be above expectations. We anticipated £15,882 loss this year, but estimating March as being a positive month, with income likely to slightly exceed expenditure, means the final figure will be in the region of £5-6k loss.

3 – Bank Reconciliation for financial period ending 29th February 2016.

Balances as per statement at 29th February 2016.

Account name	Statement date	Page no.	Balance
Business Account	11/03/16	75	£10,719.23
Less Un-presented Cheques			£521.21
Plus receipts cleared			0
Balance as per cash book			£10,198.02
Difference			£0.00

4 – Payments made in February 2016

A total of £ 13,558 was expended in February.

5 – Debtors and Creditors

As at 29th February 2016 Debtors amounted to £3,773.64 relating to invoices owed by Haverhill Town Council which were paid during March 2016

As at 29th February the current Creditors amounted to £ 10,769.87 relating to supplier invoices of £874.31 paid during March 2016 and a staffing recharges from Haverhill Town Council of £9,895.56 which were also settled by cheque also in March 2016.

As debts between Hartseats and Haverhill Town Council are internal transfers until month end, the recharges are not known, so therefore payment will always run a month behind.

6c Haverhill Community Trust

1 – Budget Report

To 29/02/2016		Annual Budget		Expenditure		Income		Net Expenditure		
		Annual Expend	Annual Income	YTD Budget	YTD Actual	YTD Budget	YTD Actual	Budget	Actual	(-= good)
Income - Town Hall										
1200	Rent		42800			39233	31800			7433
1500	Grant from Town Council		62840			57603	62840			-5237
1501	Payment from Hartseats		15882			14559	0			14559
	Total		121522			111395	94640			16755
Expenditure - Town Hall										
4109	Insurance	0		0	3952					3952
4113	Audit Fees	125		115	0					-115
4122	Trade Waste	0		0	228					228
4201	Refurb Costs 2016	0		0	4461					4461
4202	Rates	4100		3758	1581					-2177
4203	Maintenance Planned	25000		22917	21519					-1398
4204	Maintenance Reactive	10000		9167	26173					17006
4205	Heat & Light	22000		20167	19305					-862
4207	Cleaning	27533		25239	19262					-5977
4208	Water	0		0	1652					1652
4777	Other Costs	1000		917	1075					158
	Total	89758		82280	99208					16928
Income - Leiston Centre										
1201	Lettings		0			0	-12587			-12587
	Total		0			0	-12587			-12587
Expenditure - Leiston Centre										
4122	Trade Waste	0		0	273					273
4202	Rates	0		0	611					611
4203	Maintenance Planned	0		0	3750					3750
4204	Maintenance Reactive	0		0	1054					1054
4205	Heat & Light	0		0	3297					3297
4207	Cleaning	0		0	3349					3349
4208	Water	0		0	345					345
4777	Other Costs	0		0	2128					2128
	Total	0		0	14807					14807

2 - Notes to Budget Report

1 - The above table is subject to inter-company transfers between the Council and Trust, to tidy up any payments which have been settled by the opposite entity. Historically, the Council then makes an additional grant to the Community Trust to balance their books. Note the budget rent in 1200 is incorrect – the correct rent of £31800 is shown in YTD Actual. This makes no difference to what the Council has agreed to pay when the total rent and grant are combined.

2 – 4201 Refurbishment Costs expenditure of £4,461 is the net February figure above the £50,000 contribution from the Council for this work paid by 29th Feb. A further £13,000 has been transferred in March, so this figure will show as £8,539 underspent at year end, from the original £63k granted for this work. That underspend will therefore come off the additional grant required (see above).

3– Bank Reconciliation for financial period ending 29th February 2016.

Balances as per statement at 29th February 2016.

Account name		Statement date	Page no.	Balance
Business Account		02/03/2016	63	£31,990.72
Less Un-presented Cheques				£3,767.80
Plus receipts not cleared				£0
Balance as per cash book				£28,222.92
Difference				£0.00

4 – Community Trust Payments made in February 2016

A total of £ 20,960 was expended in February.

5 – Community Trust Debtors and Creditors

As at 29th February 2016 the current Debtors amounted to £ 2,546.25. Of this £1079.25 has been collected during March and the remaining debt is largely less than 30 days old.

The long standing debtor owes the Town Council and Community Trust a total of £575 and this matter was referred to in 6a(5) above.

As at 29th February 2016 the current Creditors amounted to £ 1596.20 all relating to supplier invoices. All of these have now been settled.

Agenda item 5 – Matters Arising

F16/006(c) Debtors

Haverhill Town Council Sales Ledger - Debts over 60 days			
	£	Invoice Date	Comments
Private	105.00	30/11/2014	
Private	176.40	04/09/2014	Ongoing dialogue with debtor
Charity	40.00	13/02/2015	
Education	40.00	06/07/2015	Unpaid VAT
Local Group	24.00	30/11/2015	
Charity	1164.00	14/01/2016	Liaising with debtor
Private	305.00	30/04/2015	Legal action requested
Private	84.00	06/07/2015	Unpaid VAT
Council	61.40	09/06/2015	Commitment to pay made 01/04/2016
Council	45.00	30/11/2015	
Council	154.70	30/10/2015	Need re-invoicing to different body
Charity	120.00	21/01/2016	
	2319.50		
Haverhill Community Trust - Debts over 60 days			
	£	Invoice Date	Comments
Education	330.00	30/06/2015	Re-invoiced - Payment being arranged via SCC
Charity	45.00	31/01/2016	
Private	30.00	18/12/2014	
Council	18.75	31/12/2014	Ongoing dialogue with debtor
Private	270.00	01/07/2015	Legal action requested
Local Group	30.00	30/01/2016	
Private	110.25	31/12/2015	Debtor is on a payment plan
	834.00		

F16/007 Scottish Widows Investment of £118,128

Councillors asked for a review of options for the funds currently held in the Scottish Widows Deposit Account.

Current: Scottish Widows - Business Deposit Account: 0.40%

Cambridge and Counties Bank - 120-day Notice Account: 1.80%

Nationwide - 6-month Business Fixed Rate Saver: 1.00%

Scottish Widows - 1-year fixed term deposit account: 0.80%

Ipswich Building Society – Business Deposit 2: 0.80%

Cambridge Building Society - Easy Access Council Saver: 0.50%

Other providers, such as Saffron Building Society and Unity Bank offered less than the 0.40% we currently get. Cambridge & Counties Bank describe themselves as “a unique partnership between two established and respected institutions – Trinity Hall, Cambridge and Cambridgeshire Local Government Pension Fund”. The rate and term are both very favourable. We also have existing accounts we can add the funds to, or purchase additional units with the CCLA. However, if spreading our risk is an important factor, the Cambridge and Counties Bank represents a different investment to our current portfolio and reasonably quick withdrawal if we find the rate drops.

Colin Poole

Responsible Financial Officer

Haverhill Town Council