

Finance Report

Cllr. Cowmeadow

In normal times this report would reflect upon the Council's spending over the past year and indicate the thinking behind the budget that has been approved for the coming year. This report will continue that format but also include a final part outlining some of the financial issues that are likely to face the Council as a result of the Covid-19 outbreak and the lockdown measures.

In the year 2019 to 2020 the Town Council spent around £48,000 on staffing including on costs. (pensions etc.) This represents some 40% of the total expenditure and is in line with expenditure in previous years. We are fortunate to employ three excellent members of staff, the Town Clerk, Lynne, her Deputy, Pauline and the Halls Caretaker, Mike. The Chairman has reported elsewhere that Lynne and Pauline intend to retire in the near future and the budget planning for the coming year has taken this into account.

The Town Council has recently taken the decision to close the WC. In the current year this has cost £13,500.

Other significant items of expenditure included:

- The quarterly newsletter and its delivery £3,200.
- The PA system £2,000.
- Improvements to the Library; rear ramp, rear doors and rear window. Funded from Section 106 money related to the Greens development.
- Christmas lights installation and dismantling and testing £3000. 50% funded by the Christmas Fayre.
- Defibrillator £700 (additional £800 donated by local businesses)
- New notice board at the top of Chapel Street £1,800. (another £1,850 came from the Parish Partnership Fund)
- Watering and maintenance of the High Street flower baskets £2,000.
- Community Grants £2,600.
- Speed Indicator Device (SID) installation and software £2,678. (also £1,325 Road Safety Grant)
- Grounds maintenance and public spaces £7,500.

The Halls (Ellen Pettit, Institute, Summerlin and Old Fire Station) generate significant amounts of income through their rentals but that is insufficient to cover all of their costs especially significant repairs that have to be carried out from time to time. In the current year the combined rental income from the halls amounted to around £29000 but a further £18000 was needed to cover all their costs. The Halls provide an extremely important resource for the community and the Town Council has always sought ensure that they survive. In pursuance of that, £12,000 from reserves was spent on a necessary replacement flat roof at the Summerlin Centre.

The Town Council's finances are scrutinised by a process of internal and external accounting. A quarterly check on day to day expenditure and its recording is carried out by the Chair of the Finance Committee. An annual external audit is carried out by an independent auditor chosen by the Town Council and an official annual audit is carried out by government approved auditors. The last official audit was carried out at a higher level because the finances included the £12,0000 spent in relation to the renovation of the Old Fire Station.

(even though this was grant funded). The higher level of audit revealed that our existing levels of risk management were out dated and the Town Council has now instituted new procedures that satisfy the requirements of this enhanced level of audit.

Our thanks go to the Town Clerk for all her efforts as Responsible Financial Officer (RFO) and particularly in relation to the annual official audit.

The budget for the coming year was finalised in February before the current Coronavirus outbreak.

The Town Council, taking note of discussion at last year's town meeting, explored the possibility of employing a part time traffic warden. Initially it had been hoped that another parish council (or councils) would want to share the warden and the costs involved, but in the event no other council with a need for a warden could be found. The Town Council is now exploring the possibility of extending the number of existing warden hours. The original budget planning had included a provision for the cost of a part time warden but that evolved into extension of the existing hours and an inclusion for the provision of CCTV in the High Street. The costs of these will be partially funded from the closure of the WC.

The retirement of the Clerk and her Deputy has prompted a review of future staffing taking into account the enhanced role of the Council in taking over functions previously provided by MKC and the addition to the Council's responsibilities of the Sports Hall being constructed at Parklands. The additional staff costs have necessitated taking some money from our reserves to keep the overall precept requirement as low as possible. This should be a one-off subsidy because the cost associated with the removal of the WC and the changes in staffing will only occur in the coming year. This has led to a budget that requires an increase in the precept of just under 4% or a £3.50 rise in the annual charge to a band D council taxpayer.

The coronavirus outbreak and the government's lockdown will place considerable strain on the resources we have allocated in the budget for 2020 to 2021. At this time no one has any real idea of how this situation will be resolved. We have had to close all our halls and hence we are unlikely to receive any rental income for some considerable time and at the very least for the remainder of 2020. This could mean a loss of rental income of up to £29,000 in the coming year; approximately 22% of our budget. There will be gains and losses elsewhere in the accounting but loss of halls rental is likely to be by far the largest. The council will need to review its spending and possibly revise its budget later in the year when forward planning will be more feasible. Some items included in the budget for the coming year may need to be postponed and others scaled back. Although some reserves could be used it would be unwise to deplete these too much and it may be that some kind of one-off precept adjustment may be required in the 2021 to 2022 budget. Decisions about these must be left until later when hopefully we will be able to meet and have a clearer picture of the future.

Finally, it would remiss of me not to place on public record my thanks to Lynne and Pauline for their parts in keeping the Council's finances in order. In Lynne's time as Town Clerk and latterly as RFO the work in maintaining the proper financing of the Council has become increasingly complex and regulation bound. Lynne has met the challenge of dealing with these changes with skill and good humour. It is a mark of her outstanding contribution that it will be so difficult to replace her.

Clive Cowmeadow. Chair of the Finance Committee. April 2020