

KINGSWOOD TOWN COUNCIL

Meeting: Full Council

Date: 9th April 2024

Author: Town Clerk

Item for Consideration: Finance Update

1.0 Bank Reconciliation

1.1 The bank reconciliation for the end of March 2024 will be presented at the meeting for circulation. This will also be authorized by the Town Clerk and Chair. This forms part of the year end process and will appear in the minutes of the meeting.

2.0 Yearend Position

2.1 The council's budget in its first year (£125,100) allowed for several set up costs, some of which are not needed, some of which have not been spent. A summary of the income and expenditure is below.

Income: £125,100 Precept

Income: £3,980 Grant

Expenditure: £39,728.47

Balance: £89,351.53

Invoices that remain to be paid for 2023/24:

- £1,317.52 HMRC for March PAYE and NI.

Receipts yet to be claimed for 2023/24:

- £1,122.83 VAT reclaim for 12 months

2.2 This underspend will form the basis of the General Reserve that the council is required to maintain, but some of the underspend will be moved into the Elections Reserve and the Carry Forward Reserve, being those costs that were expected in year one, but will materialize in year two, such as the Pension fund set up cost, maybe office costs, etc. The grant received for the summer floral scheme will be moved into a Grants Reserve. This is in line with the council's adopted General and Earmarked Reserve policy.

3.0 Investment Policy and New accounts.

3.1 It is anticipated that the first tranche of the precept (£413,240 of a total of £826,480) will be received in April 2024. It will be a priority of the town clerk to seek at least two other appropriate bank or investment funds to lodge these funds, as councils are under an obligation to have an investment policy, to ensure that its surplus funds are protected but also that there is diversification across accounts, both banks, building societies and investments. It must be prudent on how surplus reserves are managed and ensure prudence, security and liquidity (ability to access funds).

The town clerk will prepare a policy, but also seek suitable banks and building societies with whom to open accounts. The report will also propose that some investment is made with CCLA, an investment management fund, aimed at councils, churches and charities.

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4.0 To receive and approve payments made to date in financial year 2023/24

It is a requirement of the Accounts and Audit Regulations 2015 that all payments made are authorized by the council on a regular basis. All invoices are taken to council meetings and authorised by two councillors, in advance of payments being made by the bank, and a summary will appear in the minutes of the meetings. This list of payments must also be published on the website to comply with the Transparency Code.

5.0 To approve the new invoices for payment in the new financial year 2024/25

The payments below need to be authorised for payment. These invoices, as always, are presented at each council or committee meeting for authorisation by two councillors and will appear in the financial report of each council meeting. Salaries and payment to HMRC and the Pension fund do not need to be individually authorised, as they are already agreed by virtue of the contract of employment and also due to the confidential nature of payroll.

Payments to 9 April 2024					
Invoices to be paid					
Company/Name	Invoice Number	Item	Net amount	VAT	Gross
HP Instant Ink	1083785462	Printing Ink	£27.49	£5.50	£32.99
PATA Payroll	23/0744/PPS	Payroll services 12 months	£157.80	£0.00	£157.80
Rialtas Business Solutions	SM29661	Finance Software annual licence	£302.00	£60.40	£362.40
Cloudy IT	3258	Monthly IT support	£109.40	£21.88	£131.28
Park Centre	10294	Room Hire March	£194.00	£0.00	£194.00
Brookfield Publishing	1634	Kingswood Voice April 24	£275.00	£55.00	£330.00
ALCA	2024 134	Annual Subs to ALCA and NALC	£3,200.97	£0.00	£3,200.97
		Total	£4,266.66	£142.78	£4,409.44

6.0 Risk Assessments

It is a requirement that the council has appropriate risk assessments in place to ensure that public funds are appropriately managed and secure. The risk assessment will be presented to the Finance and Administration Committee at the meeting in April 2024 for adoption.

7.0 Asset Register

It is a requirement that on an annual basis the council approves its current asset register. The register is updated each time an asset is acquired or disposed of. For clarification, *“fixed assets refer to long-term tangible assets that are used in the operations of a business. They provide long-term financial benefits, have a useful life of more than one year, and are classified as property, plant, and equipment (PP&E) on the balance sheet”*. Depreciation does not apply to any assets owned by a local council. Some councils have a definitive value of say £1,000 for an asset, and the asset register is not used as an inventory of small items, such as chairs, staff uniform, and kitchen equipment. If the council had smaller items, it would also hold an inventory register.

Fixed assets: Freehold Land and Building (ie town hall, cemetery, car park) – none

Fixed assets: Equipment

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ASSET REGISTER			
Description	Date Acquired	Location	Asset Value excl VAT
Lap Top Dell Vostro 3520	Jul-23	Clerk's office	£595.00
HP Printer 9012	Mar-24	Clerk's office	£139.16
		Total value	£734.16

Infrastructure Assets (ie CCTV cameras, bins, fencing, bus shelter) – none

Community Assets – (ie parks, beacon, clock, sports ground) – none

8.0 Contracts Register

It is a requirement that the town council publishes a list of contracts that have been agreed.

CONTRACT REGISTER

TYPE/SERVICE	COMPANY	DATE	£ PER ANNUM	REVIEW DATE
Website designer	Aubergine	August 2023	£299	June 2025
ICT provider	Cloudy IT	July 2023	£1200	May 2025
Finance Software	Rialtas	September 2023	£175	March 2025
External Auditor	PKF Littlejohn	2023	£420	This is an ongoing national arrangement
Internal Auditor	Lighatouch	Dec 2023	£750	November 2024
Insurance	Zurich	September 2023	£192.39	July 2024
Summer Floral Scheme	Plantscape	March 2024	£6,206.85 plus VAT	November 2024
Payroll Bureau	PATA	February 2024	£157.80	February 2025
Staff Pension	Avon Pension Fund	February 2024	Variable contribution	n/a

8.0 Updated Budget

Councillors agreed on the precept and budget at the meeting in January 2024. At that point there were some projects agreed, and some high-level figures allocated to that project. The town clerk has now broken those figures down to be more meaningful, in relation to the employment of new staff and their associated costs for equipment, training and IT. The overall budget remains unchanged.

4.0 Recommendation

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- 4.1 That Councillors note the report.
- 4.2 That councillors note the underspend at the end of the year and that it is moved to the appropriate earmarked and general reserves.
- 4.3 That councillors delegate authority to the town clerk to undertake research into finding appropriate investment accounts and management funds for surplus funds and provide a report to a future meeting.
- 4.4 That councillors agree to the adoption of the asset register.
- 4.5 That councillors agree to the adoption of the contracts register.
- 4.6 That councillors note that further work is needed to update the financial risk assessment.
- 4.7 That councillors approve the expenditure in 2023/24 at paragraph 4.
- 4.8 That councillors approve the new expenditure at paragraph 5.