

REPORT TO POLICY AND FINANCE COMMITTEE – 17 JUNE 2009 TOWN COUNCIL ACCOUNTS 2008/09

Agenda Item 7

1. Background

- 1.1 Budgetary control reports have been submitted regularly to the Committee during 2008/09. These reports informed Members of the main variations between the actual expenditure and the approved budget.
- 1.2 This report provides Members with the Council's draft Income and Expenditure account for the year ended 31 March 2009, and the Balance Sheet as at the same date. In addition, it provides Members with the statutory Annual Return for the year ended 31 March 2009, which includes a summarised statement of accounts and a statement of assurance.
- 1.3 The Audit Commission will audit the draft final accounts later in the year. A further report will be submitted to this Committee once the Audit Commission has completed the audit.

2.0 Actual Income and Expenditure 2008/09

- 2.1 Page 1, paragraph 2, of Appendix 1 shows the original budgeted summary Income and Expenditure compared with the actual for each Committee. Pages 3 and 4 show the Council's statutory income and expenditure accounts for 2008/09 and 2007/08. Page 5 shows the balance sheet positions as at 31 March 2009 and 2008.
- 2.2 The actual income and expenditure (pages 3 and 4 of Appendix 1) was £481,796 and £465,567 respectively, resulting in a net increase in earmarked reserves and provisions of £16,229 for the year, made up from a net transfer to earmarked provisions and reserves of £3,365, and a transfer to the General Reserve of £12,864.
- 2.3 The Council's actual net expenditure for 2008/09 was £56,534 less than the net original budget. As a consequence, a transfer of £12,864 to the General Reserve was made, instead of a budgeted transfer from it of £43,670. This transfer has resulted in a balance of the General Reserve at 31 March 2009 of £184,600.
- 2.4 The main reason for the under spend during the year was due to the slippage of two capital schemes into 2009/10, namely the extension of the road at the cemetery £32,214, and the replacement tractor £17,000. Approval to carry these under spent budgets in to 2009/10 is requested.

3. Transfer to Provisions

- 3.1 Appendix 2 shows the level of Reserves and Provisions as at 1 April 2008 and 31 March 2009.
- 3.2 The following transfers, which require approval by this Committee, have been made during the year to provide funding for projects that were not started or completed during 2008/09.

Name of Provision	Amount
	£
Health & Safety Audit	500
Christmas Lights	4,747
DD Act 1995	818
Greenways External Decorations	1,000
Jubilee Lamp	750
Grounds Carver	2,500
Under 18s Disco	986
Signage	4,805
Total	<u>16,106</u>

3.3 Appendix 2 also indicates that all the provisions listed are still required except for The Bickerley, £1,000, and the Town Plan, £8,654. As funding is required to meet capital expenditure on items identified in the Town Plan, it is recommended that these two provisions are transferred to the Recreation provision, and that this provision is re-named Capital Expenditure provision. This will enable the Council to earmark funds for future capital schemes, which is an aim that, to date, has not been possible to achieve.

4. **Annual Return For The Year Ended 31 March 2009**

4.1 The Annual Return, an extract of which is attached as Appendix 3, must be approved by the Council by 30 June 2009 and sent to the Audit Commission by 4 August 2009. The figures in Section 1 are a summary of the Council's income and expenditure, and are taken from pages 3 to 5 of Appendix 1 to this report. The Statement of Assurance (Section 2) also needs to be approved by the Council.

4.2 Members are requested to agree sections 1 and 2 of the return and recommend that they are approved by Council.

5. **Financial Implications**

5.1 The new in-year transfers to provisions (£16,106) will enable planned expenditure for 2008/09 to be carried out during 2009/10.

5.2 Although the General Reserve balance of £184,600 as at 31 March 2009 is a prudent financial level, about £40,000 of this will be required to finance the two capital schemes that have slipped in to 2009/10. The approved budget for 2009/10 already provides for the transfer of £15,380 from the General Reserve. This, together with the £40,000 for the capital schemes, would leave a forecast balance of about £130,000 as at 31 March 2010, which falls below the financially prudent level of £150,000. Members may wish to consider replenishing this balance when considering the budget for 2010/11.

6. **Recommendations**

6.1 It is recommended that:

- i) the actual income and expenditure accounts for 2008/09 and balance sheet as at 31 March 2009 as shown in Appendix 1 be approved;
- ii) the new in-year transfers to provisions of £16,106 be approved;

- iii) the balances at 31 March 2009 on the Town Plan provision, £8,654, and The Bickerley provision, £1,000, be transferred to the Recreation provision, which is re-named Capital Expenditure Provision;
- iv) the under spent budgets for the cemetery extension road, £32,214, and the new tractor, £17,000, be carried forward to 2009/10;
- v) the transfer from the General Reserve of £12,863.98 for 2008/09 be approved;
- vi) the Annual Return for 2008/09, as shown in Appendix 3, be approved.

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