

Cover Report to the Financial Statement as at September 2017

PURPOSE OF REPORT

1. To provide the Council with an update on the current year's financial position as it approaches the end of the third quarter, including a projection of the cash balance as at 31st March 2018. The report identifies specific elements that may require further decisions.

RECOMMENDATIONS

2. Payments and Invoices for approval

ACTION: The Council is asked to note the three payments detailed in paragraph 11.

ACTION: The Council is asked to approve the four payments detailed in paragraph 13.

3. Noticeboards £240 incl VAT

NOTE that work to repair the noticeboards is outstanding.

RECOMMENDATION to agree a provision of £200 (excl VAT) is retained in the current year, with authority delegated to the Clerk to proceed with approving work up to that value.

4. Wellhead £480 incl VAT

NOTE there is an outstanding decision as to the nature of any work required to repair and maintain the Wellhead,

RECOMMENDATION to retain a provision of £400 (excl of VAT) in the current year.

5. Repairs to Footpath £240 incl VAT

NOTE work may still be required for repairs to footpaths, depending on the separate report to Council from Cllr Hertz on Footpaths and Bridleways, that could be outside the remit of the Lengthsman Contract,

RECOMMENDATION to retain a provision of £200 (excl VAT) in the current year.

6. Balance of allowance for one-off/capital items

RECOMMENDATION to reduce the provision in the last quarter to £500.

7. **RECOMMENDATION:** to formally record Aviva Insurance Ltd as the Council's new insurance providers.

8. **RECOMMENDATION:** the Council notes the projected year end cash position of £8,100 with the potential allocation of sums to the four Earmarked Reserves totaling £3,100, and as such the General Fund Reserve as at 31st March 2018 of £5,000. (para 17)

BACKGROUND

9. A Revised Budget 2017/18 was presented to the last Council meeting in September 2017. The Revised Budget included the decisions taken at the May 2017 Council meeting. The nett effect of the changes had been to reduce the projected cash balance as at 31st March 2018 from £8,337 to £7,158.
10. The Financial Statement as at 31st August 2017 analysed projected payments and receipts into three periods: April to September, October to December, and January to March. The period April to September period included all the payments previously approved by Council up to May 2017 ie up to and including cheque number 370 dated 9th May. The four further payments made between May and September (cheque numbers 371 to 374 inclusive) together with the

three further payments approved at the September meeting (cheque numbers 375 to 377 inclusive) have now all been made and cashed.

11. Three further payments have been made since the September 2017 meeting for which budget provision had been made. These three cheques were certified by the Clerk and were authorized by two Councillors, in accordance with Standing Orders. They were:-

- i. Cheques numbered 378 dated 26th September for £36.00; being annual subscription to CPRE;
- ii. Cheque number 379 dated 2nd November for £35.00; being payment to the Information Commissioners Office for annual registration for data protection;
- iii. Cheque number 380 244.43 dated 18th November; being the annual insurance premium paid to BHIB Insurance Brokers on behalf of Aviva Insurance Ltd.

12. As of 4th December 2017 there are no cheques drawn that have not been presented and cleared by Lloyds Bank.

ACTION: The Council is asked to note the above three payments.

13. The Financial Statement also includes in the column 'October to December' the following three payments for which Council approval is sought:-

- i. Cheque numbers 381/382 totalling £765.50 dated 12th December; being payment to Clerk and HMRC for the third quarter salary;
- ii. Cheque number 383 totalling £780.00 dated 12th December; being payment to Hannington Farms for annual maintenance of village green (note VAT incl at £130.00).
- iii. Cheque number 384 totalling £323.40 dated 12th December; being payment to C. C. Pottinger for compliance with loading the Hannington PC website as required under the Transparency Code for Smaller Authorities, wef 1st April 2015.

ACTION: The Council is asked to approve the above four payments.

Insurance

14. The Council was informed at its meeting in September that the Clerk had received a standard letter from Aon, its insurance brokers, stating they have ceased their involvement in the Local Councils market, and have made arrangements for Councils to be provided with a renewal invitation from BHIB Ltd, another insurance broker, three weeks before the renewal date; in our case 9th December 2017. Aon have confirmed to the Clerk that the Council's insurers Maven Local Councils are similarly ceasing with effect from September and so BHIB Ltd will be looking for an alternative insurer.

15. BHIB sent an offer, as stated above. The premium quoted for 2017/2018 was £244.43 compared with the previous premium 2016/17 of £235.28. The insurance provider is Aviva Insurance Ltd. Councillors, by way of email correspondence, approved the new insurance proposal and authorized the Clerk to pay the annual premium – cheque number 380 dated 18th November.

RECOMMENDATION: the Council formally records the new insurance providers

Projected Outturn 31st March 2018

16. The Financial Statement (Appendix A) shows in the final column the 'Projected' position as at 31st March 2018. The Original Budget 2017/18 submitted to Council in December projected a cash balance 31st March 2018 of £6,637. As reported earlier, this was amended to £7,158 following decisions taken at the December 2016 and subsequent meetings in 2016/17. The Financial Statement presented to the Council in September projected a slightly lower cash balance of £7,030. The year end cash balance reported to Council in December 2017 has increased by nearly £1,100 from £7,030 to £8,105. The main factors are as follows:

- Reduction of £200 insurance premium; from £450 to £244,
- Reduction of £600 in provision for 'one-off items'; from £1,100 to £500,
- Reduction of £300 in provision for repair of footpaths; from £500 to £200.

RECOMMENDATION: the Council notes the projected year end cash position and the potential allocation of sums to the four Earmarked Reserves, and as such the projected year end cash balance as at 31st March 2018 of £5,000.

17. After taking into account the previous decision of the Council to establish an 'Earmarked Reserves' for the Council's potential costs regarding the repair and maintenance of the unadopted roads (£1,700), and cover for a Locum Clerk (@ £400), Legal Costs (@ £500) and IT replacement (@ £500), General Reserve would reduce from the cash balance of £8,100 to £5,000 (the previously set target amount), and the Earmarked Reserve would increase in total from £1,000 as at 31st March 2017 to £3,100 as at 31st March 2018..

Chris Pottinger,
Clerk, Hannington Parish Council
6th December 2017