

ABINGDON-ON-THAMES TOWN COUNCIL

FINANCE AND GENERAL PURPOSES COMMITTEE

26TH MAY 2020

REPORT OF THE TREASURER / RESPONSIBLE FINANCIAL OFFICER

Agenda item 10 - Financial report

1 Introduction

1.1 The purpose of this report is to:

- Review and approve the management accounts within the responsibility of this committee for 2019-20 financial year;
- Review and approve the Full Council's management accounts for the 2019-20 financial year;
- Review and approve the management accounts for within the responsibility of this committee for the year to date 2020-21;
- Review and approve the Full Council's management accounts for the year to date 2020-21;
- Note the arrangements for the Financial Statements for 2019-20;
- Consider the use of a corporate credit card facility;
- Review and approve the schedule of payments made in March and April 2020;
- Note the apportionment of central staff time.

1.2 It is requested that members contact the RFO prior to the meeting with any questions. This will enable an appropriate answer and level of detail to be provided, which may not be possible if the question is asked at the meeting for the first time. The RFO can best be contacted by email susan.whipp@abingdon.gov.uk .

2 Management accounts 2019/20

2.1 Please find attached reports of the management accounts for the full year 2019/20:

- (i) The detailed report for the cost centres which are the responsibility of the Finance and General Purposes Committee (**Appendix A**)
- (ii) The summary report for all the Council core cost centres, which includes budgets which are the responsibility of other Committees (**Appendix B**)

2.2 The reports show the actual income and expenditure for the period 1st April 2019 to 31st March 2020 (Actual YTD). The full year 2019/20 budget is also shown, along with comparatives from the previous year.

2.3 Appendix A shows actual expenditure for this committee was £793,418¹. The annual expenditure budget was set at £809,674 and so this an underspend of £16,256 (2.0%). The main variation against budget were:

401	May 2019 election costs exceeded budget by	£10,385
402	Archive storage costs	£ 8,000
407	Covid-19 emergency costs	£ 953
401	Members' training budget not fully spent	(£ 3,265)
499	Capital purchases budget underspend	(£17,996)
503	Changes to Residents Parking Scheme, cost saving	(£ 5,073)
601	Overall net underspends e.g. insurance	(£ 5,768)

2.4 Income received for this committee's areas was £1,644,513, including £51,503 CIL monies which were not included in the budget of £1,589,855. Ignoring the CIL monies, income received was £1,593,010 which is £3,155 higher than budget. The most significant variation was interest received (£10,618 actual .v. £4,500 budget) shown as 402/1090. £1,549,607 income received relates to the precept.

2.5 Appendix B shows actual in-year expenditure for the full council was £1,783,146² (budget was £1,877,065). The table below compares the actual

¹ Page 9 of APPENDIX A £844,921 less CIL income transfer to reserve £51,503 (606/4991) = £793,418

² Adjusted for CIL

expenditure to budget, by spending committee:

Committee	Budget expenditure	Actual expenditure	Over / (under) spend <i>Explanation of significant variances</i>
CHMMC	£254,319	£235,312	(£19,007) (7.5%) <i>Staff cost savings</i>
Amenities & Recreation	£517,103	£452,861	(£64,242) (12.4%) <i>Staff cost savings (reduced Work Team)</i> <i>Small projects budget unused</i> <i>Cemetery improvements budget unused</i> <i>No new Xmas lights purchased</i>
Guildhall	£190,384	£197,994	£7,610 (4.0%) <i>Additional maintenance work</i> <i>Space for Change facilities</i>
Community Services	£105,585	£103,561	(£2,024) (1.9%)
Finance & General Purposes	£809,674	£793,418	(£16,256) (2.0%)
Total	£1,877,065	£1,783,146	(£93,919) (5.0%underspend))

2.6 Full year income received across the Council was £1,942,443, which was £70,378 more than budget. This can be explained by:

- CIL monies £51,503
- Increased recharges for Abbey Hall £8,530
- Bank interest exceeded budget by £6,118
- Cemetery fees exceeded budget by £6,436
- Offset by less income than expected from Museum cafe

2.7 **Member are requested to approve the management accounts for 1st April 2019 – 31st March 2020.**

3 Management Accounts 2020/21

3.1 Please find attached reports of the management accounts for the year to date for 2020-21:

(i) The detailed report for the cost centres which are the responsibility of the Finance and General Purposes Committee (**Appendix C**)

(ii) The summary report for all the Council core cost centres, which includes budgets which are the responsibility of other Committees (**Appendix D**)

3.2 So far, most of expenditure has been on regular payments such as utilities and salaries. Income received to date is largely the receipt of the first half of the precept.

3.3 **Members are requested to approve the management accounts for the 2020-21 year to date.**

4 Annual Statement of Accounts

4.1 The Treasurer has begun working with DCK Accounting Solutions Limited to produce the financial statements and Annual Return. Once the work is complete, the statements and return will be audited by our internal auditors. They will then be presented for Full Council approval. The revised deadline for this approval is 31st August 2020 (usually 30th June).

4.2 The annual statements differ from the management accounts for the year as they include end of year adjustments such as depreciation and release of deferred grants.

5 Corporate credit card

5.1 Previously, most purchases made by your officers were from suppliers who would then invoice the Council for payment. The growth in cheaper online suppliers, who require payment at the time of ordering, has meant that officers now often have to pay for items personally and then be reimbursed at a later date.

5.2 It is **recommended that** the Council obtains a corporate credit card. This would remain in the control of the Treasurer and would allow for purchases to be ordered and paid for more easily. The costs of obtaining such a card would be negligible and would be expected to be offset by savings from ordering goods from a wider range of suppliers more frequently.

6 Schedule of accounts

- 6.1 The schedule of payments made in March and April 2020 is attached at **Appendix E**.
- 6.2 It should be noted that the schedules are imported into excel directly from the Council's computer cashbook. They are then edited to an appropriate level to assist in the understanding of the payment, but it would be very time consuming to include all the desired detail. You may have some queries and where possible it is requested that any queries are addressed to the Treasurer prior to the meeting.
- 6.3 Please note that in many cases the payments shown include V.A.T This is reclaimable subject to the rules of partial exemption, but unfortunately the computer programme does not allow the VAT element to be shown on the payments schedule. It is standard Council practice to refer to all expenditures as excluding VAT and so this means that it will often be the case that where an expenditure had been approved for, say, £1,000 it will show in the cashbook as £1,200.
- 6.4 Payments for which income is derived are noted accordingly: e.g. recharges are indicated with "R;" payments subject to grant funding are indicated with "G"; payments relating to goods for sale are marked "S."
- 6.5 It is **RECOMMENDED** that the schedule of accounts for the period March to April 2020 be approved.

7 Apportionment of central staff time

- 7.1 Since October 2019 your staff based in the Roysse Court offices have been recording how they spend their time. The percentage allocations by each staff member have been applied to calculate gross pay cost attributable to each service area. This has then been totalled for all central staff and the analysis for October 2019 – March 2020 is attached at **Appendix F**.
- 7.2 It should be noted that for some members of staff there is a significant element of "back office" tasks e.g. HR tasks, finance tasks. The time (and cost) has been further allocated to the service areas using the same overall percentage split for all staff for the month.

8 Decisions

- 8.1 Members are requested to adopt this report (this will be a resolved matter for this Committee).

Susan Whipp
Treasurer / Responsible Financial Officer
20th May 2020