

MALVERN TOWN COUNCIL



STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

MALVERN TOWN COUNCIL
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017

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MALVERN TOWN COUNCIL

2016/2017

COUNCIL INFORMATION

The following schedule sets out details of Members of the Council during the year ended 31 March 2017.

Mayor: Cllr C Palmer (Appointed 24 May 2016)
Deputy Mayor: Cllr H Campbell (Appointed 24 May 2016)

Members of the Council

Cllr C Bovey	Cllr P Mewton
Cllr J Cain (elected 08/09/16)	Cllr S Nicholls
Cllr H Campbell	Cllr J O'Donnell
Cllr J Campbell	Cllr C Palmer
Cllr M Campbell	Cllr B Regimbeau
Cllr M Charles (resigned 02/01/17)	Cllr J Roskams (resigned 18/02/17)
Cllr M Fletcher (co-opted 09/03/17)	Cllr C Smith
Cllr M Harvey (elected 04/05/17)	Cllr P Smith
Cllr I Hopwood	Cllr J Thomas
Cllr D Houghton-Smith (resigned 27/04/16)	Cllr P Tuthill
Cllr J l'Anson (resigned 13/06/16)	Cllr D Watkins
Cllr L Lambeth (elected 14/07/16)	Cllr R Yates

MALVERN TOWN COUNCIL

2016/2017

COUNCIL INFORMATION

Accounts Prepared by

Linda Blake ACMA CPFA

Internal Auditor

Christopher Boyd MA FCA

External Auditor

Grant Thornton

MALVERN TOWN COUNCIL

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

EXPLANATORY FOREWORD

The Accounts and Audit Regulations 2015 state that a Council where the greater of income or expenditure is over £200,000 is subject to an Intermediate Review by the External Auditor and must complete an Annual Return at the end of each financial year.

Malvern Town Council is required to:

- a) Complete the Annual Return. This comprises the:
 - Annual Governance Statement (section 1)
 - Accounting Statements (section 2)
 - External Auditors Report and Certificate (section 3)
 - Annual Internal Audit Report for the year ended 31 March 2017
- b) Compile Accounts as at 31 March 2017
- c) Certify the Accounting Statements
- d) Consider the Internal Audit work during the year
- e) Hold a full meeting of council to consider, approve and sign the Annual Governance Statement and the Accounting Statements. The Annual Governance Statement must be approved before the Accounting Statements but they can be done at the same meeting.
- f) Publish on a public website the approved, signed and dated Annual Return along with a Notice of Commencement of the period for the exercise of public rights and Declaration that the Statement of Accounts is unaudited.
- g) Submit the approved and signed Annual Return and Working Papers to the External Auditor, no later than 26 June 2017.
- h) Publish or display the certified Annual Return by 30 September 2017 alongside a Notice of Completion of the Limited Assurance Review.

Grant Thornton UK LLP has been appointed by Public Sector Appointments Limited to audit the accounts of Malvern Town Council. It has been agreed that all information requested for audit will be provided by 26 June 2017.

Council approved a simplified format for its statement of accounts in April 2010 and Malvern Town Council's financial statements for the year ended 31 March 2017 are set out in the following pages.

Summary Budget / Actual Comparison for the Year

This compares current year income and expenditure with the previous year and also with the current year's budget. Explanations of the major variances are explained within the accounts.

The Income and Expenditure Account

This illustrates the Council's revenue account, covering income and expenditure and allocating them across the departmental headings. Movements on the general fund are detailed at the bottom of the Consolidated Revenue Account in order to reconcile the net surplus or deficit from expenditure against services to the council's spending against council tax raised, taking into account the use of reserves built up in the past and contributions to funds and reserves.

The Balance Sheet

This sets out the financial position of the Council at 31 March 2017 i.e. its assets and liabilities at that date. Local authorities are required to include capital reserves on their balance sheet which are used to account for the financing of fixed assets. These reserves do not have equivalents in other sectors.

Notes to the Financial Statements

These include supporting notes on:

Fixed Assets	Stocks, Debtors and Cash in Hand and at Bank
Creditors	Borrowings
Movements in Reserves	Earmarked and Special Reserves
Staffing Structure	Section 137 Expenditure
Publicity	

MALVERN TOWN COUNCIL 2016/17 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2016/17

	2016/17 Budget	2016/17 Actual	2015/16 Actual
<u>Gross Income</u>			
Rental Income	55,684	40,513	55,860
Other Administration / Event related	4,252	4,261	3,526
Allotments	4,651	4,398	4,781
Cemetery	64,406	55,319	59,924
Grounds Maintenance	8,000	15,279	9,084
Leisure and Recreation	18,537	16,682	18,533
Interest Receivable	3,000	1,734	2,301
Council Tax Support Grant	38,575	38,575	50,801
Deferred Grants *	-	8,893	8,893
	<u>197,105</u>	<u>185,654</u>	<u>213,703</u>
<u>Administration</u>			
Paycost	189,156	197,180	164,383
Utilities	9,857	6,611	8,434
Rates	8,946	7,836	8,346
Maintenance of Buildings	15,124	12,949	15,696
Communication Costs	11,730	12,967	11,978
Insurance	16,500	15,655	15,730
Professional and Consultancy Fees	14,825	23,070	11,701
IT Expenses	2,846	4,576	4,604
Leasing	1,708	1,708	1,708
Depreciation *	-	23,750	20,860
Miscellaneous	16,355	21,522	15,892
	<u>287,047</u>	<u>327,824</u>	<u>279,332</u>
<u>Operations</u>			
Paycost	219,214	215,275	195,719
Utilities	16,799	15,934	16,662
Rates	9,520	9,074	9,000
Maintenance of Buildings	4,656	2,325	1,581
Communication Costs	2,250	2,134	2,199
Maintenance of Grounds	47,435	35,722	37,349
Equipment and Vehicle Running Costs	15,600	11,800	14,487
Depreciation *	-	77,835	74,691
Miscellaneous	3,508	2,800	2,716
	<u>318,982</u>	<u>372,899</u>	<u>354,404</u>
<u>Discretionary Costs</u>			
Grants and Donations	48,100	42,205	47,450
Events	43,800	43,246	35,960
Depreciation *	-	3,026	3,392
	<u>91,900</u>	<u>88,477</u>	<u>86,802</u>

* These items are not currently included within the budget, but form part of the year end adjustments.

MALVERN TOWN COUNCIL 2016/17 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2016/17

	2016/17 Budget	2016/17 Actual	2015/16 Actual
<u>Asset Renewal and Refurbishment</u>			
Replacement Litter Bins	-	5,000	3,076
Refurbishment of Lyttelton Well Clock	3,500	3,354	-
Lower Howsell Play Area Fencing	11,000	7,500	-
Victoria Park Surfacing of Multi-Use Games Area	9,000	-	-
Victoria Park Surfacing of Tennis Courts	10,000	10,480	-
Works to rear Storage Yard at Cemetery	-	-	2,975
Roofing of rear Diesel Storage Area at Cemetery	-	-	3,503
Cemetery Refurbishment Project	20,000	426	-
Cemetery Extension Project	-	677	-
Craeg Lea Shrubbery and Fencing	-	-	5,800
Works to Walls and Surface at Victoria Park Skate Park	-	-	6,200
Tarmacing of Car Park near to Bowls Club	-	-	6,423
Townsend Way / Bramble Close Wildlife Corridor	-	-	1,459
PA System and Mixer Desk	3,500	3,063	-
New Carpets at Belle Vue Terrace	-	2,416	-
Refurbishment of Toilets at Belle Vue Terrace	-	-	5,400
Replacement of Ford Transit 350 L2 2.2 TDCi	22,000	-	-
Christmas Lights	-	-	740
Miscellaneous	-	-	933
<u>Special Expenditure</u>			
Early Retirement / Other Special Employment Costs	7,053	6,885	6,881
Special Expenditure Total	<u>86,053</u>	<u>39,801</u>	<u>43,390</u>
Gross Expenditure Total	<u>783,982</u>	<u>829,001</u>	<u>763,928</u>
Net Cost of Services	<u>586,878</u>	<u>643,347</u>	<u>550,225</u>
Add Movements to Reserves	20,000	77,528	38,200
Less Movements from Reserves	(66,000)	(55,485)	(34,867)
Reversal of Depreciation	-	(104,611)	(98,943)
Transfer of Profit on Loss on Disposal of Assets		-	961
Reversal of Deferred Contributions	-	8,893	8,893
Capital Financed from Revenue	-	4,890	1,718
Adjusted Net Expenditure for the Year	<u>540,878</u>	<u>574,562</u>	<u>466,187</u>
Precept on the District Council	540,925	540,925	504,699
(Surplus) / Deficit for the year	<u>(48)</u>	<u>33,637</u>	<u>(38,512)</u>

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2016/17

A Summary of the major points contributing to the variance of actual from budget for the YEAR, are as follows:

INCOME - surplus income is shown in brackets

Rental Income

The ground floor shop at Belle Vue Terrace remained empty for the first seven months of the year. 12,842
There was then a three month rent free period during which only service charge was payable. There has therefore been a loss of expected income amounting to nearly £13,000 over the year.

Cemetery Income

It is difficult to accurately budget for cemetery income and it has been 17% below budgeted levels during 2016/17. 11,087

Interest Receivable

Interest received was below budget. Currently the Council's deposits are attracting very low interest rates and these rates decreased during the year. The Council has now agreed to new investments which will hopefully yield a higher return for future years. 1,266

Miscellaneous Income

Income was received for the sale of the Ford Transit van during the year. (5,500)

Deferred Grants

This item is not included in the annual budget and is an adjustment required in the Year End Accounts. (8,893)

COSTS - Expenditure below budget and therefore causing a surplus is shown in brackets

ADMINISTRATION

Salary Costs

There is an overspend against salary costs following a review of all administration salaries undertaken as part of a benchmarking exercise and subsequent amendments to staff salaries. This overspend has been slightly reduced by the fact that two positions became vacant during the year and these were both empty for a short period whilst new members of staff were recruited. 14,922

Employment Related Costs

There is an underspend against employment related costs due to lower than expected pension costs. (11,728)
There were fewer members of staff in the pension scheme during the year than anticipated although, this is going to change at 1 April 2017. This is the Council's auto-enrolment start date and more staff will be entering the pension scheme at this date.

Recruitment Costs

This overspend was caused by the need to advertise and recruit for three vacant positions during the year. 2,998

Electricity Charges at Belle Vue Building

Electricity Charges have been very low at Belle Vue Building during the year. This is due to both the ground floor shop being empty for a large part of the financial year and also due to the negotiation of a new electricity contract with more competitive prices. (2,776)

Professional Fees - elections

Two By-elections have been called during the year due to the unexpected resignations of two town councillors. This cost is an overspend as there was no budget allocated for this cost heading. 10,734

IT Expenses

An overspend has occurred due to the costs of SAGE 50 Maintenance cover required for the accounting package but not included in the original budget. 1,766

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 23,750

Miscellaneous

Property valuation fees were incurred to revalue all of the Council's buildings and this appears as an overspend. These valuation figures are used for accounting and insurance purposes. 5,750

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2016/17

OPERATIONS

Staffing Costs

There has been an overall underspend against operational salary costs in the year. Although one salary was increased as part of the benchmarking exercise, the operations team were not fully staffed for four months of the year whilst a new grounds maintenance operative was being recruited. (3,915)

Maintenance of Buildings

Repair and maintenance costs have been low at the Council's three sports pavilions. (1,460)
Repair costs to cemetery buildings have also been lower than expected in the budget. (791)

GROUND'S MAINTENANCE COSTS

Play Areas

There have been minimal costs in respect of maintenance at Play Areas during this financial year. (4,306)
The Council allows a generous annual budget to cover essential works as necessary. An annual inspection is carried out at each play area by a qualified contractor to identify any works needed. Regular inspections are also carried out by Town Council staff with repairs and replacements actioned as required.

Rose Bank Gardens

A large budget was included in the year for additional planting works and maintenance in Rose Bank Gardens. Planting works were completed in the third quarter of the year but budget savings have still been achieved. (2,828)

Bus Shelter Maintenance

A budget was included to carry out works to repair several bus shelters, but these works have not been required. (1,200)

Cemetery Grounds Maintenance and Small Equipment

A budget is allocated to these cost codes to cover any works that may be required during the year. In 2016/17 expenditure was very low resulting in a budget underspend. (2,331)

Grounds Maintenance Fuel and Oil

Lower usage of red diesel has contributed to budget savings under this cost code. (683)

Equipment and Plant Repairs

Expenditure on the repair and maintenance of grounds maintenance equipment has been low in the 2016/17 year. This is reflective of the machinery replacement programme and also the fact that operational staff are carrying out more routine maintenance and servicing where possible. (3,490)

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 77,835

DISCRETIONARY COSTS

Grants and Donations

An annual budget of £7,000 is allocated for Special Grants, but Grant Awards of just under £4,000 were made during the year resulting in an underspend (4,063)

Small and Large Grants totalling £13,159 were paid out during the year. This is slightly under the budgeted amount for the year of £15,000 (1,841)

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 3,026

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2016/17

ASSET REFURBISHMENT / RENEWAL

Litter Bins	5,000
It was agreed as part of a review of Earmarked Reserves at Year End 2016 that £5,000 would be allocated for the purchase of litter bins in the 2016/17 financial year. This purchase appears as an overspend because these funds were agreed after the original budget had been set.	
Lower Howsell Play Area Fencing	(3,500)
Due to some difficulties that the Council's contractor experienced with obtaining the correct fencing from the manufacturer, this project was completed a quarter later than expected, but Officers managed to achieve cost savings against the original budget of £11,000.	
Surfacing of Victoria Park Multi-Use Games Area	(9,000)
This project is being held back whilst the outcome of discussions regarding the provision of basketball facilities at Victoria Park is awaited. If works are to take place, officers feel it would be prudent to carry out both projects side by side. This situation will be monitored as the 2017/18 financial year progresses.	
Cemetery Refurbishment Project	(19,574)
A £20,000 reserve exists to carry out a refurbishment of the toilet block at the cemetery. This project has been delayed into the 2017/18 financial year as a result of the need to review the project scope. Council decided that with increasing costs to demolish the existing machinery shed, the new specification should be the provision of a refurbished disabled toilet at the cemetery and also the provision of a canopy under which machinery can be stored.	
New Carpets at Belle Vue Terrace	2,416
Although not in the budget for 2016/17, Earmarked Reserves were carried over from the previous year to fund the purchase of new carpets for offices at Belle Vue Terrace.	
Replacement Ford Transit Van	(22,000)
Although included in the budget for 2016/17 the cost of this item was capitalised as part of the Year End Accounting Process.	

EARMARKED RESERVES

Litter Bins	(5,000)
Council agreed at Year End 2016 to include an Earmarked Reserve to purchase new litter bins during the 2016/17 year. These funds were agreed after the budget had been agreed by Full Council in December 2015.	
Surfacing of Victoria Park Multi-Use Games Area	9,000
These works have been delayed as detailed above and so no release from Earmarked Reserves has been made.	
Cemetery Refurbishment Project / Cemetery Extension	18,897
These projects have both been delayed into the 2017/18 financial year and funds will therefore remain in the reserve until they are required.	
Replacement Ford Transit Van	(5,620)
The cost of the new Ford Transit Van was higher than anticipated.	
Asset Repair and Development Reserve	52,028
A number of additions have been made to the Asset Repair and Development Reserve. General Reserves have therefore been allocated to cover the cost of projects are allocated in the 2017/18 budget.	
Budget 2016/17	(48)
Year End Deficit	33,637
Variance against Budget	33,685

MALVERN TOWN COUNCIL 2016/17 ACCOUNTS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDED 31 MARCH 2017

	-----2017-----			2016
Cost of Services	Gross expend- iture £	Gross income £	Net expend- iture £	Net expend- iture £
Cemetery	136,120	55,319	80,801	66,452
Allotments	20,795	4,398	16,397	7,674
Maintenance of other Town Council grounds	82,086	9,779	72,307	86,414
Leisure and recreation services	154,186	16,682	137,504	127,452
Miscellaneous services	53,529	-	53,529	43,702
Other services provided to the public	130,709	3,511	127,198	106,076
Administration - Corporate and democratic support	176,236	79,838	96,398	56,467
Administration - Professional support	33,135	-	33,135	20,693
Grants to local bodies	42,205	-	42,205	47,450
NET COST OF SERVICES	829,001	169,527	659,474	562,380
(Profit) / Loss on sale of fixed assets			(5,500)	(961)
Interest, deferred grants and investment income			(10,627)	(11,194)
NET OPERATING EXPENDITURE			643,347	550,225
Precept on District Council			(540,925)	(504,699)
(SURPLUS) / DEFICIT FOR THE YEAR			102,422	45,526
<u>Reconciliation of Items for Movement on General Fund</u>				
Removal of depreciation and deferred contributions to avoid impact on precept			(95,718)	(90,050)
Movement on Earmarked Reserves			22,043	3,333
Fixed Asset Disposals			-	961
Capital Financed from Revenue			4,890	1,718
Removal of Income from Sale of Land to Reserves			-	-
Deficit for the Year Ended 31 March 2017 after movements on General Fund			33,637	(38,512)

MALVERN TOWN COUNCIL 2016/17 ACCOUNTS

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

	Notes	2017 £	2016 £
FIXED ASSETS	1		
Operational assets			
Land and buildings		1,774,278	1,791,564
Plant, vehicles and equipment		64,306	59,821
Infrastructure		-	-
Non-operational assets		-	-
		<u>1,838,584</u>	<u>1,851,385</u>
Long Term Investments	2	179,874	-
CURRENT ASSETS			
Stocks	3	-	-
VAT recoverable		9,206	8,390
Debtors	4	4,305	3,590
Payments in advance		13,503	12,724
Cash in hand and at bank	5	<u>526,694</u>	<u>720,561</u>
		<u>553,708</u>	<u>745,265</u>
CURRENT LIABILITIES			
Creditors	6	(65,422)	(41,484)
Receipts in advance		(7,864)	(4,272)
Short term borrowing	7	<u>-</u>	<u>-</u>
		<u>(73,286)</u>	<u>(45,756)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,498,880	2,550,894
LONG TERM BORROWING	7	-	-
DEFERRED GRANTS AND CONTRIBUTIONS		(149,035)	(157,927)
TOTAL ASSETS LESS LIABILITIES		<u>2,349,845</u>	<u>2,392,967</u>
REPRESENTED BY:			
Fixed asset restatement account	8	1,421,718	1,485,968
Capital financing account	8	181,927	149,205
Earmarked and special reserves	9	340,269	318,226
Balance on income and expenditure account		405,931	439,568
		<u>2,349,845</u>	<u>2,392,967</u>

These financial statements were approved by the Council on 14 June 2017 and signed on its behalf:

.....
Town Mayor

.....
Town Clerk

MALVERN TOWN COUNCIL 2016/17 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. FIXED ASSETS

1.1 Movements in fixed assets

	Operational property £	Vehicles, plant & machinery £	Infra- structure £	Totals 2017 £	2016 £
Cost					
At 1 April 2016	1,948,700	504,428	8,608	2,461,735	2,421,955
Additions	-	32,510	-	32,510	26,409
Revaluation	(45,000)	-	-	(45,000)	38,200
Disposals	-	(19,250)	-	(19,250)	(24,829)
At 31 March 2017	<u>1,903,700</u>	<u>517,688</u>	<u>8,608</u>	<u>2,429,995</u>	<u>2,461,735</u>
Depreciation					
At 1 April 2015	157,136	444,606	8,608	610,351	723,109
Charge in year	76,586	28,025	-	104,611	98,943
Revaluation	-	-	-	-	-
Eliminated on disposals / revaluation	(104,300)	(19,250)	-	(123,550)	(211,701)
At 31 March 2016	<u>129,422</u>	<u>453,381</u>	<u>8,608</u>	<u>591,411</u>	<u>610,350</u>
Net Book Value					
At 31 March 2017	<u>1,774,278</u>	<u>64,307</u>	<u>-</u>	<u>1,838,584</u>	<u>1,851,385</u>
At 31 March 2016	<u>1,791,564</u>	<u>59,821</u>	<u>-</u>	<u>1,851,385</u>	<u>1,698,847</u>

1.2. Valuation of fixed assets

The Code of Practice on Local Authority Accounting in Great Britain requires that all assets are re-valued at least once every five years.

A valuation of the Council's Offices on Belle Vue Terrace was carried out by the Valuation Agency as at 1 April 2016, the next valuation is therefore due on 1 April 2021.

The Council's Operational Properties were valued as at 1 April 2015 by the Valuation Agency as at 1 April 2015. These properties therefore next become due for valuation on 1 April 2020.

1.3. Note on Rose Bank Gardens

The Council began a 99 year lease of Rose Bank Gardens on 15 February 2012. CIPFA SORP states that Community Assets should be included at their historical cost which is nil as the gardens were gifted to Malvern Hills District Council (the lessor) and are being leased on a peppercorn rent. Therefore a nil value has been assumed.

2. LONG TERM INVESTMENTS

	2017	2016
An amount has been transferred to long term investments and this represents the amount of Earmarked Reserves which are held on a long term basis.	<u>179,874</u>	<u>-</u>

3. STOCKS

The Council has resolved that stocks with a value of less than £2,500 are not material to the accounts. There is, accordingly, no stock shown in the balance sheet.

4. DEBTORS

An analysis of debtors is as follows:

	2017	2016
Interest receivable on investments and bank accounts	167	682
Sundry debtors	<u>4,138</u>	<u>2,908</u>
	<u>4,305</u>	<u>3,590</u>

MALVERN TOWN COUNCIL 2016/17 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. CASH IN HAND AND AT BANK	2017	2016
Current Account	111,269	75,294
Scottish Widows 7 Day Notice Account	100,000	645,000
Public Sector Deposit Account	495,000	-
less Long Term Earmarked Reserves	(179,874)	-
Petty Cash	299	267
Cheques Received not Banked	-	-
	<u>526,694</u>	<u>720,561</u>

6. CREDITORS	2017	2016
An analysis of creditors is as follows:		
HM Revenue & Customs	11,749	8,759
Creditors	42,125	17,385
Accruals	11,548	15,340
	<u>65,422</u>	<u>41,484</u>

7. BORROWINGS At 31 March 2017, the Council had no loans outstanding.

8. STATEMENT OF TOTAL MOVEMENT IN RESERVES

	Capital accounts Fixed asset restatement £	Capital financing £	Revenue reserves General £	Earmarked and special £	Totals 2017 £	2016 £
Balance at 1 April 2016	(1,485,968)	(149,205)	(439,568)	(318,226)	(2,392,967)	(2,209,725)
Net (surplus)/deficit for year	-	-	33,637	-	33,637	(38,512)
Disposal of fixed assets	19,250	(19,250)	-	(5,500)	(5,500)	-
Revaluation / Impairment	45,000	(104,300)	-	-	(59,300)	(229,729)
Release of retentions	-	-	-	-	-	-
Movements on EM reserves	-	-	-	(16,543)	(16,543)	(3,333)
Net depreciation of fixed assets	-	95,718	-	-	95,718	90,050
Financing of fixed assets	-	(4,890)	-	-	(4,890)	(1,718)
Balance at 31 March 2016	<u>(1,421,718)</u>	<u>(181,927)</u>	<u>(405,931)</u>	<u>(340,269)</u>	<u>(2,349,845)</u>	<u>(2,392,967)</u>

9. EARMARKED AND SPECIAL RESERVES

The Council has adopted, as a key element of its financial strategy, a policy of developing reserve funds against future known or anticipated commitments. The policy includes a recognition of the need to maintain assets in a fit and proper condition such that their value, both operational and financial, will remain the same over time.

The reserves also include two perpetuity funds: that is funds where the capital amount is required to be maintained intact and invested, with the income generated being applied for maintenance purposes. In one case, the fund is in respect of a section 106 payment from Malvern Hills District Council.

A Vehicle and Machinery Reserve also exists to smooth the impact of the purchase of these larger items against the annual precept. Funds are built up annually and then released only when Vehicles and or Machinery are required.

Details of movements on individual reserves are set out below:

	Year ended 31 March 2017			
Name of Reserve	Balance as at 1 April 2016 £	Addition to reserves £	Contributions from reserves £	Balance as at 31 March 2017 £
Elections	14,640	-	-	14,640
Cemetery extension	49,603	-	(1,103)	48,500
Asset Repair and Development Reserve	16,952	52,028	(18,480)	50,500
Play areas	-	-	-	-
Grants	10,026	-	(2,187)	7,839
Vehicle and Machinery Replacement Fund	52,009	20,000	(27,620)	44,389
Neighbourhood Plan Reserve	15,762	-	(6,095)	9,667
Allotment Reserve	50,000	-	-	50,000
Capital Receipts Reserve	42,750	5,500	-	48,250
Graves perpetuity	5,284	-	-	5,284
Townsend Way - s106 perpetuity	61,200	-	-	61,200
	<u>318,226</u>	<u>77,528</u>	<u>(55,485)</u>	<u>340,269</u>

MALVERN TOWN COUNCIL 2016/17 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

10. STAFFING STRUCTURE

The Council's approved and actual establishment at the year end was:

	2017	2016
Operations management	1.0	1.0
Operations Staff	8.0	8.0
Total Operations Staff	9.0	9.0
Administrative and Corporate support	4.5	4.5
Town Clerk	1.0	1.0
Total numbers:	14.5	14.5
Full time equivalents	14.5	14.5

11 SECTION 137 EXPENDITURE

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend, in any single year, up to a specified product per head for each registered elector in Malvern Town, on activities and projects which are not authorised specifically by any other statute. All such expenditure must be declared by the Council to be for the benefit of all or some of the inhabitants of the Town.

	2017	2016
Annual product per head	£7.42	£7.36
Number of registered electors	22,864	23,295
Maximum permissible amount under section 137	169,651	171,451
Expenditure during the year comprised the following:		
Remembrance observation	367	471
Other grants and donations	16,095	21,550
Citizen's Advice Bureau Grant	15,000	15,000
Community Action Grant	10,900	10,900
	42,362	47,921

12. PUBLICITY

The Local Government Act 1986 requires the Council to disclose expenditure on publicity. Gross expenditure on publicity and advertising during the year was as follows:

	2017	2016
Public consultation	-	75
Council Newsletter	2,070	1,956
Statutory and public notices	1,085	159
Availability of grants	190	165
Neighbourhood Plan Publicity	20	4,563
Events Publicity	946	1,114
Employment Vacancies	4,298	3,250
	8,609	11,282