Sevenoaks Town Council

Finance Officer's Report

Management accounts for September 2016

Attached to this report are the following:

- Income & Expenditure Account for year to 30 September 2016;
- Variance analysis for the year to 30 September 2016;
- Statement of Fund balances;
- Working Capital summary;

1 Income and Expenditure

The year to date income and expenditure shows a net income of £435,621 against budget of £553,813.

The year to date movement represents a net adverse variance of £118,192. This is analysed as being due to a favourable budget variance of £2,796 before accounting for capital expenditure of £120,988 (detailed in cost centre 91).

As previously approved by the Committee, expected capital receipts will be allocated to offset the capital expenditure.

Pending inter account allocations:
Cost centre 29: Vine Farmers market to be moved to cost centre 60 in time for the October Management accounts.

Reconciliation of publicity, staff training, health & safety and subscriptions budget codes will be completed by the October management accounts to ensure reported balances are accurate:

P viously noted are:

11/6630: Expenditure of £1,875 represents approved spend on consultancy advice re: council land adjacent to Parklands.

3 Fund balances

The statement of fund balances as at 30 September 2016 total £963,837 (*30 September - £1,144,160*).

Funds available for instant access total £892,704.

Deposits have been invested for varying maturities with HSBC and Handelsbanken and Nationwide attracting interest rates of 0.04%, 0.13%, and 0.5%respectively.

S&P ratings are as of July 2016.

The balance includes precept balance of £486,809 which was received on 30 September 2016.

Some of the instant access funds will be invested less £135,711.73 which STC has to pay out to facilitate Raleys capital receipts.

4 Working capital summary

The net current assets have reduced by £141,439 since the beginning of the financial year to a balance of £354,057. This corresponds to a reduction in revenue reserves of £114,472 and Earmarked Reserves of £26,967

The year to date adverse movement in revenue reserves of £118,192 previously explained as a favourable budget variance of £2,796 less capital expenditure of £120,988 (detailed in cost centre 91).

Movement in the no. 8 bus reserve reflects net monthly transfer of £3,004 from the earmarked reserves to cover the shortfall in expected revenue.

September 2016 Year to Date Variance analysis

Note: Negative numbers (shown in red and brackets) in all columns except the variance column denote income
Negative numbers in the variance column (shown in red and brackets) denote adverse variances

	Net YTD expenditure				
Cost Centre	Actual costs (Income)	Budget costs (Income)	Variance Fav/(adv)	Annual budget costs (Income)	Explanation of YTD variances
	£	£	£	£	
Planning Committee					
General	17,417	15,518	(1,899)	33,292	Approved spend of £1815 on consultancy advice re:access rights involving Parklands. Funds expected to cover the spend. Less YTD underspend of £72
Open Spaces & Leisure Committee					
General	103,106	109,979	6,873	221,917	Positive variance due to year to date lower than budgeted spend on utilities.
Cemetery	9,063	11,998	2,935	19,167	Positive variance due to timing differences between budget and actual budgeted Gross Pay and utiliites.
Allotments	(558)	(274)	284	150	Positive variance due to timing differences between budget and actual.
Raleys Gym	707	-	(707)	-	Salary costs for Caretaker to be offset by capital receipts from Sale of Raleys
Street lighting/general	12,503	6,818	(5,685)	11,889	Variance due to timing differences.
Vine Café	8,237	(11,746)	(19,983)	(11,914)	Budget for Café was based on known estimates and now known to be less than the actual running costs.
Vine Grounds	17,660	10,878	(6,782)	19,560	Variance largely reflects timing differences.

Cost Centre	Actual costs (Income)	Budget costs (Income)	Variance Fav/(adv)	Annual budget costs (Income)	Explanation of YTD variances
	£	£	£	£	
Finance & General Purposes Committee					
Establishments	209,383	220,382	10,999	566,479	Favourable variance due to net effect of timing differences. Above budget income from advertising and less than budgeted gross pay and insurance. Staff training, Publicity and Health and Safety and Subcription costs are currently over budget.
General	3,793	4,100	307	25,672	Favourable variance largely due to CLSO Receipts received offsetting the adverse variance created by increased spending on special events. No. 8 bus expenses offset by transfer from the reserve therefore nill effect.
Council Offices	10,356	13,296	2,940	26,392	Favourable variance largely due to phasing of year to date budget for expenditure. Slightly favourable increase in Chamber hire through Apr-Sep 2016.
Community Centre	(11,157)	(368)	10,789	(4,895)	Favourable variance due to phasing of expenditure (rates (2k) and timing differences (£3K)), higher than budget income of £5.2K from lettings and hire.
Grants	39,813	43,023	3,210	66,775	Timing differences between budget and release of grants
Property	(4,040)	(4,250)	(210)	(7,916)	Slight adverse variance due to timing differences with wayleave income.
Sevenoaks Town Partnership	3,432	(817)	(4,249)	1,601	Reconciliation and adjustment from reserves to reflect net expenditure of £5,000 to STC by the year end. Adverse variance reduction due to current reconcilliation of receipts and expenses.
Youth Cafe	5,126	3,538	(1,588)	7,047	Broadly tracking the budget. Underspend of 833 due to timing differences
Markets	(7,832)	(2,270)	5,562	(5,000)	Broadly tracking the budget
Rolling Cap Budget	118,192	-	(118,192)	-	Capital expenditure. Capital receipts expected to offset the expenditure
Total	535,201	419,805	(115,394)	970,216	

Summary by Committee:

Planning	17,417	15,518	(1,899)	33,292
Open spaces & Leisure	142,481	139,399	(3,082)	272,683
Vine Café	8,237	(11,746)	(19,983)	(11,914)
Finance & General Purpose	248,874	276,634	27,760	676,155
Rolling Capital Budget	118,192	-	(118,192)	-
Total	535,201	419,805	2,796	970,216

Sevenoaks Town Council

Working Capital Summary as at 30 September 2016

	B/fwd 01-Apr-16 £	Movement* £	C/fwd 30-Sep-16 £		30-Sep-15 £
Current Assets					
Stock	1,515	-	1,515		2,312
Trade debtors	29,431	3,453	32,884		25,144
VAT	19,452	3,816	23,268		25,313
Prepayments and other debtors	32,501	(4,282)	28,219		7,910
Cash at bank and in hand	680,399	283,438	963,837		1,144,160
	763,297	286,426	1,049,724		1,204,839
Current Liabilities					
Trade creditors	136,727	(78,155)	58,572		91,852
Accruals and other creditors	95,067	(28,127)	66,940		92,946
Prior Mayors charity account	-	-	-		3,624
Precept received in advance of budget	-	553,813	553,813	Note 1	397,564
Receipts in advance (rent and hall hire)	36,007	(19,666)	16,341		16,948
	267,801	427,865	695,666		602,934
Net Current Assets	495,497	(141,439)	354,057		601,905
Represented by:					
General Funds					
Revenue Reserves	209,312	(114,472)	94,840	Note 2	355,327
Earmarked/Designated Funds					
Rolling Capital Prog Revenue Reserve	39,150	(4,247)	34,903		53,069
Street Lighting Reserve	4,781	-	4,781		2,931
Community Centre Reserve	13,398	-	13,398		13,398
Stag Winding Up Reserve	4,000	-	4,000		3,000
Planning Fees Reserve	12,500	-	12,500		12,500
Youth Activities Reserve	10,430	-	10,430		-
Contingency Provision Reserve	10,263	-	10,263		10,263
CIL Earmarked Reserve	-	-	-		-
Pension Reserve	69,866	-	69,866		69,866
Capital Receipts Reserve	29,231	2,551	31,782		(19,129)
Capital Projects Reserve	82,157	(82,157)	-		
No 8 bus Reserve	10,409	53,720	64,129	Note 3	96,247
Mayor's Charity Reserve		3,165	3,165	Note 4	4,433
	286,185	(26,967)	259,217		246,578
	495,497	(141,439)	354,057		601,905

* Negative numbers are denoted in red and brackets and represent a decrease

Note 1 Difference between budgeted year to date income and expenditure-Precept received in advance-£486,809 plus other net income of £67,004

Note 2 Movement in revenue reserves reflects a positive year to date revenue budget variance of £2,796 less capital expenditure of £120,988 (detailed in cost centre 91). Capital expenditure will be offset by Capital receipts expected before the year end. Also includes £190.50 of unidentified income which will be re-allocated as soon as details are received

Note 3 The No 8 bus reserve includes the balance of the KCC grant which is released to match spend over the 3 years of operation to October 2018

Note 4 Balance b/f in mayor's charity reserve relates to income collected for the previous mayor's charities. Current year balance in the Mayor's Charity Reserve reflects year to date activity relating to the current Mayor

Sevenoaks Town Council

Statement of Fund Balances as at 30 September 2016

£ (2015)		S&P Rating 07/07/2016 Short term	Long term	£	£	%	Maturity	Interest rate
	Bank of Scotland	A1	A					
102,006	Deposit account			0				
110,000	Treasury deposit (1m)			0				
					0	0.00%		0.40%
	National Westminster Bank	A2	BBB+					
10	Business Reserve Account			10				
656,802	Current Account			767,655				0.15%
1,000	Payroll Account			1,000				
1,000	HITB Youth café			1,000				
4,263	Sevenoaks Town Partnership			5,753				
14,457	Mayors Charity Account			4,773				
					780,191	80.95%		
	HSBC	A1+	AA-					
	Business money manager			50,148				0.04%
151,360	Treasury deposit (3m)			0				
					50,148	5.20%		
	Handelsbanken	A1+	AA-					
41,096	SRFC Escrow account			0				
1,380	Deposit account (instant access)			61,847				0.00%
50,000	35 day notice account			60,005			35 days	0.13%
					121,852	12.64%		
	Nationwide	A1	A					
10,008	Instant Saver			11,044				0.50%
					11,044	1.15%		
	Clydesdale							
0	Current account			1	1			
778	Petty Cash				601	0.06%		
1,144,160					963,837	100.00%		

Instant access funds	892,704