

End of year financial report 31st March 2018

by Clerk (Claudine Feltham) for Chiddingly Parish Council

Aim

The aim of this report is to give an overview of the financial position of Chiddingly Parish Council at the end of the financial year (31st March 2018).

Method

Data has been extracted from the RBS Alpha Receipts and Payments system. (Method: RBS > Management Accounts > Management Reports > Trial Balance Report, Supporting Reserves Report, Receipts and Payments Detailed Report and Nominal Ledger Report).

Time Period

1st April 2017 to 31st March 2018.

Executive Summary

Chiddingly Parish Council have made payments totalling £28,936 2017/2018, compared with an income of £33,580. Within our individual cost codes on RBS there have been some areas of underspend, and some areas of overspend, albeit nothing significant – and overall, we came in under budget. There were no significant incidents that caused additional unplanned expenditure during this financial year.

Precept and other income

The parish council requested a precept of £32,447 from Wealden District Council (WDC), and this was the amount granted. The parish council also received a grant of £514 from WDC. Other income included £50 from rent of the Glebe Field and £200 donation from Weald Trail Race.

The following two tables simply show our account balances and reserve funds.

Closing balances (31st March 2016) for all accounts held by Chiddingly Parish Council

ACCOUNT	LAST YEAR £	THIS YEAR £
Barclays current account	30,820.91	45,768.46
Barclays deposit account	17,148.74	17,160.30
Unity Trust main account	10,065.97	0
Unity Trust project account	46.87	0
Unity Trust reserve account	101.42	0
Unity Trust earmarked funds	100.73	0
Total	£58,286.64	£62,928.76

Part way through this financial year we closed the Unity Trust accounts (as decided by full council), and the balance of funds was transferred to our Barclays current account. It will be suggested by the Clerk, to full council, that £40,000 is transferred from the current account and into the deposit account. Leaving £5,768 in the current account, plus the first half of the precept from WDC £19,229.

Chiddingly Parish Council Ear Marked Reserves (EMR*) are currently represented by:

EMR Gratuity	£462.00
EMR Elections	£4,698.00
EMR Special projects	£30,700.55

Total Ear Marked Reserves	£35,860.55
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*these funds are part of our bank balances and not additional funds.

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation. Section 50 of the Local Government Finance Act 1992 requires that billing and precepting authorities in England and Wales have regard to the level of reserves needed to meet estimated future expenditure when calculating the budget requirement. A council should typically hold up to 12 months¹ expenditure as a general reserve. If the general reserve is too low, then it may not be enough to cover unexpected expenditure or emergencies.

The cash balance at the end of this financial year is £62,928. The earmarked reserves are currently set at £35,860, which would leave £26,438 in general reserves, and would fall comfortably within the above guidance.

Future

Match funding

We are all very aware of the cuts being made from central government to county and district councils, so it is inevitable that as a parish council we will be asked to match fund or fund more and more projects. For example, a nearby parish is match funding on a speed reduction initiative, at a cost of £9,000 to the parish council. Another parish was considering traffic calming measures, just to have the necessary surveys and analysis of results by Highways has cost that parish over £1000. Grass cutting by Highways has been reduced in some areas, and parishes are having to take on their own contractors and pay for this. This is something that we need to consider when setting our next budget.

¹ Source: The Good Councillors Guide to Finance and Transparency 2017, Department for Communities and Local Government.