



# Morton-On-Swale

## Parish Council

### RFO Report to Parish Council Meeting on 28<sup>th</sup> May 2025

The following reports are being distributed and scheduled as attachments to the agenda for consideration/approval at the Parish Council Meeting on 28<sup>th</sup> May 2025.

#### **1. 2025/26 Routine Finance Schedules**

##### **(a) Bank Reconciliation Report**

The total of funds held in the Current and Business Money Manager (Savings) Accounts amounts to £15,947.27 with one payment of £8 pending (invoiced, but not due for payment by Direct Debit until 1<sup>st</sup> June). Of this, £546.58 is “reserved” for The Friends of Morton-on-Swale, being the net surplus raised from events held during 2024/5.

The schedule is currently predicting an end-of-year reserve of £8,819.79, but this figure must be treated with considerable caution as it depends on the outcome of Council’s decision regarding the possible use of CIL money to defray some or all of the costs of Play Park Equipment maintenance due to be carried out imminently (please refer to Section 3 below for further commentary on this matter). Also, it should be noted that the current balance of funds includes a “ring-fenced” amount of £2,100 brought forward from 2024/25 as being the unspent budgeted provision for this work which was originally due to have been carried out before the end of last year.

Total routine expenditure for the first two-month period of 2024/25 was £2,586.94 (including £91.20 recoverable VAT). There were no exceptional items. In addition the delayed invoice for installation of the new park bench seat, which was purchased at the end of 2024/5, was paid for at a cost of £140.50 plus £28.10 recoverable VAT. As previously agreed this was taken from the remaining CIL balance, which now stands at £2,840.94.

Receipts during the period were the first instalment of the Parish Precept (£6,500) and a VAT refund of £614.12 in respect of the VAT incurred on expenditures during 2H 2024/5. A £10 donation was received from the Village Hall Trustees in respect of a Village Hall event which was advertised using Parish Council resources.

For further details of Receipts and Outgoings please refer to the yellow-highlighted section of the schedule, and also to the separate Income and Expenditure Transaction Details Reports.

The green-highlighted section of the report contains details of anticipated receipts and routine outgoings during the next 2-month period, June-July 2025. All of the expenditure items listed here were previously included on the Schedule of Routine Expenditure which was received and pre-approved by Council at the January 2025 Council Meeting. As such, and provided also that the invoiced amounts do not exceed the amounts shown here, authorisation of these payments will be required from only two signatories to the bank mandate, in accordance with Financial Regulations.

##### **(b) Income Transaction Details**

See notes under (a) above.

##### **(c) Expenditure Transaction Details**

See notes under (a) above.

(d) Accounts Summary (including budgetary performance report)

All income and expenditure to date is in line with budget expectations and there are no exceptional items to report. It appears that the quarterly Play Park inspection by Caledonia Play that was due in April was not carried out for some reason, and we shall therefore be seeking either a partial refund of the annual charge for these inspections which was paid in January, or an appropriate credit against next year's costs. There seems little point in requesting that the missing inspection be carried out now instead, as the Annual RoSPA inspection is due next month.

## 2. AGAR 2024/25

The Annual Governance and Accountability Return (AGAR) is a 6-page document which is the annual audit submission. The first four pages are essentially "notes for completion" as well as instructions relating to subsequent publication following receipt of Council's approval. The remaining 4 pages are being submitted herewith for formal Council adoption/approval at the May Council meeting:-

- 1) Page 3 is the Certificate of Exemption. This is a document which confirms that neither the annual gross expenditure nor the annual gross income of the Council in 2024/25 exceeded £25,000, and that as such the Council is exempt from the requirement for a formal external audit. The relevant figures are (gross including VAT): Income: £16,698 and Expenditure: £13,463. As RFO I have, as required, signed the Certificate to this effect on 1<sup>st</sup> April 2025. The Certificate needs to be counter-signed (and minuted uniquely as such) by the Chair at the May meeting as denoting approval of this declaration.
- 2) Page 4 is the Annual Internal Audit Report. This was signed by the auditor Ian Smithson CPFA following his audit on site on 10<sup>th</sup> April 2025. There were no exceptional items in his AGAR report, although in a separate document he did make a couple of minor observations regarding possible documentary irregularities in meeting minutes which are not considered to be relevant here. Acceptance of the Internal Audit Report needs to be minuted.
- 3) Page 5 is the Annual Governance Statement, which needs to be signed and uniquely minuted by the Chair and the Clerk at the May meeting. It confirms Council's agreement to the acceptability and appropriateness of our current accounting management policy and procedures.
- 4) Page 6 contains the Accounting Statements for 2024/25 and this page needs to be signed and uniquely minuted as such by the Chair at the May meeting. All of the figures reported in this schedule are as reported and previously approved by Council at the March meeting when the provisional accounts for 2024/25 were accepted and approved. There have been no changes or alterations to any of the figures reported at that meeting.

Notification of Dates of Public Rights to view accounting records:

Provision has to be made for parishioners to be able to view accounting records (including invoices, receipts etc) during a 6-week (30 working day) period following publication on the website of the signed Certificate of Exemption and Accounting Statements after their adoption at the May Council Meeting. The dates during which this right may be exercised, subject to reasonable notice, have been provisionally set by me (and will be published as such as soon as practically possible following the May Council meeting) as Monday 16 June to Friday 25 July 2025.

## 3. Potential Use of CIL Monies for Play Park Maintenance Work

The unspent balance of CIL Monies is now £2,840.94 after the sum of £140.50 was used in April to pay for the installation costs of the new park bench in Cromwell. Of this, £424 still remains from the CIL grant that was received back in October 2019 in respect of the Dales View development. The rest (ie £2,416) was only received in October 2024, having been granted in connection with the How Beck development west of Brigadoon. There may be some pressure to ensure that the £424 is utilised in the fairly near future as there is a theoretical possibility that it may otherwise have to be refunded to NYC as not having been utilised within 5 years. There is however not the same urgency with regard to utilising the remainder.

Council is now being asked to determine how much of the outstanding balance should be used against the cost of the Play Park maintenance work (ie the replacement of rotten timbers, mulch matting repairs etc) to which it is committed to and which is due to be carried out imminently (if not already finished). This work, which was originally expected to be completed and paid for before the end of the last financial year, is anticipated to cost in the region of £3,200 excluding VAT.

This does, of course, not cover the costs of any further maintenance work that may possibly be identified during this year's annual RoSPA inspection due in June, nor for any further repairs or other work that may also now be required following the recent spate of vandalism in the Park. However, we do still have a provision of £2,200 in this year's expenditure budget which should hopefully be sufficient to cover the costs of these latter items. In addition, there is also the "ring-fenced" sum of £2,100 brought forward from 2024/25, being the unspent provision from last year's budget which was originally expected to be used to pay for this current work in the Play Park during 2024/25.

It has now been established that CIL monies may legitimately be used to defray the costs of Play Park equipment maintenance. The question for Council to decide upon therefore is whether there may be any other potential, but as yet unidentified, alternative uses of this money for the benefit of the Parish (eg perhaps another litter/dog waste bin, which would cost around £320, or maybe another park bench at another location at a total cost of around £800 ?). If not, then there is arguably no technical reason why the full current CIL balance could not be used towards the cost of the current Play Park maintenance project, leaving a balance of just £350 (approx.) then to be met from reserves. The potential benefit of doing this is that it would almost certainly then permit a reduction in next year's Precept (and hence in the Parish Council's share of next year's Council Tax bill) to be achieved whilst still allowing us to maintain a reasonably healthy reserve (aka the "rainy day fund"!!). This matter is of particular pertinence in the current economic climate whereby a number of Local Authorities are already understood to be virtually "running on empty" with some even at imminent risk of bankruptcy.

#### **4. Revised Standing Orders**

Standing Orders are required (under Standing Orders!!) to be (re-)adopted at the Annual Meeting of the Council in May each year, whether or not these have undergone any revisions since the previous year. In this case NALC has recently issued a new model version of the Standing Orders and our own tailored version has therefore been revised in line with the changes contained in this Model. The principal changes that have been are in respect of making the document "gender-neutral", so that, for example, all references to "Chairman" have now been changed to "Chair", and references to "he/his" etc. replaced by "they/their" etc.

In our own Parish-specific version, all references to the District Council have now also been removed or, where applicable, replaced by "Unitary Authority". There have also been some minor cosmetic changes, and a few of the numbered cross-references to other sections of the document which were found to have been incorrect have been updated.

*NB Reporting of this annual re-adoption process was inadvertently missed from the minutes of last year's Annual Meeting and this omission was noted and commented on by the Internal Auditor when he examined the minutes on the website as one of his obligations when auditing the 2024/25 accounts last month.*

#### **5. Financial Regulations**

As with Standing Orders, Financial Regulations also are required to be (re-)adopted at each Annual Meeting. In this case, however, there have been no changes since 2024/25.

**Report prepared 18<sup>th</sup> May 2025 by R M Dale (RFO)**