



LEIGHTON-LINSLADE TOWN COUNCIL

Policy & Finance Committee

Agenda item no 13

Date: 18 June 2018

Title: 2017-18 Annual Return & Statement of Accounts: creation of new earmarked reserve

Purpose of the Report: To consider approving the establishment of a new earmarked reserve for Professional Fees

Contact Officer: Mark Saccoccio, Town Clerk
Sarah Sandiford, Head of Democratic & Central Services

Corporate Objective/s	LLTC Three Year Plan – Aim 1. To consolidate processes and procedures, ensuring operational efficiency and a structure which will underpin future service delivery by the Town Council.	
Implications:		
Financial	√	Creation of a new earmarked reserve from underspend in financial year 2017-18
Human Resources		
Operational/Service delivery	√	To provide a mechanism enabling operational decisions to be made in a timely manner
Procedural/Legal		
Risk/Health and Safety		

1. RECOMMENDATION/S

Should members be minded, the proposals are:

- 1.1 To note the report.
- 1.2 To endorse the creation of a new Earmarked Reserve for Professional Fees in the amount of £20,000, from funds underspent from various central budgets within the financial year 2017-2018.

2. BACKGROUND

- 2.1 Leighton-Linslade Town Council currently has in place a number of Earmarked Reserves across all service areas, in which funding has been allocated for a specific and designated purpose. Expenditure of earmarked reserves is reviewed as part of the budget monitoring and year-end financial processes. Where monies have not been spent but the purpose for which they were allocated remains valid, earmarked reserve funds will be carried forward from one financial year into the next. If no longer required, funds will be allocated back to the general reserve.
- 2.2 In the annual revenue budget, an amount is allocated each year for the purpose of paying Professional Fees. These may be in respect of matters such as legal services, planning applications, staffing matters, marketing or community engagement activities, for example. The budget allocation for the financial year 2018-19 for this purpose is £10,000.
- 2.3 To date, any requests for expenditure for these purposes which is in addition to anticipated spend from the revenue budget would be brought to Committee for authorisation to spend from the general reserve, as no earmarked reserve exists for this purpose.

3. CONSIDERATIONS

- 3.1 In light of an underspend across central services budgets in 2017-18, it is proposed that a new earmarked reserve be created under management of the Policy & Finance Committee for use in respect of Professional Fees. The proposed allocation to this reserve is £20,000.
- 3.2 Creation of such a reserve would allow for operational decisions to be made in a timely manner, if necessary – i.e. should professional services be required within a specific timeframe which might not fit into the scheduled committee cycle, and without the requirement to call an extraordinary meeting to authorise expenditure from the general reserve.
- 3.3 Any expenditure as outlined in 3.2 above would be subject to current restrictions and Financial Regulations, namely an authorisation limit of £5,000 for expenditure by officers; any amount in excess of this requires Committee approval in advance.

4. CONCLUSIONS

- 4.1 It is the view of officers that for a number of reasons, expenditure on professional fees in the next year or so may be likely to exceed that available within the revenue budget. Creation of an earmarked reserve from revenue budget underspend provides a controlled mechanism to address any urgent issues requiring external, specialist support in a timely manner. Should this prove unnecessary, earmarked reserves may in future be re-absorbed back in to the general reserve.

Leighton-Linslade Town Council

Statement of Accounts

(Not Subject to Audit)

31 March 2018

Leighton-Linslade Town Council

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31 March 2018

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Leighton-Linslade Town Council

Council Information

Town Mayor
Syed Rahman

Councillors
Ray Berry
David Bowater
Alan Brandham
Carol Chambers
Stephen Cotter
Karen Cursons
Sarah Cursons
James Davies
Amanda Dodwell
Kenneth Ferguson
Mark Freeman
Stephen Jones
Farzana Kharawala
Tony Morris
Clive Palmer
Carole Perham
David Perham
Gordon Perham
Brian Spurr
Ewan Wallace

Clerk to the Council and Responsible Financial Officer
Mark Saccoccio

Auditors
Mazars

Leighton-Linslade Town Council

Income and Expenditure Account (Unaudited)

31 March 2018

<u>2017</u> £ Net Expenditure		2018 £ Gross Expenditure	2018 £ Income	2018 £ Net Expenditure
DIRECT SERVICES TO THE PUBLIC				
	Central Services to the Public			
(236,935)	Community Projects	(366,592)	105,422	(261,170)
(59,376)	Grants and Donations	(62,272)	-	(62,272)
(151,354)	Tactic Youth Centre	(175,051)	4,409	(170,642)
(513,284)	Grounds & Environmental Services	(739,224)	379,544	(359,681)
(73,892)	Astral Park Sport and Community Centre	(155,376)	61,999	(93,377)
(165,005)	Community Services	(207,207)	83,697	(123,510)
(214,674)	Use of Reserves	(328,246)	-	(328,246)
 DEMOCRATIC, CIVIC AND CENTRAL COSTS				
(387,436)	Central Costs	(402,901)	13,080	(389,821)
(81,287)	The White House	(87,317)	6,854	(80,463)
(44,711)	Democratic Costs	(55,083)	-	(55,083)
(50,061)	Other Costs and Income	(65,539)	12,270	(53,269)
<u>(1,978,015)</u>		<u>(2,644,809)</u>	<u>667,275</u>	<u>(1,977,534)</u>
2,068,093	Annual Precept			2,115,211
-	Precept Support Grant			-
(170,843)	Transfers (to)/from Earmarked Reserves			(116,004)
<u>(80,765)</u>	Net Surplus (Deficit) for the year			<u>21,673</u>

Reserve Movements

	Balance April 2017	Movement for Year	Balance March 2018
General Fund	736,819	21,673	758,493
Earmarked Reserves	1,258,988	116,004	1,374,992
	<u>1,995,807</u>	<u>137,677</u>	<u>2,133,485</u>
	Box 1		Box 7

Leighton-Linslade Town Council

Income And Expenditure Account and Annual Return Reconciliation (Unaudited)

For the Year Ended 31 March 2018

	Income			Expenditure			
	Box 2	Box 3	Total	Box 4	Box 5	Box 6	Total
Annual Return Box Numbers	Precept	Other Income		Staff Costs	Loans Repaid	Other Costs	
Direct Services							
Central Services to the Public	-	-	-	-	-	-	-
Community Projects	-	105,422	105,422	138,033		228,559	366,592
Grants and Donations	-		-			62,272	62,272
Tactic Youth Centre	-	4,409	4,409	149,615		25,436	175,051
Grounds & Environmental Services	-	379,544	379,544	352,906		386,318	739,224
Astral Park Sport and Community Centre		61,999	61,999	103,538		51,838	155,376
Community Services	-	83,697	83,697	70,597		136,611	207,207
Use of Reserves	-	-	-			328,246	328,246
Democratic, Management and Civic							
Central Costs	-	13,080	13,080	289,343		113,558	402,901
The White House	-	6,854	6,854			87,317	87,317
Democratic Costs	-	-	-	46,513		8,570	55,083
Other Costs and Income	-	12,270	12,270		65,539	-	65,539
Annual Precept	2,115,211	-	2,115,211				
Totals Carried to Annual Return	2,115,211	667,275	2,782,486	1,150,545	65,539	1,428,725	2,644,809
31 March 2017	2,068,093	373,684	2,441,777	1,128,128	66,963	1,156,607	2,351,698

Leighton Lincolne Town Council

Balance Sheet (Unaudited)

31 March 2018

<u>2017</u> £		Note	<u>2018</u> £	<u>2018</u> £
	Fixed Assets	2		
	Tangible fixed assets			
2,103,225	Land and Buildings		2,185,426	
1,578,011	Vehicles and Equipment		1,737,498	
627,135	Infrastructure Assets		707,258	
258,267	Community Assets		258,267	
				<u>4,888,449</u>
<u>4,566,638</u>				
	Current Assets			
136,971	Debtors	5	104,672	
2,110,010	Cash at Bank and In-hand		<u>2,193,645</u>	
<u>2,246,981</u>			2,298,317	
	Current Liabilities			
251,173	Creditors and accrued expenses	6	164,831	
<u>251,173</u>			<u>164,831</u>	
1,995,808	Net Current Assets			2,133,486
<u>6,562,446</u>	Total Assets Less Current Liabilities			<u>7,021,935</u>
	Long Term Liabilities			
307,173	Long Term Borrowing	7		255,650
<u>6,255,273</u>				<u>6,766,285</u>
	Financed by:			
	Reserves available to the Council			
1,258,988	Funds Earmarked for Future Projects	13	1,374,992	
736,819	General Reserve		<u>758,493</u>	2,133,485
<u>1,995,807</u>				
	Reserves Not Available to Council:			
	Represents the Council's Net Investment in Fixed Assets less Outstanding Loans			4,632,800
4,259,466	Capital Financing Account			
<u>6,255,273</u>				<u>6,766,285</u>

These accounts have been approved by the Council.

.....
Chair, Town Mayor

Date:

.....
Responsible Financial Officer

Date:

Leighton-Linslade Town Council

Notes to the Accounts (Unaudited)

31 March 2018

1 Employees

The average weekly number of employees during the year was as follows:

	2018 Number	2017 Number
Full-time	24	22
Part-time	12	20
	<u>36</u>	<u>42</u>

All staff are paid within nationally agreed pay scales

Number of employees whose remuneration excluding employers pension contributions was over £50,000 in bands of £10,000 was:

Band	2017/2018	2016/2017
£50,000 to £59,999	0	0
£60,000 to £69,999	0	0
£70,000 to £79,999	1	1

2

	Freehold Land and Buildings	Vehicles and Equipment	Infrastructure Assets	Community Assets	Total
Cost	£	£			£
1st April 2017	2,103,226	1,578,010	627,138	258,265	4,566,639
Additions	88,200	206,993	80,123		375,316
Disposals	(6,000)	(47,505)			(53,505)
31st March 2018	<u>2,185,426</u>	<u>1,737,498</u>	<u>707,261</u>	<u>258,265</u>	<u>4,888,450</u>

Although classified as capital expenditure, certain minor equipment purchases are not included above as they are not material in overall value.

3 Financing of Capital Expenditure

	2017 £	2016 £
The following capital expenditure during the year:		
Fixed Assets purchased	375,316	143,856
	<u>375,316</u>	<u>143,856</u>
was financed by:		
Grant Funding	73,433	-
Finance Lease	-	78,608
Part Exchange Allowance	-	28,500
Precept and Revenue Income	301,883	36,748
	<u>375,316</u>	<u>143,856</u>

Leighton-Linslade Town Council

Notes to the Accounts (Unaudited)

31 March 2018

4 Assets Purchased in Year

Vehicles and Equipment

Gazebo	32,115	
Canopies/Umbrellas	32,388	
Market Equipment	8,930	
People Counter	6,645	
Dennis Cutter	9,954	
Fikle Server	9,565	
New Play Equipment	<u>107,396</u>	206,993

Infrastructure Assets

Car Park Extension Astral Park	51,213	
Security Bollards	23,311	
Benches and Litter Bins	<u>5,599</u>	80,123

Land and Buildings

Mausoleum		<u>88,200</u>
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5 Debtors

	2018	2017
	£	£
Debtors and Prepayments	54,467	86,766
V A T Recoverable	<u>50,205</u>	<u>50,205</u>
	104,672	136,971
Less: Provision for Bad and Doubtful Debts	-	
	<u>104,672</u>	<u>136,971</u>

6 Creditors and Accrued Expenses

	2018	2017
	£	£
Creditors and Accruals	145,702	231,845
PAYE and National Insurance Due	19,129	19,328
	<u>164,831</u>	<u>251,173</u>

7 Long Term Liabilities

At the close of business on 31 March 2014, the following loans to the Council were outstanding :

	2018	2017
	£	£
Public Works Loan Board	213,347	264,870
CBC-Capital Fund	6,497	6,497
CBC-Loans Pool	35,806	35,806
	<u>255,650</u>	<u>307,173</u>

The Council's loans are repayable as follows :

	<u>CBC</u>	<u>PWLB</u>	2018	2017
Within one year	4,271	21,053	25,324	55,795
From one to two years	4,271	22,135	26,406	25,324
From two to five years	10,492	73,026	83,518	79,922
From five to ten years	8,524	97,133	105,657	119,929
Over ten years	14,745	-	14,745	26,203
Total loan commitment	<u>42,303</u>	<u>213,347</u>	<u>255,650</u>	<u>307,173</u>

Leighton-Linslade Town Council

Notes to the Accounts (Unaudited)

31 March 2018

8 Earmarked Reserves	Balance 1 April 2017	Contribution from Reserves	Contribution to fund Expenditure	Balance 31 March 2018
Policy and Finance				
Future Capital Projects	639,853	200,000	210,538	629,315
Budget Contingency	380		380	-
The White House	14,351		152	14,199
Community Policing	1,300	3,000	1,300	3,000
Cycle Project	10,750		10,750	-
Hughway Schemes	55,000	10,000		65,000
Elections	13,018	7,500		20,518
Staffing Restructure	19,589			19,589
Professional Fees		20,000		20,000
	754,241	240,500	223,120	771,621
Grounds and Environmental Services				
Budget Contingency	4,387	4,491	4,387	4,491
Pavilions	15,605		960	14,645
Leighton-Linslade in Bloom	7,552	2,900		10,452
Parks and Tree Works	44,024	1,000	22,420	22,604
Plant & Vehicle Replacement	38,478	14,047	14,309	38,216
Cemetery	29,781	49,445	10,342	68,884
Allotments	4,944	800		5,744
Beach Project	8,021	14,701		22,722
Linslade Rec Improvement	50,000	5,000	8,587	46,413
Ouzle Valley Maintenance	5,564			5,564
Sandhills Equipment Maintenance	102,273	-	15,525	86,748
Pratts Pit Equipment Maintenance	-	93,020	-	93,020
	310,629	185,404	76,530	419,503
Cultural and Economic				
Public Conveniences	56,971		3,090	53,881
Signage	5,000		135	4,865
Economic Development	41,708		12,794	28,914
Budget Contingency	7,369	630	7,369	630
Town Centre Management	12,485		9,652	2,833
Defibrillators	1,620	975		2,595
Community Projects	14,307	13,722		28,029
Tactic	11,659	7,062	7,392	11,329
Cultural and Economic Services	40,000		300	39,700
Best Bar None	2,500	5,459		7,959
Christmas		2,134		2,134
	193,619	29,982	40,732	182,869
Partnership				
Communty Forum	500	500	-	1,000

Leighton Linlade Town Council

Annual Return 31 March 2018

	2017	2018
1 Balances Brought Forward	1,905,730	1,995,808
2 Annual Precept	2,068,093	2,115,211
3 Total Other Receipts	373,684	667,275
4 Staff Costs	(1,128,129)	(1,150,545)
5 Loan Interest/Capital Repayments	(66,963)	(65,539)
6 Total Other Payments	(1,156,607)	(1,428,725)
7 Balances Forward	1,995,808	2,133,485
8 Total Cash and Investments	2,110,010	2,193,645
9 Total Fixed Assets	4,651,993	4,985,917
10 Total Borrowings	307,173	255,650

Section 1 – Annual Governance Statement 2017/18

We acknowledge as the members of:

LEIGHTON - LINSLADE TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2018, that:

	Agreed		Yes' means that this authority
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
			<i>has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.</i>

*Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the authority will address the weaknesses identified.

This Annual Governance Statement is approved by this authority and recorded as minute reference:

Signed by the Chairman and Clerk of the meeting where approval is given:

Chairman

Clerk

dated

Other information required by the Transparency Codes (not part of Annual Governance Statement)
 Authority web address

www.leightonlinslade-tc.gov.uk

Section 2 – Accounting Statements 2017/18 for

LEIGHTON - LINSLADE TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2017 £	31 March 2018 £	
1. Balances brought forward	1,905,730	1,995,808	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	2,068,093	2,115,211	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	373,684	667,275	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	(1,128,129)	(1,150,545)	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	(66,963)	(65,539)	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	(1,156,607)	(1,428,725)	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	1,995,808	2,133,485	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	2,110,010	2,193,645	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	4,651,993	4,985,917	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	307,173	255,650	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets.
			N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2018 the Accounting Statements in this Annual Governance and Accountability Return present fairly the financial position of this authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Date

I confirm that these Accounting Statements were approved by this authority on this date:

and recorded as minute reference:

Signed by Chairman of the meeting where approval of the Accounting Statements is given