

Chesham Town Council

Bill Richards
Town Clerk



Tel: 01494 774842

Fax: 01494 582908

www.chesham.gov.uk

Email: admin@chesham.gov.uk

3rd August 2020

Dear Councillor

I hereby give you notice that a **Meeting of the FINANCE COMMITTEE** to be held remotely in accordance with The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, on

MONDAY 10th AUGUST 2020 AT 5.30pm

when the business set out below is proposed to be transacted:

A G E N D A

1. Apologies for absence.
2. Declarations of Interests.
3. To receive and confirm the Minutes of the meeting of 15th June 2020.
4. Internal Auditor's Report.
5. Annual Governance & Accountability Return 2019/2020 and Statement of Accounts 2019/20.
6. Financial Report to 30th June 2020 and Update on Financial Implications of Covid 19 on Council Finances.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bill Richards'.

Bill Richards
Town Clerk

Publication Date 3.8.20.



Chesham Town Council, Town Hall, Chesham, Bucks HP5 1DS
Twinned with Friedrichsdorf Germany; Houilles France; Archena Spain

Chesham Town Council

continued . . .

Councillor Circulation:

Councillor	Q. Chaudhry	Councillor	J. L. Baum
Councillor	A. K. Bacon	Councillor	M. W. Shaw
Councillor	N.L Brown	Councillor	F. S. Wilson
Councillor	D. MacBean	Councillor	P. W. Yerrell
Councillor	P. J. Hudson		

AGENDA ITEM NO: 4 – INTERNAL AUDITOR’S REPORT

Reporting Officer: Steve Pearson (01494 583825)

Summary

1. To consider the internal auditor’s Internal Audit Report for 2019/20.

Background Information

2. The Accounts and Audit Regulations 2003 state that ‘*a relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its systems of internal control in accordance with the proper internal audit practices*’.
3. The Finance Committee appointed the current internal auditor at its meeting held on the 18th September 2017.

Financial Implications

4. The internal audit budget is £1,500 per annum.

Strategic Objectives

5. Accords with Strategic Aim 6 – ‘*Chesham Town Council will ensure that the money entrusted to it by the residents of Chesham is securely managed and spent effectively on achieving the above strategic objectives.*’

Equality Act Implications

6. None pertaining to this report.

Detailed Consideration

7. A copy of the internal auditor’s - IAC Audit & Consultancy Ltd - Year End Internal Audit Report and Internal Audit Observations are **attached** together with officers’ responses.

Recommendation

That the Committee notes the Report and the officers’ comments



Bill Richards
Town clerk



Bill Richards
Town Clerk
Chesham Town Council
Chesham Town Hall
Chesham
Bucks
HP5 1DS

16/07/2020

Dear Bill,

Further to our Internal Audit of your Council for the financial year 2019/20 I am pleased to submit the signed Internal Report for your Annual Return. We have completed our work and I can confirm that we have not given a Negative response for any of the Internal Control Objectives.

You will note that we have given 'Not Covered' responses in respect of the Control Objectives K, L and M and we are required to explain why we have done this.

The reason for the Not Covered response for Objective K is that it is not applicable to your Council as you did not certify yourself as exempt from External Audit.

For Objective L we have given a 'Not Covered' response to this as, although we have seen the completed Notice document, there is no formal documentary evidence that the required Notice was posted as required. You will be aware that there is, in fact, no requirement for this documentary evidence to be maintained by you and therefore it is impossible for an auditor to independently verify this. We are aware that this issue has been discussed with the External Auditors and we expect most, if not all, Councils to also have 'Not Covered' as a response to Objective L from their Internal Auditors.

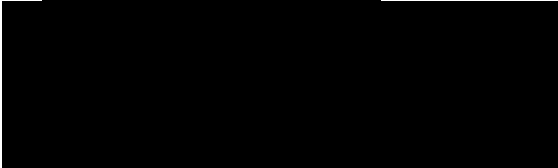
We have responded 'Not Applicable' in respect of Objective M as it is our understanding that the Council does not act as Trustee.

I have also emailed you an Internal Audit summary of our audit testing which you may find useful. This sets out the number of tests that we have carried out and the number of positive and negative responses. Care should be taken when using this Summary as these tests are not given a weighting to reflect their relative importance and the Summary must therefore be considered in conjunction with our Internal Audit Observations.

I have made some Observations in respect of the year end audit which I would be grateful if you could draw to the Council's attention in due course. If the Council should have any queries regarding any points raised please do not hesitate to contact me.

I would like to express our thanks for the assistance you provided to us during the course of the audit.

Yours sincerely,

A large black rectangular box redacting the signature of Kevin Rose.

Kevin Rose ACMA
Director

Client	Chesham Town Council	
Clerk name:	Bill Richards	Steve Pearson (FO)
	Name	Date
Pre Audit	Paula Sakalla	3 October 2019
Visit 1 Auditor:	Kevin Rose	16 October 2019
Year End Auditor	Kevin Rose/Paula Sakalla	10 July 2020

Complete
Yes
Yes
Yes

Internal Audit Summary 2019-20



Annual Return – Compliance with Requirements		Not checked	Not applicable	Positive	Negative	Overall	Interim Recommendations	Year End Recommendations	Observations
Box A	Appropriate accounting records have been kept properly throughout the year.	1	0	2	0	100.00%	1	0	
Box B	This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	10	3	20	4	83.33%	3	1	The Council should refer to the attached Internal Audit Observations
Box C	This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	2	6	1	85.71%	0	0	
Box D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	0	2	15	1	93.75%	1	0	
Box E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	8	2	10	0	100.00%	0	0	
Box F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	9	0	100.00%	0	0	
Box G	Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	0	3	9	0	100.00%	0	0	
Box H	Asset and investments registers were complete and accurate and properly maintained.	0	4	2	2	50.00%	0	0	
Box I	Periodic and year-end bank account reconciliations were properly carried out.	0	0	7	3	70.00%	1	2	The Council should refer to the attached Internal Audit Observations
Box J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	0	0	6	1	85.71%	0	1	The Council should refer to the attached Internal Audit Observations
Box K	IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt.	0	2	0	0	0.00%	0	0	
Box L	During summer 2019 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.	0	3	0	0	0.00%	0	0	
Box M	Trust funds (including charitable) – The council met its responsibilities as a trustee.	0	4	0	0	0.00%	0	0	

Total

20	25	86	12	87.76%
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Chesham Town Council

Financial Year 2019-20

Year End Internal Audit Observations



Visit date: 10 July 2020

B This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

OFFICERS

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The value stated in Box 5 was not agreed to the PWLB statement	There was a difference noted in the value stated in Box 5 of the Accounting Statement and the schedule provided by the PWLB. It is understood that this is due to an interest accrual made in the prior year	Council to note	Low	Accords with accounting practice

C This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

OFFICERS

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Council has not reviewed its insurance coverage during the year	It is understood that the Council review the insurance cover once the contract is ending.	The Council must ensure that it undertakes a regular review of its insurance coverage.	High	Reviewed Public Liability in November 2019.

FULL REVIEW TO BE UNDERTAKEN PRIOR TO RENEWAL IN APRIL 21.

H Asset and investments registers were complete and accurate and properly maintained.

OFFICERS

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	The Council has not reviewed the asset register during the financial year.	It is understood that the Council does not carry out review of the Asset Register annually.	The Council should undertake a formal review of the asset register on an annual basis.	High	Attached to Finance Comm. Htee 27.7.20
2	Continuing existence of assets is not checked on a regular basis	The Council does not physically check the existence of Council Assets.	The Council should put in place arrangements for the regular physical verification of its assets. The date the verification was carried out should be recorded.	High	MANAGERS TO CONFIRM EXISTENCE

I Periodic and year-end bank account reconciliations were properly carried out.

OFFICERS

No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Year end cash balances were not supported by cashiers certificates	Year end confirmations of cash balances were not obtained due to the COVID-19 outbreak.	Council to obtain confirmation of cash balances once activities resume.	High	Will be done following re-opening

J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

OFFICER3					
No.	Audit Conclusion	Observation	Recommendation	Priority	Comments
1	Physical stock quantities on hand have not been physically verified	<i>It is understood that the Council does not carry out Year End stock takes.</i>	The Council to review its stock taking arrangements to ensure it has robust measures for the control and monitoring of stocks.	High	MOOR GTM & SWIM FIGURES SUPPLIED BY DEPUTY MANAGER ELGINA FIGURES SUPPLIED BY NEW EPOS SYSTEM WHICH WILL BE TESTED FOLLOWING RE-OPENING.

Annual Internal Audit Report 2019/20

Chesham Town Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")</i>			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.			✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

05/06/2019

16/10/2019

Name of person who carried out the internal audit

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

Date

16/07/2020

*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

AGENDA ITEM NO : 5 - ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN 2019/2020 AND STATEMENT OF ACCOUNTS 2019/20

Reporting Officer: Steve Pearson (01494 583825)

Summary

1. To consider the Statutory Annual Governance & Accountability Return (AG&AR) for the year ended 31st March 2020 and optional Financial Statements 2019/20 prior to its submission to the Council on the 17th August.

Background Information

2. Due to the changes in the banding levels in 2011 regarding the type of published accounts, the Council decided at its meeting held on the 18th April 2011, to publish an AG&AR rather than the Statement of Accounts as it had been doing previously, thereby saving around £12,000 on external audit fees. The Council also decided to produce a set of new Financial Statements similar to the previous accounts for management information, but which are not to be audited.
3. The AG&AR usually has to be approved by the 30th June but this has been extended to the 31st August this year due to the Covid-19 situation.

Financial Implications

4. As detailed within the report.

Strategic Objectives

5. Accords with strategic objective 6 - *'Chesham Town Council will ensure that the money entrusted to it by the residents of Chesham is securely managed and spent effectively on achieving its strategic objectives'*.

Equality Act Implications

6. None pertaining to this report.

Detailed Consideration

7. The statutory AG&AR - (Pages 3-6) for the year ended 31st March 2020 is **attached** with this report together with the optional Financial Statements.
8. A simple provisional summary outturn comparison against budget was presented to the Finance Committee on the 15th June which showed a net surplus of £178k; the final accounts show this to be £181k.

9. With the statutory AG&AR, the Council has to **answer the Annual Governance Statement questions under Section 1 page 4 and approve the Accounting Statement under Section 2 on page 5** - before the 31st August 2020.
10. The Financial Statements are additional information provided by the Council but are not subject to audit. These statements are 31 pages in length so will be emailed to Members, but hard copies will be available upon request.
11. The Asset Register as compiled by the external accountant is also **attached** for consideration as recommended as part of the internal auditors' report.
12. Should any Member require further information, they are asked to contact the office prior to the meeting.

Recommendations

1. **The AG&AR and the Financial Statements as presented be recommended for approval:**
 - i. **That the Committee considers each of the Annual Governance Questions numbered 1 to 9 on Section 1 page 4 of the Annual Return and responds in the affirmative, except for number 9 which is not applicable.**
 - ii. **That the Accounting Statement as shown in Section 2 on page 3 of the Annual Governance & Accountability Return Annual Return Financial Statements be considered and recommended for approval.**
 - iii. **That Asset Register be considered and noted.**

Annual Internal Audit Report 2019/20

Chesham Town Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.			✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

05/06/2019

16/10/2019

Name of person who carried out the internal audit

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

Date 16/07/2020

*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

CHESHAM TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

AUTHORITY WEBSITE ADDRESS

Section 2 – Accounting Statements 2019/20 for

CHEBHAM TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	792,564	825,285	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	930,000	958,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	1,038,458	1,252,671	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	-912,644	-1,030,023	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	-18,373	-15,797	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	-1,004,720	-984,390	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	825,285	1,005,746	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	1,065,073	1,156,083	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	7,024,841	7,016,129	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	75,017	62,331	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Stephen Pearson

Date

200720

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Section 3 – External Auditor Report and Certificate 2019/20

In respect of

ENTER NAME OF AUTHORITY

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2019/20

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.
(*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2019/20

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

*Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Chesham Town Council

Unaudited Financial Statements

For the year ended 31 March 2020

Chesham Town Council

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31 March 2020

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Chesham Town Council

Council Information

31 March 2020

(Information current at 17th August 2020)

Town Mayor

Cllr R. C. McCulloch

Councillors

Cllr Miss E. A. Culverhouse (Deputy Town Mayor)

Cllr A. K. Bacon

Cllr J. Baum

Cllr M. Z. Bhatti MBE

Cllr N. L. Brown

Cllr Q. Chaudhry

Cllr M. Fayyaz

Cllr A. W. Franks

Cllr P. J. Hudson

Cllr D. MacBean

Cllr Mrs J. E. MacBean

Cllr M. W. Shaw

Cllr N. T. Southworth

Cllr Mrs D. M. Varley

Cllr N. Varley

Cllr S. P. Willmouth

Cllr F. S. Wilson

Cllr P. W. Yerrell

Town Clerk

Mr W. Richards CILCA

Responsible Financial Officer (R.F.O.)

Mr S. D. Pearson

Auditors

PKF Littlejohn LLP

SBA Team

1 Westferry Circus

Canary Wharf

London, E14 4HD

Internal Auditors

Internal Audit & Consultancy Ltd

70 Boundary Walk

Trowbridge

Wiltshire, BA14 0LZ

Chesham Town Council
Statement of Responsibilities
31 March 2020

The Council's Responsibilities

The council is required:

- to make arrangements for the proper administration of its financial affairs
- to secure that one of its officers (R.F.O.) has the responsibility for the administration of those affairs. At this council that officer is the Finance and Contracts Manager, and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Responsible Financial Officer's Responsibilities

The R.F.O. is responsible for the preparation of the council's Unaudited Financial Statements in accordance with Part 4 of the "Governance and Accountability for Local Councils – A Practitioners Guide (England) (as amended)" (the guide), so far as is applicable to this council, to present a true and fair view of the financial position of the council at 31 March 2020 and its income and expenditure for the year then ended.

In preparing the Unaudited Financial Statements, the R.F.O. has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent, and
- complied with the guide.

The R.F.O. has also:

- kept proper accounting records, which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Responsible Financial Officer's Certificate

I further certify that the Unaudited Financial Statements present a true and fair view of the financial position of Chesham Town Council at 31 March 2020, and its income and expenditure for the year ended 31 March 2020.

Signed:

Mr S. D. Pearson- Finance and Contracts Manager

Date:

Chesham Town Council
Statement of Accounting Policies
31 March 2020

Auditors

The name and address of the External Auditors is provided for information only.

These Statements are not subject to audit and the External Auditors have no responsibility for them.

Accounting Convention

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE) issued by the Accounting Standards Board, as applied to Local Councils by part 4 of Governance and Accountability for Local Councils – A Practitioners Guide (England) (the guide). Comparative figures have been restated to conform to the revised formats where appropriate. Certain requirements have been omitted for clarity and simplicity as these statements are not subject to audit. They are produced in support of the council's audited Statement of Accounts contained within the Annual Return Statement of Accounts.

These accounts have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understandability and Materiality.

The accounts have been prepared under the historical cost convention.

Fixed Assets

All expenditure in excess of £1000 (on any one item or group of similar items) on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the authority and the services it provides, for a period of more than one year. Fixed assets are valued on the basis recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the statements of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS). The closing balances are stated on the following basis:

land and buildings are included in the balance sheet at Depreciated Replacement Cost (DRC). The DRC basis of valuation requires an estimate of the value of the land in its existing use, together with the current replacement cost of the building and its external works, from which appropriate deductions have been made to reflect the age, condition, economic, functional and environmental obsolescence and other locational factors which might result in the existing building being worth less than a new replacement building,

investment properties are included in the balance sheet at open market value,

all other assets are included in the balance sheet at the lower of cost (estimated where not known) or estimated realisable value, except that,

certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Such assets are therefore considered to have no appreciable realisable value and are included at nominal value only.

The surplus or deficit arising on periodic revaluations of fixed assets has been credited or debited to the Revaluation Reserve. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, should they occur.

In accordance with Financial Reporting Standard (FRS) 15, depreciation is provided on all operational buildings (but not land), as well as other assets.

Chesham Town Council
Statement of Accounting Policies
31 March 2020

Depreciation Policy

Buildings and leasehold land are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis.

Freehold land is not depreciated.

Non Operational Assets (including Investment Properties) are not depreciated.

Vehicles, plant, equipment and furniture are depreciated over their estimated useful lives (varying between 3 and 10 years) on a straight line basis.

Play equipment is depreciated over 10 years at 10% per annum straight line.

Infrastructure assets are depreciated over their estimated useful lives (varying between 10 and 20 years) on a straight line basis.

Community assets are not depreciated, because they are of purely nominal value.

Depreciation is accounted for as a Balance Sheet movement only, not through the Income and Expenditure Account.

Grants or Contributions from Government or Related Bodies

Capital Grants

Where a fixed asset has been acquired or improved with the financing either wholly or in part by a grant or contribution from government or a related body, e.g. Sports Council, the amount of the grant has been credited to Deferred Grants Account and carried forward. Grants so credited are released back to revenue over the life of the asset to match, and thereby offset wholly or in part, depreciation charged.

Revenue Grants

Revenue grants are credited to income when conditions attached thereto have been fulfilled and/or equivalent expenditure has been incurred. Grants received in respect of which the conditions have not been fulfilled, or expenditure incurred, are carried forward as deferred revenue grants.

Investments

Investments are included in the balance sheet at historic cost and realised gains or losses are taken into the income and expenditure account as realised. Details are given at note 14.

Stocks and Work in Progress

Stocks held for resale, where significant (generally in excess of £1,000), are valued at the lower of cost or net realisable value. Consumable stocks have been treated as an expense when purchased because their value was not material.

Debtors and Creditors

The revenue accounts of the council are maintained on an accruals basis in accordance with the regulations. That is sums due to or from the council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this are payment of regular quarterly and other accounts (e.g. telephones, electricity). This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the council's annual budget.

The council reviews the level of its commercial debtors on a regular basis and provisions are made, as required, where the likelihood of amounts proving ultimately collectable is in doubt.

Chesham Town Council
Statement of Accounting Policies
31 March 2020

Value Added Tax

Income and Expenditure excludes any amounts related to VAT, as all VAT suffered/collected is recoverable from or payable to HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

External Loan Repayments

The council accounts for loans on an accruals basis. Details of the council's external borrowings are shown at note 19.

Leases

Rentals payable under operating leases are charged to revenue on an accruals basis. Details of the council's obligations under operating leases are shown at note 18.

Reserves

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 21 to 23.

Certain reserves are maintained to manage the accounting processes for tangible fixed assets, available for sale investments and retirement benefits. They do not represent usable resources for the council:

Capital Financing Account – represent the council's investment of resources in such assets already made.

Interest Income

All interest receipts are credited initially to general funds.

Pensions

The pension costs that are charged against precept in the council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

These contributions are determined by the fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the pension fund, in accordance with relevant government regulations.

The next actuarial valuation is due at 31st March 2022 and any change in contribution rates as a result of that valuation will take effect from 1st April 2023.

Chesham Town Council
Income and Expenditure Account
31 March 2020

	Notes	2020 £	2019 £
Income			
Precept on Principal Authority		958,000	930,000
Grants Receivable		42,088	3,140
Rents Receivable, Interest & Investment Income		21,774	19,864
Charges made for Services		1,165,969	1,010,660
Other Income		3,690	4,794
Total Income		2,191,521	1,968,458
Expenditure			
Direct Service Costs:			
Salaries & Wages		(780,433)	(670,122)
Grant-aid Expenditure		(8,460)	(6,161)
Other Costs	1	(833,847)	(863,308)
Democratic, Management & Civic Costs:			
Salaries & Wages		(249,590)	(242,522)
Other Costs	1	(115,163)	(93,682)
Total Expenditure		(1,987,493)	(1,875,795)
Excess of Income over Expenditure for the year.		204,028	92,663
Exceptional Items			
Profit/(Loss) on the disposal of fixed assets		2,376	(3,932)
Net Operating Surplus for Year		206,404	88,731
STATUTORY CHARGES & REVERSALS			
Statutory Charge for Capital (i.e. Loan Capital Repaid)		(12,687)	(14,387)
Capital Expenditure charged to revenue	12	(10,880)	(45,556)
Reverse profit on asset disposals		(2,376)	3,932
Transfer from/(to) Earmarked Reserves	23	883	(35,909)
Surplus/(Deficit) for the Year to/(from) General Fund		181,344	(3,189)
Net Surplus/(Deficit) for the Year		180,461	32,720
The above Surplus/(Deficit) for the Year has been applied/(funded) for the Year to/(from) as follows:			
Transfer from/(to) Earmarked Reserves	23	(883)	35,909
Surplus/(Deficit) for the Year to/(from) General Fund		181,344	(3,189)
		180,461	32,720

The council had no other recognisable gains and/or losses during the year.

The notes on pages 12 to 22 form part of these unaudited statements.

Chesham Town Council
Statement of Movement in Reserves
31 March 2020

Reserve	Purpose of Reserve	Notes	2020 £	Net Movement in Year £	2019 £
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	21	4,268,075	(176,575)	4,444,650
Usable Capital Receipts	Proceeds of fixed assets sales available to meet future capital investment	22	17,000	-	17,000
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	23	267,000	(883)	267,883
General Fund	Resources available to meet future running costs		721,746	181,344	540,402
Total			5,273,821	3,886	5,269,935

The notes on pages 12 to 22 form part of these unaudited statements.

Chesham Town Council

Balance Sheet

31 March 2020

	Notes	2020 £	2020 £	2019 £
Fixed Assets				
Tangible Fixed Assets	11		4,441,527	4,637,950
Current Assets				
Stock	15	7,253		4,650
Debtors and prepayments	16	120,947		111,947
Investments	14	897,098		741,411
Cash at bank and in hand		258,985		323,662
		1,284,283		1,181,670
Current Liabilities				
Current Portion of Long Term Borrowings		(5,343)		(12,686)
Creditors and income in advance	17	(278,538)		(356,386)
Net Current Assets			1,000,402	812,598
Total Assets Less Current Liabilities			5,441,929	5,450,548
Long Term Liabilities				
Long-term borrowing	19		(56,988)	(62,331)
Deferred Grants	20		(111,120)	(118,282)
Total Assets Less Liabilities			5,273,821	5,269,935
Capital and Reserves				
Capital Financing Reserve	21		4,268,075	4,444,650
Usable Capital Receipts Reserve	22		17,000	17,000
Earmarked Reserves	23		267,000	267,883
General Reserve			721,746	540,402
			5,273,821	5,269,935

The Unaudited Financial Statements represent a true and fair view of the financial position of the Council as at 31 March 2020, and of its Income and Expenditure for the year.

These accounts were approved by the Council on 17th August 2020 .

Signed:

Cllr R. C. McCulloch

Town Mayor



Mr S. D. Pearson

Responsible Financial Officer

Date:

20th July 2020

The notes on pages 12 to 22 form part of these unaudited statements.

Chesham Town Council**Cash Flow Statement****31 March 2020**

	Notes	2020 £	2020 £	2019 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(1,025,284)		(911,343)
Other operating payments		(991,860)		(825,536)
			(2,017,144)	(1,736,879)
<i>Cash inflows</i>				
Precept on Principal Authority		958,000		930,000
Cash received for services		1,128,604		991,251
Revenue grants received		42,088		3,140
			2,128,692	1,924,391
Net cash inflow from Revenue Activities	26		111,548	187,512
SERVICING OF FINANCE				
<i>Cash outflows</i>				
Interest paid		(4,970)		(4,507)
<i>Cash inflows</i>				
Interest received		7,235		7,043
Net cash inflow from Servicing of Finance			2,265	2,536
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(30,030)		(45,556)
<i>Cash inflows</i>				
Sale of fixed assets		14,000		-
Capital grant received		5,150		-
Net cash inflow/(outflow) from Capital Activities			(10,880)	(45,556)
Net cash inflow before Financing			102,933	144,492
FINANCING AND LIQUID RESOURCES				
(Increase)/Decrease in money on call			(155,687)	66,055
<i>Cash outflows</i>				
Loan repayments made			(12,686)	(14,387)
Loan repayments received			763	916
Net cash (outflow)/inflow from financing and liquid resources			(167,610)	52,584
(Decrease)/Increase in cash	27		(64,677)	197,076

The notes on pages 12 to 22 form part of these unaudited statements.

Chesham Town Council

Notes to the Accounts

31 March 2020

1 Other Costs Analysis

Other Costs reported in the council's Income and Expenditure Account comprise the following:

Direct Service Costs

	2020	2019
	£	£
Theatres & Public Entertainment	409,801	392,795
Community Centres	68,997	58,730
Outdoor Sports & Recreation Facilities	218,542	216,921
Community Parks & Open Spaces	100,321	66,194
Allotments	2,208	2,510
Cemeteries	24,970	22,678
Closed Churchyards	(23,548)	48,937
Public Conveniences	7,029	8,720
Community Safety (Crime Reduction)	443	351
Promotion & Marketing of the Area	21,980	22,913
Community Development	8,670	7,365
On-street Parking	-	19,658
Investment Properties	2,894	1,697
Less: Grant-aid Expenditure	(8,460)	(6,161)
Total	833,847	863,308

Democratic, Management & Civic Costs

	2020	2019
	£	£
Corporate Management	95,819	79,442
Democratic Representation & Management	13,126	6,023
Civic Expenses	300	1,562
Mayors Allowance	2,808	2,669
Interest Payable	3,110	3,986
Total	115,163	93,682

As reported in the Statement of Accounting Policies, apportionment of central costs is not reflected in the above analysis.

2 Interest Payable and Similar Charges

	2020	2019
	£	£
External Interest Charges - Loans	3,110	3,986
	3,110	3,986

Chesham Town Council

Notes to the Accounts

31 March 2020

3 Interest and Investment Income

	2020	2019
	£	£
Interest Income - General Funds	8,719	6,936
	<u>8,719</u>	<u>6,936</u>

4 Related Party Transactions

The council is required to disclose material transactions with related parties – bodies that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's freedom to bargain with the council at arms length.

Related parties include:

Central Government

The council's operations are controlled by statutes passed by Central Government. All transactions with Central Government arise as a result of some of those statutes but do not, in the opinion of the council, require to be disclosed here.

Principal Authorities

The District/Borough Council collects this council's Precept and remits the same to the council under statutory provisions. The Precept is disclosed separately elsewhere in these accounts.

Members of the council

Members have direct control over the council's financial and operating policies. During the year no members have undertaken any declarable, material transactions with the council, nor the council with any member. Details of such transactions (if any) are recorded in the Register of Members' Interests, open to public inspection at the council's offices.

Members represent the council on various organisations. Appointments are reviewed annually, unless a specific termination date applies to the term of office. None of these appointments places a Member in a position to exert undue influence or control.

Officers of the Council

Other than their contracts of employment, no material transactions have been made during the year between the council and any officer.

Other Organisations

The council awards grants to support a number of voluntary or charitable bodies. It does not attempt to exert control or influence as a result of such grants.

5 General Power of Competence

With effect from 5th November 2012 Chesham Town Council acquired the right to exercise the General Power of Competence extended to Town and Parish Councils under the Localism Act 2011 by S.I. 2012 No 965 (The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012). Therefore, with effect from 5th November 2012 the council no longer exercises the powers conveyed by Section 137 of the Local Government Act 1972 (as amended).

Chesham Town Council

Notes to the Accounts

31 March 2020

6 Audit Fees

The council is required to report and disclose the cost of services provided by its external auditors.

These may be summarised as follows:

	2020 £	2019 £
Fees for statutory audit services	2,000	2,000
Total fees	2,000	2,000

7 Tenancies

During the year the following tenancies were held:

Council as landlord

Tenant	Property	Rent p.a. £	Repairing / Non-Repairing
Paradigm Housing Association	174a Berkamstead Road	6,504	Repairing
Paradigm Housing Association	185 Bellingham Road	6,234	Repairing
Trustees	Temperance Hall	100	Repairing 2026
The Woodland Trust	Big Round Green	1	Repairing 2185
Chiltern Natural Therapies Ltd	Room at Chesham Pool	4,200	Non-repairing
Various Allotment Holders	Allotment Plots	3,974	N/A
Cafe Encore	Elgiva Kitchen	9,342	N/A
Ward Brothers	Foyer at Codmore Pavilion	4,200	N/A

Council as tenant

Landlord	Property	Rent p.a. £	Repairing / Non-Repairing
None			

8 Members' Allowances

	2020 £	2019 £
Members of Council have been paid the following allowances for the year:		
Mayors Allowance	2,808	2,669
	2,808	2,669

The council has resolved that, other than the Town Mayor, no members allowances will be paid.

Chesham Town Council

Notes to the Accounts

31 March 2020

9 Employees

The average weekly number of employees during the year was as follows:

	2020	2019
	Number	Number
Full-time	19	18
Part-time	11	11
Temporary	38	37
	68	66

All staff are paid in accordance with nationally agreed pay scales.

The number of officers whose remuneration, excluding pension contributions, was £50,000 or more, in bands of £10,000 were:

Between £60,000 and £70,000	1	-
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10 Pension Costs

The council participates in the Buckinghamshire County Council Pension Fund. The Buckinghamshire County Council Pension Fund is a defined benefit scheme, but the council is unable to identify its share of the underlying assets and liabilities because all town and parish councils in the scheme pay a common contribution rate.

The cost to the council for the year ended 31 March 2020 was £153,110 (31 March 2019 - £123,118).

The most recent actuarial valuation was carried out as at 31st March 2019, and the council's contribution rate is confirmed as being 25.10% of employees' pensionable pay, plus a lump sum of £0 with effect from 1st April 2020 (year ended 31 March 2020 – 25.10%, , plus a lump sum of £0).

Financial Reporting Standard 17 (FRS17): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as Buckinghamshire County Council Pension Fund, paragraph 9(b) of FRS17 requires the council to account for pension costs on the basis of contributions actually payable to the scheme during the year.

Chesham Town Council**Notes to the Accounts****31 March 2020****11 Tangible Fixed Assets**

	Operational Freehold Land and Buildings	Vehicles and Equipment	Infra- structure Assets	Community Assets	Investment Properties	Total
Cost	£	£	£	£	£	£
At 31 March 2019	5,143,620	1,004,956	416,239	26	460,000	7,024,841
Additions	-	23,978	6,052	-	-	30,030
Disposals	-	(38,742)	-	-	-	(38,742)
At 31 March 2020	5,143,620	990,192	422,291	26	460,000	7,016,129
Depreciation						
At 31 March 2019	(1,464,594)	(753,139)	(169,158)	-	-	(2,386,891)
Charged for the year	(124,846)	(68,867)	(21,116)	-	-	(214,829)
Eliminated on disposal	-	27,118	-	-	-	27,118
At 31 March 2020	(1,589,440)	(794,888)	(190,274)	-	-	(2,574,602)
Net Book Value						
At 31 March 2020	3,554,180	195,304	232,017	26	460,000	4,441,527
At 31 March 2019	3,679,026	251,817	247,081	26	460,000	4,637,950

Although classified as capital expenditure, certain minor equipment purchases are not included in the above as they are not material in overall value.

Fixed Asset Valuation

The freehold and leasehold properties that comprise the council's properties have been valued as at 31st March 2007 by external independent valuers, Messrs The Valuation Agency. Valuations have been made on the basis set out in the Statement of Accounting Policies, except that not all properties were inspected. This was neither practical nor considered by the valuer to be necessary for the purpose of valuation. Plant and machinery that form fixtures to the building are included in the valuation of the building.

Investment properties were valued by external independent valuers, the District Valuation Service, on 31st March 2010.

12 Financing of Capital Expenditure

	2020 £	2019 £
The following capital expenditure during the year:		
Fixed Assets Purchased	30,030	45,556
	30,030	45,556
was financed by:		
Capital Receipts	14,000	-
Capital Grants	5,150	-
Precept and Revenue Income	10,880	45,556
	30,030	45,556

Chesham Town Council

Notes to the Accounts

31 March 2020

13 Information on Assets Held

Fixed assets owned by the council include the following:

Operational Land and Buildings

Chesham Town Hall
The Elgiva Theatre
Works Depot
Pavilion - at 1 recreation ground
Clock Tower, Market Square
Gazebo, Red Lion Street
Cemetery Chapel
The Temperance Hall
Open Air Swimming Pool and Sports Complex

Investment Properties

Former Cemetery Lodges (let on commercial terms) - 2

Vehicles and Equipment

Light Vans – 2
Tractors – 1
Sundry grounds maintenance equipment
Sundry office equipment
Town Hall and Elgiva Theatre furniture and equipment
Swimming Pool and Gym Equipment

Infrastructure Assets

Skateboard Park
Bus Shelters – 2
Fencing etc
Other street furniture

Community Assets

Various Open Spaces
Chesham Cemetery
Allotments – 3 sites
Recreation grounds and playing fields
Childrens' play areas

Chesham Town Council

Notes to the Accounts

31 March 2020

14 Current Asset Investments

	2020	2019
	£	£
Lloyds Bank PLC Treasury Deposit	741,439	587,171
NatWest Bank Ltd Treasury Deposit	155,659	154,240
	897,098	741,411

15 Stocks

	2020	2019
	£	£
Theatres	3,521	3,354
Community Centres	262	101
Leisure/Sports Centres	3,470	1,195
	7,253	4,650

16 Debtors

	2020	2019
	£	£
General Debtors	42,350	26,581
Elgiva Theatre Debtors	172	-
Trade Debtors	42,522	26,581
VAT Recoverable	11,128	8,526
Loan Debtors	-	763
Other Debtors	(20,688)	13,622
Prepayments	17,124	48,047
Accrued Income	68,800	13,831
Accrued Interest Income	2,061	577
	120,947	111,947

17 Creditors and Accrued Expenses

	2020	2019
	£	£
Trade Creditors	34,489	81,044
Other Creditors	58,674	39,673
Superannuation Payable	16,282	13,079
Payroll Taxes and Social Security	14,139	12,602
Accruals	104,721	140,385
Accrued Interest Payable	-	1,860
Income in Advance	50,233	67,743
	278,538	356,386

Chesham Town Council

Notes to the Accounts

31 March 2020

18 Financial Commitments under Operating Leases

The council had annual commitments under non-cancellable operating leases of equipment as follows:

	2020	2019
	£	£
Obligations expiring within one year	4,462	-
Obligations expiring between two and five years	12,732	10,875
Obligations expiring after five years	-	-
	17,194	10,875

19 Long Term Liabilities

	2020	2019
	£	£
Public Works Loan Board	62,331	75,017
	62,331	75,017

The above loans are repayable as follows:

	2020	2019
	£	£
Within one year	5,343	12,686
From one to two years	5,597	5,343
From two to five years	18,438	17,601
From five to ten years	32,953	35,377
Over ten years	-	4,010
Total Loan Commitment	62,331	75,017
Less: Repayable within one year	(5,343)	(12,686)
Repayable after one year	56,988	62,331

Chesham Town Council

Notes to the Accounts

31 March 2020

20 Deferred Grants

	2020	2019
	£	£
Capital Grants Unapplied		
At 01 April	-	-
Grants received in the year	5,150	-
Applied to finance capital investment	(5,150)	-
At 31 March	-	-
Capital Grants Applied		
At 01 April	118,282	135,273
Grants Applied in the year	5,150	-
Released to offset depreciation	(12,312)	(16,991)
At 31 March	111,120	118,282
Total Deferred Grants		
At 31 March	111,120	118,282
At 01 April	118,282	135,273

Capital Grants are accounted for on an accruals basis and grants received have been credited to Deferred Grants Account. Amounts are released from the Deferred Grants Account to offset any provision for depreciation charged to revenue accounts in respect of assets that were originally acquired with the assistance of such grants.

21 Capital Financing Account

	2020	2019
	£	£
Balance at 01 April	4,444,650	4,597,176
Financing capital expenditure in the year		
Additions - using capital receipts	14,000	-
Additions - using revenue balances	10,880	45,556
Loan repayments	12,686	14,386
Disposal of fixed assets	(38,742)	(10,769)
Depreciation eliminated on disposals	27,118	6,837
Reversal of depreciation	(214,829)	(225,527)
Deferred grants released	12,312	16,991
Balance at 31 March	4,268,075	4,444,650

The Capital Financing Account represents revenue and capital resources applied to finance capital expenditure or for the repayment of external loans. It also includes the reversal of depreciation to ensure it does not impact upon the amount to be met from precept. It does not represent a reserve that the council can use to support future expenditure.

Chesham Town Council

Notes to the Accounts

31 March 2020

22 Usable Capital Receipts Reserve

	2020	2019
	£	£
Balance at 01 April	17,000	17,000
Capital receipts (asset sales) during the year	14,000	-
Less:		
Capital used to fund expenditure	(14,000)	-
Balance at 31 March	<u>17,000</u>	<u>17,000</u>

The Usable Capital Receipts Reserve represents capital receipts available to finance capital expenditure in future years.

23 Earmarked Reserves

	Balance at 01/04/2019	Contribution to reserve	Contribution from reserve	Balance at 31/03/2020
	£	£	£	£
Capital Projects Reserves	125,000	-	-	125,000
Emergency Fund	25,000	-	-	25,000
Other Earmarked Reserves	117,883	50,990	(51,873)	117,000
Total Earmarked Reserves	<u>267,883</u>	<u>50,990</u>	<u>(51,873)</u>	<u>267,000</u>

The Other Earmarked Reserves are credited with amounts set aside from revenue to fund specific known commitments of the council.

24 Capital Commitments

The council had no capital commitments at 31 March 2020 not otherwise provided for in these accounts.

25 Contingent Liabilities

The council is not aware of any contingent liabilities at the date of these accounts.

26 Reconciliation of Revenue Cash Flow

	2020	2019
	£	£
Net Operating Surplus for the year	204,028	92,663
Add/(Deduct)		
Interest Payable	3,110	3,986
Interest and Investment Income	(7,235)	(7,043)
(Increase) in stock held	(2,603)	(76)
(Increase) in debtors	(9,763)	(24,072)
(Decrease)/Increase in creditors	(75,989)	122,054
Revenue activities net cash inflow	<u>111,548</u>	<u>187,512</u>

Chesham Town Council

Notes to the Accounts

31 March 2020

27 Movement in Cash

	2020	2019
	£	£
Balances at 01 April		
Cash with accounting officers	3,079	3,011
Cash at bank	320,583	123,575
	<u>323,662</u>	<u>126,586</u>
Balances at 31 March		
Cash with accounting officers	2,567	3,079
Cash at bank	256,418	320,583
	<u>258,985</u>	<u>323,662</u>
Net cash (outflow)/inflow	<u>(64,677)</u>	<u>197,076</u>

28 Reconciliation of Net Funds/Debt

	2020	2019
	£	£
(Decrease)/Increase in cash in the year	(64,677)	197,076
Cash outflow from repayment of debt	12,686	14,387
Net cash flow arising from changes in debt	<u>12,686</u>	<u>14,387</u>
Movement in net debt/funds in the year	<u>(51,991)</u>	<u>211,463</u>
Cash at bank and in hand	323,662	126,586
Total borrowings	(75,017)	(89,404)
Net funds at 01 April	<u>248,645</u>	<u>37,182</u>
Cash at bank and in hand	258,985	323,662
Total borrowings	(62,331)	(75,017)
Net funds at 31 March	<u>196,654</u>	<u>248,645</u>

29 Post Balance Sheet Events

There are no significant Post Balance Sheet events since the preparation of these accounts, up to the date of their final adoption (on 17th August 2020), which would have a material impact on the amounts and results reported herein.

Chesham Town Council**Appendices****31 March 2020****Appendix A****Schedule of Other Earmarked Reserves**

	<u>Balance at</u> <u>01/04/2019</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2020</u>
	£	£	£	£
<u>Capital Projects Reserves</u>				
Capital Fund	125,000			125,000
Repairs & Renewals Fund	0			0
	<u>125,000</u>	<u>0</u>	<u>0</u>	<u>125,000</u>
<u>Asset Replacement Reserves</u>				
Emergency Fund	25,000			25,000
	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>25,000</u>
<u>Other Earmarked Reserves</u>				
PWLB Capital	7,586		(7,586)	0
Election Fund	10,512	3,000	(8,132)	5,380
Grave Maintenance	2,672			2,672
Staff Sickness Fund	13,185			13,185
Produce Market Reserve	2,870	771	(3,413)	228
Codmore Pavilion Fund	3,697		(475)	3,222
Valuation Fees Reserve	3,200			3,200
Green Flag Reserve	769			769
New Cemetery	25,000	5,000		30,000
Skottowes Pond	25,000	5,000		30,000
Reorganisation	23,392		(23,392)	0
Lords Mill Wir		10,000		10,000
Portas Funds		5,669		5,669
Neighbourhood Planning		8,900	(8,875)	25
VE Day Celebrations		150		150
Play Equipment		12,500		12,500
	<u>117,883</u>	<u>50,990</u>	<u>(51,873)</u>	<u>117,000</u>
TOTAL EARMARKED RESERVES	<u>267,883</u>	<u>50,990</u>	<u>(51,873)</u>	<u>267,000</u>

Chesham Town Council

31 March 2020

Annual Report Tables

Table. 1 – Budget & Actual Comparison

	Budget £	Actual £
Net Expenditure		
Cultural & Heritage	121,805	107,443
Recreation & Sport	157,107	83,789
Open Spaces	258,316	245,312
Cemetery, Cremation & Mortuary	10,990	(14,661)
Environmental Health	9,815	7,029
Community Safety (Crime Reduction)	-	443
Planning & Development Services (including Markets)	(325)	7,154
Investment Properties	(11,515)	(10,161)
Net Direct Services Costs	546,193	426,348
Corporate Management	350,095	317,149
Democratic & Civic	15,027	16,084
Net Democratic, Management and Civic Costs	365,122	333,233
Interest & Investment Income	(5,055)	(8,719)
Loan Charges	8,210	15,797
Capital Expenditure	30,030	24,880
Proceeds of Disposal of Capital Assets	-	(14,000)
Transfers to/(from) other reserves	13,500	(883)
(Deficit from)/Surplus to General Reserve	-	181,344
Precept on Principal Authority	958,000	958,000

Chesham Town Council

31 March 2020

Annual Report Tables

Table. 2 – Service Income & Expenditure

Notes	2020 £	2020 £	2020 £	2019 £
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES				
Cultural & Heritage}	692,595	(585,152)	107,443	103,615
Recreation & Sport	582,040	(498,251)	83,789	150,280
Open Spaces	305,667	(60,355)	245,312	191,599
ENVIRONMENTAL SERVICES				
Cemetery, Cremation & Mortuary	1,422	(16,083)	(14,661)	43,715
Environmental Health	7,029	-	7,029	8,720
Community Safety (Crime Reduction)	443	-	443	351
PLANNING & DEVELOPMENT SERVICES				
Economic Development (including markets)	21,980	(2,645)	19,335	19,942
Community Development	8,670	(20,851)	(12,181)	(13,486)
HIGHWAYS, ROADS & TRANSPORT SERVICES				
Parking Services	-	-	-	19,658
OTHER SERVICES				
Investment Properties	2,894	(13,055)	(10,161)	(11,231)
CENTRAL SERVICES				
Corporate Management	345,409	(28,260)	317,149	318,294
Democratic & Civic	13,126	-	13,126	6,023
Civic Expenses	3,108	(150)	2,958	2,807
Net Cost of Services	1,984,383	(1,224,802)	759,581	840,287

Chesham Town Council

Chesham Town Council

Fixed Assets	Life (31/3/07)	Rate	(Land Value)	VALUATION					DEPRECIATION					W D V		Rate	Debit	Credit	Balance	Total	
				01/04/19	Add'n	Revaluation	Disposals	31/03/20	01/04/19	Provision	Reval'n	Disposals	31/03/20	01/04/19	31/03/20						
OL & B																					
The Elms	40	2.90%	335,000	2,552,000				2,552,000	885,109	55,425			720,525	1,895,900	1,831,475		55426	55425	301	100	0
Open Air Swimming Pool	19	5.26%	68,000	553,854				553,854	341,250	30,185			371,435	312,604	282,419		30185	30185	201	101	0
Temperance Hall	23	4.35%	12,000	92,690				92,690	41,769	3,460			45,240	50,240	45,700		3460	3460	303	102	64
Cemetery Chapel	34	2.94%	13,000	94,500				94,500	28,752	2,396			31,148	65,748	63,352		2396	2396	104	103	672
Cowley House Cemetery	34	2.94%		2,500				2,500	968	74			1,042	1,612	1,535		74	74	104	104	3226
Loxwood Park Depot	25	4.00%	10,000	117,468				117,468	44,430	4,296			48,729	73,035	68,736		4299	4299	218	105	0
Lovindes Park Toilets	28	2.00%	12,000	99,000				99,000	18,720	1,560			20,280	71,250	69,720		1560	1560	205	106	0
Codmore Pavilion	30	3.33%	24,000	208,301				208,301	65,022	5,871			70,893	135,279	129,406		5871	5871	202	107	0
Alcove "Hobby Home", Camerton Road			100,000	120,000				120,000					120,000	120,000					0	402	106
Chesham Town Hall	45	2.22%	250,000	1,221,000				1,221,000	259,672	23,556			283,228	967,328	940,772		21556	21556	304	109	0
				5,143,620				5,143,620	1,464,594	124,846			1,589,440	3,679,026	3,554,160					111	0
																				117	0
																				206	47256
																				202	5871
																				203	0
																				204	0
																				205	2819
																				207	5663
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Gresham Town Council

Fixed Assets		VALUATION		DEPRECIATION		W.D.V	Accum	Dep'n	Total	Cent%
Infrastructure										
Concrete Bus Shelters (2-1) Berard Road	5.0%	334		334	315	19	334	19	19	206
Fencing - Park Areas	5.0%	7,823	3,940	11,763	8,827	588	7,415	4,348	588	501
Notice Boards (7)	5.0%	5,320		5,320	4,538	266	4,834	518	266	266
Public Seats (8+3+7+2+3+2)	5.0%	14,004		14,004	4,309	700	9,690	9,614	700	700
High Street Archway	5.0%	7,754		7,754	6,596	388	1,158	770	388	503
Bus Shelter (Upper Belmont)	5.0%	1,420		1,420	71	71	1,427	1,278	71	206
Handpawing Cameron Rd Abolments	5.0%	1,134		1,134	912	57	969	1,462	57	402
Posts and Signs	5.0%	5,822		5,822	4,099	291	1,783	1,462	291	201
Litter Bins (20+13+5+3)	5.0%	12,417		12,417	5,075	821	6,498	5,542	821	616
Cemetery Fencing, Gates & Ramps	5.0%	15,128		15,128	8,624	795	9,280	8,804	795	756
Mosses Water Gardens - Path & Boardwalk	5.0%	10,985		10,985	10,428	999	11,427	9,557	999	999
Klori MQUA, Surfacing etc	5.0%	45,750		45,750	29,468	2,288	21,458	20,542	2,288	2,288
Desol Security Fencing	5.0%	10,065		10,065	4,085	503	4,568	5,077	503	218
Storage Loundes Park	5.0%	4,654		4,654	950	245	1,201	3,838	245	245
Fencing Co-Op Field	5.0%	1,907		1,907	664	96	960	1,063	96	96
Moore Sports Centre Barriers	5.0%	1,805		1,805	810	90	900	955	90	207
Codmore Field MQUA Substies etc	5.0%	8,394		8,394	2,871	319	3,513	3,194	319	319
Footpaths Loundes Park	5.0%	18,750		18,750	8,442	938	9,360	10,308	938	938
Performance Area	5.0%	59,448		59,448	24,176	3,022	27,158	36,222	3,022	3,022
Solar Panels - Swimming Pool	5.0%	24,820		24,820	9,848	1,231	11,079	14,772	1,231	1,231
IRVIA'S Warning Sign	5.0%	2,865		2,865	858	143	1,001	1,207	143	143
Skate Park and Signage	5.0%	90,528		90,528	26,525	4,533	30,851	84,209	59,575	4526
Roadworks & Signage	5.0%	3,099		3,099	725	195	930	2,321	195	155
Clocktower Bell	5.0%	7,066		7,066	1,770	354	2,124	5,316	354	354
Lower Motor Car Park & Footpath	5.0%	27,700		27,700	6,138	1,388	7,626	21,822	1,388	1,388
Park Gates	5.0%	2,700		2,700	875	135	810	1,205	135	135
Ashridge Rd Abolment Fencing	5.0%	9,400		9,400	1,850	470	2,550	7,550	470	470
Abolments Water Supply	5.0%	2,662		2,662	538	134	670	2,146	134	134
Clock Tower Clock Regulator & Antivandal	5.0%	4,350		4,350	439	218	654	3,914	218	218
Remittance Beacon	5.0%	1,283		1,283	64	64	-	1,219	64	102
Seat	5.0%	829		829	41	41	-	788	41	41
		416,239	6,052	-	-	422,291	169,158	21,119	-	160,274
										247,081
										232,017
Community Assets										
Abolments (3 sites)	0.0%	3		3	-	-	-	3	3	0
Chestnut Cemetery	0.0%	1		1	-	-	-	1	1	0
Parks & Open Spaces (20 sites)	0.0%	20		20	-	-	-	20	20	0
Clock Tower, Market Square	0.0%	1		1	-	-	-	1	1	0
Gazabo, Lion Street	0.0%	1		1	-	-	-	1	1	0
		26	-	26	-	-	-	26	26	0
TOTAL FIXED ASSETS		7,024,841	30,030	-	39,742	7,016,129	2,388,851	214,629	-	27,116
							2,574,602	4,837,950	4,441,527	214,629
										214,629

TOTAL FIXED ASSETS

Capital Prepayments

Deferred Grants Applied (A/c's 396 & 397)	Rate	Gross				Released				Net Grants O/w'd				Centre	Summary	
		Received		Ext'd	31/03/20	Released		Ext'd	31/03/20	31/03/19		31/03/20	Centre		£	
		01/04/19	Revised			01/04/19	Released			01/04/19	31/03/20					
Fcc	10.0%	31,901			31,901	31,901	-		31,901		-		206	103	0	
Various	10.0%				31,901	3,667	-		3,667		-		504	202	333	
QDPKs	10.0%	3,667			3,667	3,667	-	94	1,410	3,290			208	206	8,263	
CDC	2.0%	4,700			4,700	94			9,836		-		206	207	29,786	
CDC	10.0%	9,836			9,836				9,836		-		103	208	94	
CDC	14.3%	3,500			3,500				3,500		-		208	304	128	
CDC		8,000		8,000		8,000			8,000		-		207	503	347	
CDC		8,766			8,766	338			1,516	1,232		1,094	207	504	173	
Veolia	5.0%	2,750			2,750	138			50,000		-		208			
Others	10.0%	50,000			50,000				50,000		-		208			
BCC	10.0%	1,865			1,865				1,865		-		208		12,312	
BCC	10.0%	49,999			49,999	20,000	2,800		22,500	29,999		27,499	207			
WCA	5.0%	14,723			14,723	10,354	1,472		11,776	4,419		2,947	206			
BCC	5.0%	1,800			1,800	540	80		630	1,260		1,170	206			
BCC	5.0%	1,800			1,800	1,500	250		1,750	3,500		3,250	208		Checks	
BCC	5.0%	10,000			10,000	3,000	509		3,500	7,000		6,500	206			
Paradise	5.0%	25,000			25,000	7,500	1,250		8,750	17,500		16,250	206			
Friends of LP	5.0%	6,937			6,937	1,735	347		2,082	5,852		4,765	207			
Various	5.0%	1,730			1,730	865	173		1,035	695		692	206			
BCC	10.0%	45,059			45,059	12,518	4,506		18,024	31,541		27,035	208			
Various	10.0%	8,958			8,958	666	333		969	9,332		8,999	202			
Big Lottery Fd	3.33%											788	206			
Donation	5.00%		829		829		41					2,930	205			
Donation	5.00%		3,084		3,084		194					1,136	304			
Donation	10.00%		1,264		1,264		126						205			
Defibrillator	10.00%															
		293,231	5,177	-	8,000	200,406	174,649	42,312	-	8,000	175,281	118,282	111,147			

Deferred Grants Unapplied (A/c 399)

Delivered quantity (kg/ha) (1000 kg)

Gym Equipment Capitalized	
Rental (348* 1270.03)	61009.44
Doc Fee	100.00
	<u>61109.44</u>
Equipment Cost	58995.38
Finance Cost	<u>2114.00</u>

Asset Financing		
Assets purchased		<u>30,030.00</u>
Financed from:		
Grants	0.00	
Revenue		
Clocktower		<u>0.00</u>
Revenue		<u>30,030.00</u>
		30,030.00

**AGENDA ITEM NO : 6 - FINANCIAL REPORT TO 30th JUNE
2020 AND COVID-19 UPDATE to JULY 2020**

Reporting Officers: Steve Pearson (01494 583825) and Bill Richards (01494 583824)

Summary

1. Update on matters pertaining to Covid-19 in respect to the Council's finances including **attached** a simple updated cash flow summary with regard to the three closed services of the previously Elgiva Theatre, Chesham Moor Gym & Swim Centre and Town Hall.

Background Information

2. The Council's Financial Regulation 4.8 states: *"The RFO shall regularly provide the Council with a financial report which shall include a statement of receipts and payments. These shall be prepared at least of each financial quarter and shall explanations of material variances"*.

Financial Implications

3. Included within this report.

Strategic Objectives

4. Financial control will assist with strategic aim 6 – *'Chesham Town Council will ensure that the money entrusted to it by the residents of Chesham is securely managed and spent effectively on achieving the above strategic objectives.'*

Equality Act Implications

5. None pertaining to this report.

Detailed Information

6. Since the last meeting, officers can now report that the respective facility centres have reopened. In light of the current uncertainty in forecasting, it is perhaps sensible to begin with the Council's finances in terms of cash balances and Reserves. The actual cash balances at the end of March were £1,153,079, end of April £1,033,216, end of May £1,461,271 (half year precept having been received) and end of June **£1,396,845**.
7. The Council's General Reserves (£721.5k) and Emergency Reserves (£25k) were showing a balance of **£233,000** above the minimum target as per the Council's reserve policy at the 31st March 2020. Moreover, discussions with the Section Heads has suggested that, if need be, some of the Capital Works could be deferred until 2021/22 offering up a further five figure sum figure if required.

8. Accordingly, therefore the Council appears to be well-placed to offset any major additional subsidies required for our facilities in the short to medium term.
9. However, it is an ever-changing scenario and, of course, the June Finance Committee meeting had figures based on both facilities reopening at the start of July but this didn't happen so already there is less income than forecasted for that month. It should be added that officers are reluctant to project too far forward at this embryonic stage of re-opening, not yet knowing the public's response to returning public buildings or how long social distancing measures will remain in place. Previously the Committee has been presented with a general overview of the three facilities together and this is updated with up-to date information on all three.
10. **TOWN HALL**
The Town Hall reopened to the public on Monday 6th July. The government later that week revised the legislation, effectively allowing 'community halls' to allow for bookings with no restrictive numbers so long as the hirers provided a proper risk assessment and method statement which reflected that social distancing protocols were in place. However no regular hirers have yet returned and no one-off bookings taken though communication has now been received from some hirers about recommencing largely in September. At the moment, the caretaker is part furloughed and is deep cleaning the building in the morning only. With the grants originally received, Covid -19's effect financially has been broadly positive thus far on the Town Hall.
11. **ELGIVA THEATRE**
The Council had committed itself to reopening during the daytimes from the 25th July in order to promote community morale within town and a sense of getting back to normality. In terms of shows, nearly all companies and promoters have cancelled until 2021 so options are limited on performances. The Manager has committed to a limited programme of films and reruns of live streaming (2/3 a week presently) with reduced seating capacity in line with other cinemas. With a hiatus on live performances, the Manager is working hard at looking at options to turn the auditorium into a multi-purpose studio and exhibition area to try and encourage as much usage as possible. Certain staff remain furloughed while the programme remains light. One issue the Manager is facing currently is the understandable reluctance of volunteers to return as stewards during the pandemic even though the wearing of masks by the public until seated will be compulsory.
12. In terms of income, projections are very difficult to make having had only the first film. However, the attendance was close to the now limited 80 seat capacity and the Manager has been proactive in renegotiating splits in income with the distributors in the Council's favour. He has also received the first dance class booking for the auditorium and is requesting the Marketing Officer to look at other classes in town that may have been unable to operate in small venues due to the pandemic but may be able to utilise the auditorium with the seats removed. The Manager also reports that some companies have been making provisional enquiries about making the Elgiva one of its earliest venues when re-touring as they have noted how the theatre is more advanced in operation than its competitors. The fact that it is open has encouraged well-known shows like 'Horrible Histories' to honour its October booking which it is not doing with other closed theatres. Moreover, opening is helping audience retention. A closure of over 6 weeks is generally regarded as highly detrimental to theatres as, after that time, research has shown they begin to lose their audience.

13. The Manager, with other officer support, is also actively looking at submit an 'Arts Recovery Grant' application which, if successful, may defray any lost income. This will be a sizeable grant application based on a different type of programming aimed at providing community and sustainable activities until such time as the former programme can return and obviously aimed at keeping theatres afloat through this difficult time for the arts industry.
14. **GYM AND SWIM CENTRE**

The Gym and Swim Centre also reopened on the 25th July. While technically the open-air pool could have reopened two weeks earlier, the management team required time to confirm staff cover and complete tasks to re-enforce social distancing. All protocols, based on government and leisure industry advice, are now in place as well as staffing, though the changing rooms remain closed and customers will need to arrive and depart in their exercise kits/swimsuits. In regards to swimming, users are required to exit through the outside fire door. The Centre has just also installed an online booking system to ensure numbers are duly restricted. This system, managed by an outside company, also allows for the process to begin for the long-held wish to change customers paying by standing orders to direct debits. This is also being managed by the external company who take a small fee per transaction.
15. Ideally, the somewhat reduced number of customers should mean that some staff can remain furloughed. Unfortunately, the way the Gym and Swim Centre operates (as with almost all leisure centres) on a seven-day week, 6.00am-9.00pm timetable, it has been necessary to unfurlough all its staff. Other than the Centre Manager and Deputy Manager, all the other employees are either contracted part-time or are casual employees, working shifts to ensure on legal working time breaks and health and safety around swimming pools is adhered to. Indeed, Management has been initially cautious in respect of the virus by having staff also in to check social distancing is being adhered to and extra cleaning is taking place. While there would be some logic to normally limiting the opening hours, it should be remembered that, historically, a fair proportion of income is from customers' monthly and annual memberships based on the above operating hours so reducing them would have great complications.
16. In respect to income, it is again very early to predict (at the time of writing the online system has only been operational for 5 days) but the take up both of monthly memberships and bookings of pool and gym session times have been positive. £7,370 has been taken in 5 days with on-line bookings and payments. Even with the social distancing, the Management has been able to offer 300 pool swimming places on a daily basis. With the initial demand, customers have been limited to 4 sessions a week in terms of booking. The gym equipment has been spaced out with machines in the pool viewing room. Gym usage has been slower to pick up which is possibly inevitable as an indoor rather than an outdoor activity.
17. In terms of expenditure during this unique period, there have obviously been unplanned for items. Members will note the July 'other' figure being usually high, but this includes the lift bill for the Town Hall and the bridge major emergency repair at the Gym and Swim (as agreed by the Chairman of the Community, Assets and the Environment) so shouldn't be taken as the usual operating costs. Inevitably the Parks and Premises Manager who is overseeing most of the deep cleaning including the use of the recently purchased fumigating machine is having to spend heavily using his maintenance budget on chemicals and PPE (not just for the buildings but the recently reopened play-areas) and additional staffing hours. The Centres have all had to

commit to internal features such as Perspex screens and, in the Gym and Swim Centre's case, an enhanced footpath to the aforementioned fire exit egress for swimmers. Additional monies have also been required for software and hardware in terms of enhanced remote working and council meetings online. Obviously, such spends are being monitored but have been necessary to ensure the facilities can be opened as safely as can be in this unprecedented period.


18. Certain commercial users e.g. the Elgiva caterer, Codmore Field Pavilion and Moor Gym & Swim Centre have been receiving a 'rent holiday' and have requested that a phased approach be taken on any rent re-introduction whilst they try to rebuild their businesses (which are still impacted by government guidelines) and it is suggested that the Managers, together with the Town Clerk, be delegated authority to negotiate any rent reductions until the 31st March 2021.
19. Members will recall that at the last Finance Committee meeting, the Committee was presented with a cash flow sheet reflecting the financial implications of Covid-19 on the three main businesses of the Elgiva, Gym and Swim Centre and the Town Hall. As previously mentioned, officers have now been requested to break these down into three different cash flow sheets **attached**. As can be seen, the actual figures for June has a net overall positive figure of £8k for the first quarter.
20. However, the second quarter could be more challenging. With little sign of social distancing numbers being lifted and theatre companies not looking to return to theatres until the late autumn at the earliest, the income figures predicted originally up to November will be hard to achieve. Moreover, a reduction in the numbers furloughed and obtaining government grants is also reducing the income (Members will recall a revision to the June figures on this reported at the last meeting). On the converse to this, the government's 'flexi furloughing' scheme should allow staff to be bought in and out on a weekly basis which, with slight staffing rescheduling where possible, could bring income back up to October.
21. Obviously, predicting finances generally in this uncertain period is very difficult, particularly since income levels are relatively unknown with restrictions and social distancing. Officers are reluctant to undertake any projections at this stage until at least the first month's income (effectively August) has been better quantified. A further complication is the effect of any impact of the recent reduction in admissions VAT from 20% to 5%. It is planned to keep ticket prices, etc. the same as any gain will help support the Elgiva, even though a sizeable percentage will be beneficial to promoters rather than the Council.
22. Expenditure is rather easier to predict. Those listed as 'other' are broadly broken down into maintenance and hire agreement contracts along with general maintenance, publicity costs, stationery, credit cards commission etc. Occasionally there will be a spike month-on-month due to one off works such as the rebuilding of the Gym and Swim Centre bridge as alluded to in the last report. There have been additional costs due deep cleaning, personal protective equipment, online booking system, but conversely there been savings on utilities, advertising, maintenance, etc. which should offset some, if not all of these costs. All other services appear to be largely on budget with no particular areas of concern.
23. The Committee is obviously tasked with looking at the financial implications of the centres' closing and re-opening. It would seem that the Reserves may need to be utilised sometime in the future unless the government dramatically changes its advice of social distancing and/or

when a vaccine is developed. The fundamental question for this Committee is to ascertain how much additional spending, if anything, may be required and ultimately for the Council to determine how much, if anything, additional tax-payers' monies ought to be spent to support these valuable assets which play a major part in Chesham's residents' leisure time and, importantly, help deliver physical and mental well-being in this time of crisis and uncertainty. All officers have been working incredibly hard to ensure the buildings could open legally as soon as it was practicable to do so. It could be argued that it may have been more prudent to delay before Members had a more up-to-date picture of matters such as furloughing implications but, of course, it is only by opening can a sense of income be garnered.

24. As it is however, at this crucial time, the Finance team has faced many challenges in this unique period, and with the variances between projected budgets and actual budgets at the end of the last financial year, there is a nervousness from both officers and Members to attempt to make forecasts that may materially affect budgetary plans at this very uncertain time. It is proposed the Staffing and Strategy Working Party begin a root and branch review of the Finance Team's operation and systems to improve budgetary forecasting and other financial matters but, in the meantime, such is the magnitude and uniqueness of the unprecedented crisis facing the Council's facilities, the Committee may also wish to contract outside financial accountancy/leisure consultant's support to assist the Finance Team and/or Section Heads to help verify figures and assist with projections albeit with a degree of uncertainty.
25. Clearly the Council as a whole has to potentially pay cognisance to the Public Services (Social Value) Act 2012 also for all the public sector to factor in ("have regard to") economic, social and environmental well-being in connection with public services contracts; and for connected purposes but the purpose of this Committee is to look at all matters financial. There is general agreement that it is essential for the Committee to make recommendations to other committees and the Council based on accurate projections so it is proposed that the flexi furlough submission, and who is on furlough, is reviewed every week with an up-to-date list to ensure that the two main facilities can take advantage of the Government's scheme while still be able to operate as it could be argued this is the biggest financial risk at this stage i.e. level of reduced income against wages. This should be assessed carefully and communicated each week to the Finance Committee. Moreover, a weekly summary of receipts (cash/card) for the Town Hall/Elgiva/Gym and Swim Centre should be prepared and distributed to the Finance Committee.
26. Additionally, officers, in liaison with Members, will prepare a strategy/approach for the future shape of Council finances and future years precept/spending plans depending upon macro developments in respect to Covid -19 and its likely longer-term implications for services and finances ready for consideration at the October meeting of this Committee.
27. The next meeting is scheduled for 19th October but under the present circumstances and the imminent reopening of the facilities, it may be advisable to have a further review in late August/early September with a date to be determined.

Recommendations

1. **That the Financial Report be noted.**
2. **That the Committee considers whether to agree to seeking external professional accountancy/consultancy help on a short-term basis.**
3. **That the furloughed employees continue to receive 100% of their normal pay until further notice but the flexi furlough submission, and who is on furlough, is reviewed every week by the Finance Committee to analyse the implications of income versus wages.**
4. **That a weekly summary of receipts (cash/card) for the Town Hall/Elgiva/Gym and Swim Centre should be prepared and distributed to the Finance Committee.**
5. **That the findings of the Staffing and Strategy Working Party regarding the operation of Finance Team, and any recommendations for improvement measures, be fed back to this Committee for consideration.**
6. **That officers be delegated to deal with any rent discounts.**



Bill Richards
Town Clerk

THE ELGIVA

	ACTUAL TO 30/06/2016 £	ACTUAL TO 30/06/2017 £	ACTUAL TO 30/06/2018 £	ACTUAL TO 30/06/2019 £	Actual TO 30/6/20
INCOME					
COUNCIL SHOWS-PROFIT	7226*	11309*	12674 *	9731 *	
PANTO-PROFIT*	0	0	0	0 *	
CINEMA-PROFIT	6427*	9048*	5443 *	7594 *	
LIVE STREAMING PROFIT	4035*	5225*	8255 *	8116 *	
HIRE FEES	13242	15458	12903 *	16755 *	
HIERS EXTRAS	7566	7821	8217 *	12882 *	
BAR GROSS PROFIT ex WAGES	10390	11494	12803 *	14028 *	
ICE CREAM PROFIT	1964	2401	2741	5188	
CATERING CONCESSION	2000	1999	1853	2687	
CARD CHARGES	2566	3052	2503	6877	
OTHER	553	919	615	1101	
FURLOUGH GRANT					36000
BUSINESS GRANT					25000
TOTAL REVENUE	55969	68726	68007	84959	61000
EXPENDITURE					
STAFF AND ASSOCIATED COSTS	48907	50949	52296 *	59084 *	63719
UTILITIES (EXC RATES)	3556	-168	-168 *	2771	1878
EQUIPMENT AND MAINT.	16831	14426		9758 *	8024
PUBLICITY	8000	8309	8247	9298	2949
POSTAGE	57	20	8	3388	0
CARD CHARGES	1865	1596	1420	2509	2018
PROFESSIONAL RECRUITMENT FEES	0	0		0	0
OTHER	1957	4369	4430 *	4451 *	882
RENEWAL & REPAIRS	5096	2873		0	0
EXPENDITURE	86269	82374	66233	91259	79470
PROFIT/LOSS BEFORE COUNCIL CHARGES	30300	13648	-1774	6300	18470
BUSINESS RATES	11183	12496	13920	14239	
INTEREST/ADMIN CHARGES					
PROFIT/LOSS AFTER COUNCIL CHARGES	41483	26144	12146	20539	0
ADJUSTMENT FOR ACCOUNTING CHANGES FORMAT:					
PENSION DEFICIT CONTRIB.	1553	0	0	0	
ADJUSTED COMPARISON	43036	26144	12146	20539	0
* ADJUSTED FOR ACCRUALS					

THE ELGIVA

	ACTUAL TO 30/06/2016 £	ACTUAL TO 30/06/2017 £	ACTUAL TO 30/06/2018 £	ACTUAL TO 30/06/2019 £	Actual TO 30/6/20
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* ADJUSTED FOR ACCRUALS					

	A	B	C	D	E	F	G	H	I	J	K
1	BALANCE SHEET		2017		2018		2019		2020		2020
2			31-03-2017		31-03-2018		31-03-19		31-03-20		30-06-20
3	Fixed Assets										
4	Tangible Fixed Assets		4,920,442		4,821,853		4,637,950		4441527		4441527
5											
6	Current Assets										
7	Stock	5,712		4,574		4,650		7,253		7253	
8	Debtors and prepayments	66,050		88,791		111,941		143,275		26685	
9	Investments	1,001,536		915,534		890,712		1,043,987		1226083.8	
10	Cash at bank & in hand	<u>22,420</u>		<u>18,518</u>		<u>174,360</u>		<u>112,096</u>		<u>170761</u>	
11		1,095,718		1,027,417		1,181,663		1,306,611		1430782.8	
12	CURRENT LIABILITIES										
13	Current Portion of Long Term Borrowings	-13,885		-13,885		-12686		-5343		-5343	
14	Current Portion of Deferred Liabilities	-14,749									
15	Creditors and income & precept in advance	<u>-265,806</u>		<u>-234,855</u>		<u>-356,383</u>		-300,740		<u>-361020.4</u>	
16	Net Current Assets		<u>801,278</u>		<u>778,677</u>		<u>812,594</u>		<u>1,000,528</u>		<u>1,064,419</u>
17	Total Assets Less Current Liabilities		<u>5,721,720</u>		<u>5,600,530</u>		<u>5,450,544</u>		<u>5,442,055</u>		<u>5,505,946</u>
18											
19	Long Term Liabilities										
20	Long-term borrowing		-82,338		-75,519		-62,331		-56,988		-56,988
21	Deferred grants		<u>-152,264</u>		<u>-135,273</u>		<u>-118,282</u>		<u>-111,120</u>		<u>-111120</u>
22											
23	Less Assets Less Liabilities		<u>5,487,118</u>		<u>5,389,738</u>		<u>5,269,931</u>		<u>5,273,947</u>		<u>5,337,838</u>
24											
25	Capital and Reserves										
26	Capital Financing Reserve		4,667,204		4,597,176		4,444,650		4,268,076		4,268,076
27	Usable Capital Receipts Reserve		17,000		125,000		125,000		125,000		125,000
28	Earmarked Reserves		276,857		98,972		134,881		134,126		134,101

	A	B	C	D	E	F	G	H	I	J	K
29	Emergency reserve		0		25,000		25,000		25,000		25,000
30	General Reserves		526,057		543,590		540,400		721,745		721,745
31	P & L Account										<u>63,916</u>
32	TOTAL		<u>5,487,118</u>		<u>5,389,738</u>		<u>5,269,931</u>		<u>5,273,947</u>		<u>5,337,838</u>