

REPORT OF Strategic Manager Resources
To: Community & Resources Committee
Subject: Draft Statement of Accounts
Date: 15th July 2019

Reference:

PURPOSE OF REPORT:

For members to decide how to allocate the surplus generated during 2018-19 and note the draft statement of accounts for 2018/19.

1. INTRODUCTION

The financial period 2018-19 ended as at 31st March 2019. The Accounts and Audit Regulations 2018 set out the requirements for the general completion and publication of the Statement of Accounts and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the UK (the code) defines how they will be completed.

2. REPORT

The Statement of Accounts (SOA) 2018-19 has now been completed in draft stage in accordance with the provision set out in the Regulations above and were submitted to external auditors on the 31st May 2019. The deadline for completion of the SOAs 2018-19 is the 31st May 2019.

On submission for audit the SOAs are not required to be approved by Council only certified by the Council's Section 151 officer, which was actioned on the 31st May 2019.

Grant Thornton's audit team were scheduled to commence their onsite audit work on the 8th July 2019. However as at the time this report was written the audit has been postponed due to resourcing issues at Grant Thornton; the onsite audit work is expected to commence in August 2019. This delay has impacted upon other local authorities within Devon, who have also had their audits delayed. Upon completion of the audit Grant Thornton will report to the Audit and Governance Committee at a date yet to be determined. It is at this point that the members consider the formal approval of the 2018-19 SOAs. (A further update will be provided at the meeting regarding the timescale for the external audit of the SOAs).

The purpose of the Draft Statement of Accounts 2018/19 report is, to enable Members to consider and approve how the surplus of £364k generated during the year should be set aside to reserves for future allocation. Members should note that the surplus of £364k assumes that the Grant Thornton audit of the SOA does not uncover any material misstatements of income or expenditure.

Planned Maintenance - £100k

The Council sets aside £80k on annual basis towards planned maintenance, however it has been recognised that there are significant pressures on this budget in 2019-20 namely; replacement filter and pumps at the Council's swimming pools in Holsworthy and Bideford. In addition significant investment is required to upgrade the lifts at Torrington Pannier Market and Holsworthy Manor Offices.

Contingency Reserves - £50k

The Council has an annual general contingency budget of £70k; which is prudently used to meet unexpected, unforeseen costs that have not been budgeted for. For example the resources have been used to meet costs such as relocating house boats, additional work on GDPR, marketing Bridge Buildings, IT Cyber security work and fencing at Riverbank House.

It is proposed to transfer the 2018/19 under utilisation of this budget into the Contingency Reserve to ensure sufficient resources are available to meet cost pressures that arise during 2019-20, where no budget has been allocated.

Apprentices / Corporate Training - £48k

With effect from 6th April 2017, the Government introduced the Apprenticeship Levy applicable to all organisations, public and private, with an annual wage bill over £3 million requiring them to pay 0.5% of their monthly payroll into the organisation's Apprenticeship Levy Fund, collected by HM Revenue & Customs (HMRC). The Council's payroll is circa £5.3m.

Torrige District Council has previously supported the employment of apprentices, and consequently monies have been set aside from the 2018/19 surplus to facilitate the recruitment of new apprentices.

May 2019 saw the election of a new council at Torrige, with 18 new members elected. It is recognised that additional training resource is required to support both new and existing members.

Play Strategy - £11k

In March of 2019 the Council received funding from Central Government to support Play Provision. This grant funding is to be set aside to fund the production of a play strategy which will determine the provision of play needs within the District and assessment of current play provision.

Bideford Work Hub - £35k

The Council has secured funding from Devon County Council to convert part of Bideford Town Hall into a business hub available to businesses on an ad-hoc basis. In addition to the external funding already secured the Council is required to provide additional resources to undertake the necessary conversion works to the Town Hall.

Digitisation of Cemetery Records - £40k

The Council's current system for the maintenance of its cemetery records is inefficient and is paper based involving significant officer time to maintain, the digitisation of the Council's cemetery records and the purchase of a new cemetery record system is required.

IT – Development - £80k

The last refresh of the Council's IT Desktop Infrastructure was undertaken in 2011, several components of the current desktop infrastructure are approaching their end of life. In addition there are elements of the current desktop environment will shortly (March 2020) no longer be Public Services Network (PSN) compliant.

Approval for the new desktop environment for inclusion within the Council's capital program was agreed at Full Council on the 25th February 2019. However it is recognised that development is also required in other IT supported areas such as the website. There £80k is set aside to support these developments

Overview and Scrutiny Internal

The recommendations were also presented and considered by Overview and Scrutiny Committee (internal) on the 9th July 2019.

