
Agenda Item:	Finance Report
Meeting Date:	22 July 2024
Contact Officer:	Responsible Financial Officer

Should Members have any queries about this report advance notice would be appreciated, in writing, by 12 noon on Monday 22 July to allow for a full response at the meeting.

Background

The purpose of this report is to provide information to Members on the financial position of the Council as part of its internal control system and to allow Members to exercise due diligence.

The report also considers recommendations from other standing committees which have financial implications.

The period to which this report relates is 1 April to 31 May 2024.

Current Situation

A Management accounts

The Council has appointed five standing committees which have delegated powers to make decisions, including financial decisions, regarding the services which are included within their terms of reference, subject to the committee having the necessary budget. The Council's coding system and management accounts reflect the committee structure.

The Committee's terms of reference details the various responsibilities of this Committee.

- The Committee has budgets which are its direct responsibility.
- The Committee also has the responsibility for oversight of the all the Council's resources, its terms of reference including: "b. To conduct effectively the Council's budgetary, financial and precepting responsibilities in accordance with statutory requirements, and to keep the smooth functioning of the Council's work under review" and "d. To consider the resources available to meet the Council's objectives in terms of land, property, finance and manpower and to advise other committees and the Council as required." Consequently, the management accounts of other committees are also brought forward to the Policy, Finance and Governance Committee, in cost centre order.

Within each committee, there are individual **cost centres**, comprising three digits, typically representing a discrete service entity, to which income and expenditure is allocated against previously agreed revenue budgets.

The cost centres for which this committee has **direct responsibility** are:

Cost centre (CC)	Service
401	Civic activities
407	Grants and donations
502	Town Hall Maintenance
505	Precept
506	Interest received
602	Central support
604	Works depot and vehicles
605	General maintenance
606	Grounds maintenance
700	Strategic planning initiatives
701	Corporate management
702	Democratic representation and management
800	Capital Projects

In relation to the Committee's **oversight responsibilities** these are in the detailed management accounts as follows:

Committee	Cost centres
Parks and Recreation	201, 202,203, 204, 205, 207, 208, 209, 211, 212, 213, 214, 215,216
Stronger Communities	402, 408
Halls, Cemeteries and Allotments	102, 103, 104, 105, 106, 301,302, 303, 305
Climate, Biodiversity and Planning	206, 403

A report is submitted to every ordinary meeting of the above standing committees and previous reports are available on the relevant committee section of the website.

The detailed management accounts are attached.

The overall summary for the whole Council is as follows:

	2023/24 Actual £	2024/25 Actual year to date £	2023/24 Actual – same period	2024/25 Budget £
Income	2,513,975	1,012,536	987,553	3,365,393
Less expenditure	(2,538,957)	(405,123)	(376,541)	(4,432,519)
Net annual surplus/ (deficit) – BEFORE EARMARKED RESERVE MOVEMENTS	(24,982)	607,412	611,012	(1,067,126)**

**** Important Note: The 2024/25 budget allows for some major capital schemes. Following earmarked reserve movements and other adjustments in relation to the funding of capital schemes the 2024/25 budget is projected show a deficit and therefore to draw on balances of £124,093 from the general fund.**

In relation to the accounts the following points are made:

- Works allocations in cost centres 604, 605 and 606 have yet to be made. This is a result of work pressure earlier in the financial year, with year-end closedown. It is anticipated that the allocations will be up to date for the next meeting.
- As previously mentioned, almost two years on from the transfer of grounds maintenance from a contractor to an inhouse team, cost centres 605 and 606 (general and grounds maintenance teams) will shortly be combined into a new cost centre 601 (the cost centre for the works team up to 30 September 2022). As part of this process, we will also be adjusting budgets between works overheads and direct services where it is possible to allocate an expense directly to a service cost centre e.g. the Leys or Burwell, rather than allocating via works overhead.
- Insurance – code 4025/602. The insurance premium for 2024-25 was £22,098. However, the RFO is awaiting the allocations from Zurich Municipal so that the premium can then be allocated to the other cost centres, hence the full premium is currently held against this code. A consequence of this is that, for now, the central support overhead recharge to services (nominal code 4893) is currently recharged at a much higher level that would otherwise be expected. This will reduce when the insurance allocations are made.
- It is reasonably early in the financial year and on this occasion the RFO is not providing a detailed commentary on the accounts. Please let the RFO have any queries ahead of the meeting.

B Energy contract renewal

The Council entered into a one-year contract with 100Green. The following information has been supplied by the Projects Officers on the new contract, which will mean a saving against the budgets set:

Electricity and Gas renewal - new prices effective 1/4/24

Electricity	
23/24 Standing Charge	£0.45p
23/24 Unit Price	£0.375p
24/25 Standing Charge	Variable see table below
24/25 Unit Price	£0.217p
Gas	
23/24 Standing Charge	£0.78p
23/24 Unit Price	£0.145p
24/25 Standing Charge	£1.03p
24/25 Unit Price	£0.079p

Variable Standing rate charges for assets below:

Site name	Contract Standing Charge in pence per day exc. VAT
Windrush Cemetery	141.22
51 Market Square	84.97
Town Hall	614.93
Corn Exchange	247.7
Floodlighting	84.97
Leys Recreation Ground	614.93
Leys Recreation Ground (off peak)	247.7
Burwell Hall	141.22
Cemetery Chapel	84.97

The Projects Officer goes on to state that it was “decided to go with these figures as we explored the open market, and no-one could come close to these renewal figures from 100Green. We specified that we needed renewable energy as well which makes it more expensive.” As stated above the new contract figures will allow the Council to operate within the agreed budget for gas and electricity and likely make a saving on the year.

C. Investments

At each meeting members receive the latest updates in relation to the Council’s investments.

The Council holds the following investments:

1. Public Sector Deposit Fund (CCLA Investment Management Ltd.) – Value of as of 30 June 2024 £1,131,491 (£1,121,698 as of 30 April 2024) an increase of £9,793 over the two-month period (0.8% between the two months).
2. The Local Authorities’ Property Fund (CCLA Fund Managers Ltd.) – Value as of 31 March 2024 = £57,600 (30 December 2023 - £58,637). This represents a fall in value of £1,037 over that period, i.e. 1.8%. The total income credited to the Council for that period was £779 (i.e. 1.3% of the opening sum during this three-month period). This was reported at the last meeting; the statement to 30 June 2024 is expected shortly.

Impact Assessments

The Town Council has a duty to consider the effects of its decisions, functions and activities on equality, biodiversity, and crime & disorder. Consideration should also be given to effects on the environment, given the Council’s Climate Emergency declaration in 2019.

- a) Equality – no implications directly resulting from this report.
- b) Biodiversity - no implications directly resulting from this report.
- c) Crime & Disorder - no implications directly resulting from this report.
- d) Environment & Climate Emergency - no implications directly resulting from this report.

Risk

In decision making Councillors should give consideration to any risks to the Council and any action it can take to limit or negate its liability.

The provision of regular financial reports is part of the Council’s risk management system.

Social Value

Social value is the positive change the Council creates in the local community within which it operates. Social value is no quantified in the financial reports but clearly the creation of social value is dependent on setting adequate budgets to meet the Council’s objectives.

Financial implications

This report forms part of the Council's due diligence and a process in line with its Financial Regulations. The financial implications are detailed above and also in the attached appendices.

Recommendations

Members are invited:

1. To note and approve the report and the management accounts of the Council for the period 1 April to 31 May 2024.
2. To note and approve the energy contract with 100Green for the period 1 April 2024 to 31 March 2025.
3. To note and approve the report on investment returns. since the last report to Committee in March 2024.