

KINGSTON PARISH COUNCIL

Chairman: Councillor Mrs R Jeffery

COUNCIL MEETING 16 MAY 2011

Report No 2

ITEM 11: FINANCIAL STATEMENT – MAY 2011

(Report by the Clerk)

Recommendation:

That the Council **RESOLVES:**

- to note this Financial Statement;
- to approve for payment the invoices and expenses listed in Appendix A to this report;
- to approve the appointment of Mr. Haynes as the Council's Internal Auditor for the Financial Year 2011-12; and,
- to cancel the Council's existing mandates to Barclays Bank Plc (except in relation to cheques and other instructions given before the Bank receives this resolution), to accept the terms of the Barclays Customer Agreement and confirm such acceptance to the Bank by completing the Bank's form of Appointment of Bankers and to authorise any two of three named individuals (authorised persons) to enter into agreements with the Bank which they consider to be in the interests of the Council and to give instructions to the Bank concerning the operation of the Council's bank accounts.

Background

1. **Receipts, payments and balances.** The bank balances reported at Appendix A provide an accurate and complete picture of the Council's finances as at 9 May 2011; the balances reconcile completely with bank statements, receipts and invoices and the record of cheques issued. Since the Extraordinary Meeting of the Council held on 18 April 2011 two previously unrecorded payments have been made to Cllr. Mrs. R Jeffery (for the sum of £30.00 to re-imburse her for the costs incurred in having new additional keys cut for the fire-exit door at the Community Pavilion following the replacement of the lock by Farnrise Construction Ltd) and to F. Humphrey Heating Sussex Ltd for the annual inspection and maintenance of the heating and ventilation systems in the Community Pavilion. Both of these payments was managed under the delegated financial and management authority of the Clerk for maintenance of the Community Pavilion.

2. **Clerk's Additional Hours.** The Council will wish to note that following the Council's resolution at its Extraordinary Meeting on 18 April to approve for payment the additional hours worked by the Clerk during March and April 2011, the gross sum of £849.68 has been paid. Also, that from 1 May 2011 the Clerk has worked a total of 37 hours up to and including close of business 10 May meaning that there is more than a reasonable expectation that hours worked through to the end of May will exceed his conditioned 40 hours per month.

3. **PWLB Loan Accounts.** On 31 March 2011 the Council paid the half-yearly repayment and interest charge to the PWLB of £6,329.66. For future re-payments of the PWLB Traffic Calming account the sum of £13,000 (being the balance of funds in the PWLB Traffic Calming account) is held in the Business Reserve Account. This is in accordance with the Council's resolution (Minute 421(c)) to accept the advice of the PWLB and set to one side the balance of funds for use until exhausted to meet the half-yearly interest payments on the loan for the traffic calming project.

4. **The Pavilion.** The current statement of account in respect of capital expenditures on the Pavilion project is at Appendix B to this report. It reflects accurately all payments brought to account, payments awaiting approval, the receipt of the final grant payment by the Big Lottery Fund and the outstanding value of works, including the 2.5% retention as identified in the interim certificate issued by Mackellar Schwerdt Architects on 1 September 2010. It includes the sum of £2,000 per annum

representing the amount of staff effort (an average of 15 hours per month) devoted by the Clerk to overseeing the Pavilion programme. The sum of £20,000 ('Other Expenditure') has been set aside for contingencies and a surplus identified of £26,932.00 against the Pavilion account. In cash terms, the 'surplus' of £42,198.23 is held in Account No 4 (Pavilion). Cash balances for each of the Council's sub-accounts will need to be revised to reflect the correct attribution of the Clerk's salary costs and the re-attribution of costs incurred as part of the Pavilion programme and paid for from the Revenue Account. These revised cash balances will be presented to the Council at its next scheduled meeting in May 2011.

5. **Audit.** The role of internal auditor has been undertaken in the past by Mr. D Haynes and it is proposed that he be invited to continue in this role during the current financial year (FY2011-12).

6. **Bank Mandate.** The Council has for some years banked with Barclays Bank Plc. This proved a trouble-free relationship and there is no reason not to continue it. With the change to the Council it will be necessary to notify Barclays Bank of the new authorised signatories for the Councils cheque account and sub-accounts. One signatory has to be the Chairman and two other signatories are required ideally of Members holding a personal account with Barclays but importantly available during the working day to sign cheques and related banking instructions.

APPENDIX A

FINANCIAL STATEMENT FOR PERIOD 1 APRIL TO 9 MAY 2011

1. Receipts for period 1 April to 9 May 2011

Date	Ref No	Drawer	Amount
08.04	11/12 1 st insta	Lewes District Council	£17,750
27.04	7085372	British Telecom (Refund of Credit Balance	£ 5.50
(Sub-total)			£17,755.50

2. (a) Payments made during the period 1 April to 9 May 2011

Date	Cheque No	Payee	Amount
19.04	101036	HMR&C (NIS & Income Tax)	£134.57
19.04	101038	F. Humphrey Heating Sussex Ltd	£345.60
19.04	101042	Action in rural Sussex	£28.00
19.04	101043	Cllr Rosemarie Jeffery	£85.29
26.04	101037	Mr. Paul Tipple (April salary and approved Expenses)	£616.78
04.05	101044	Mr. Paul Tipple (Overtime and May salary)	£1102.10
04.05	101045	Cllr Rosemarie Jeffery	£30.00
(Sub-total)			£2,342.34

(NB. Cheque nos: 101042 to 101045 (inclusive) with a combined gross value of £1,245.39 have yet to be presented for payment).

(b) Direct Debit Payments

Date	Payee	Amount
11.04	British Telecom (Broadband)	£ 61.74
15.04	Lewes District Council (Dog Waste Bin Collection)	£ 88.92
28.04	British Gas (Electricity)	£ 56.60
(Sub-total)		£ 207.26

3. Bank Balances (as of 9 May 2011)

Revenue:

Community Account:	Balance as of 31 March 2011	£1,431.39
	Balance as of 9 May 2011	£16,075.30

Business Reserve

Account:	Balance as of 31 March 2011	£25,325.01
	Balance as of 9 May 2011	£25,325.01 ¹

Accumulated Funds:

Account No 2	(Accumulated for Play Area)	£16,446.20
Account No 3	(Tennis Courts)	£11,557.86
Account No 4	(Pavilion)	£74,682.85 ²
Account No 6	(Staff Gratuity) (including interest)	£ 93.53

£144,180.75

¹ This account contains £13,000 which is the balance of the PWLB Traffic Calming account. With the agreement of the PWLB it has been set to one side for use until exhausted to meet the half-yearly interest payments on the loan for the traffic calming project. It is therefore 'ring-fenced' and in reality the Parish Council holds a strategic reserve currently of only £12,325.01.

² This account contains £27,733.36 which is 'ring-fenced' for payments that will be due to Farnrise Construction Ltd on receipt of instructions from the Project Manager. In addition, it contains £42,198.23 which is the balance of funds from PWLB loan monies on the Pavilion project. The balance of £4751.26 is the balance of Parish Council funds set aside for the pavilion project.

4. Payments to be approved

(a) The following requires approval for payment:

Sussex Associations of Local Councils (SALC)	Annual Subscriptions to SALC & NALC	£	230.60
Mr. Gavin Wraith	KCP Web-master March & April 2011	£	90.00
Kent & Sussex Security Ltd	Annual cost of monitoring Intruder Alarm	£	348.00

(b) The following out-of-pocket expenses claims require approval for payment:

Mr. Paul Tipple	Expenses for April 2011	£	56.26
		Sub-total	£ 724.86

APPENDIX B

THE PAVILION – STATEMENT OF ACCOUNT

(Figures are exclusive of VAT)

	Income £		Expenditure ³ £		
	Actual	Total	Actual	Estimated	Total
Pavilion					
BLF	325,000	325,000			
Viridor	39,000	39,000	3,979.00		3,979.00
PWLB loan	100,000	100,000	50.00		50.00
Mackellar Schwerdt			21,891.00	135.00	22,026.00
Farnrise Construction			332,000.64	27,733.36 ⁴	359,734.00
LDC inspection fee			1,622.00		1,622.00
Publicity			883.04		883.04
Furniture (incl white goods)			10,393.63		10,393.63
Solicitors fee			2,539.00		2,539.00
VAT advice (BDO, Beavers, Mulberry & Co)			1165.00		1165.00
IT Equipments			6,583.77		6,583.77
Staff time and expenses			10,370.20	2,000.00	12,370.20
Other Expenditure			456.13	20,000.00 ⁵	20,456.13
TOTALS	464,000	464,000	391,993.41	49,868.36	441,801.77
NET BALANCE					22,198.23 ⁶

³ The actual attribution of expenditures between 'actual' and 'estimated' is subject to constant review.

⁴ This sum is ring-fenced for payments that will be due to Farnrise Construction Ltd on receipt of instructions from the Project Manager.

⁵ This sum is ring-fenced and comprises entirely of PWLB monies loaned for the Community Pavilion. They can only be used for the stated purposes for which they were lent and, subject to final outturn of expenditures on the Community Pavilion project, Council will need to consider offering them to the PWLB to help reduce annual interest/loan repayment charges.

⁶ This sum is ring-fenced and comprises entirely of PWLB monies loaned for the Community Pavilion. They can only be used for the stated purposes for which they were lent and, subject to final outturn of expenditures on the Community Pavilion project, Council will need to consider offering them to the PWLB to help reduce annual interest/loan repayment charges.