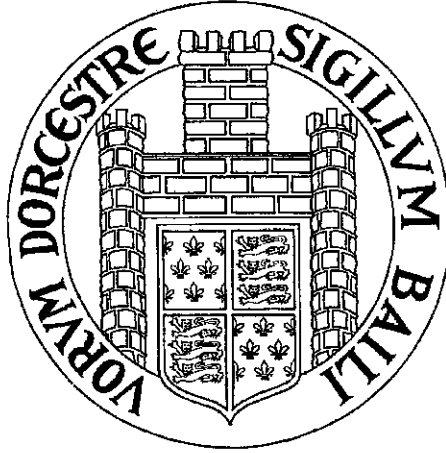


DORCHESTER TOWN COUNCIL



FINANCIAL STATEMENT, ANNUAL RETURN AND CORPORATE PLAN MILESTONES FOR THE YEAR ENDED 31 MARCH 2017

Further information can be obtained from

Adrian Stuart
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INTRODUCTION

1. The statutory financial statement for the Town Council is the **Annual Return**, which has to be published in accordance with the Accounts and Audit (England) Regulations 2011. The Statement runs to 10 lines of financial information, plus 8 statements of good governance and the Internal and External Audit opinions.
2. This Financial Statement document seeks to supplement the statutory Annual Return and provide the reader, be they Councillor, Taxpayer or other interested party, with a more detailed explanation of how the Council has performed financially during the course of the year, and the environment within that performance was delivered.

ANNUAL RETURN 2016-2017

3. The figures contained in our Annual Return are included below: -

Year Ending 31-Mar-16 £		Year Ending 31-Mar-17 £
1,016,475	1. Balance brought forward	1,365,515
1,209,555	2. Annual Precept	1,251,000
330,854	3. Total of Other Receipts	311,949
591,526	4. Staff Costs	644,297
61,651	5. Loan Interest and Capital Repayments	254,528
538,192	6. All Other Payments	608,870
1,365,515	7. Balance Carried Forward	1,420,769
1,351,153	8. Total of Cash and Short Term Investments	399,652
6,622,350	9. Total Fixed Assets, plus Long Term Investments	7,629,538
498,000	10. Total Borrowings	264,000

The above covers all transactions in our Income and Expenditure Account, which is linked to the General Reserve, and all transactions in our Earmarked Reserves.

INCOME AND EXPENDITURE ACCOUNT

4. All but a very few of the Town Council's financial transactions are for the services provided by the Town Council, and therefore go through the Income and Expenditure (or Revenue) account.
5. Performance compared against the Council's Revenue budget, set in January 2016 is identified below, and the previous year's Actual Expenditure is also shown.

Actual 2015/16 £	Service	Budget 2016/17 £	Actual 2016/17 £	Worse/ (Better) £
3,708	Allotments	5,729	3,254	(2,475)
538,574	Parks & Open Spaces	576,572	581,490	4,918
53,240	Cemeteries	80,815	66,894	(13,921)
137,727	Municipal Buildings	134,894	140,240	5,346
52,725	Cultural Activities & Twinning	70,091	63,076	(7,015)
194,866	Corporate and Democratic	226,392	210,632	(15,760)
155,714	Other Services	82,400	24,627	(57,773)
1,136,554	Total Revenue	1,176,893	1,090,213	(86,680)
(1,209,555)	Precept	(1,251,000)	(1,251,000)	0
(69,988)	CTSG	(46,659)	(46,659)	0
(142,989)	Transfer to General Reserve	(120,766)	(207,446)	(86,680)

6. The Council reports to Government based on spend type rather than service. The table below shows the Income and Expenditure transactions compared to the Budget and to the previous year on this basis.

Actual 2015/16 £	Service	Budget 2016/17 £	Actual 2016/17 £	Worse/ (Better) £
590,458	Staff	678,248	642,954	(35,294)
61,651	Loan Interest & Capital Repaid	58,100	54,528	(3,572)
434,109	Premises, Transport and Supplies	514,505	462,382	(52,123)
(1,209,555)	Precept Income	(1,251,000)	(1,251,000)	0
(293,958)	Non-Precept Income	(255,219)	(273,815)	(18,596)
274,306	Transfers to Earmarked Reserves	134,600	157,505	22,905
(142,989)	Transfer to General Reserve	(120,766)	(207,446)	(86,680)

KEY VARIANCES ON THE INCOME AND EXPENDITURE ACCOUNT

7. Staff costs were £35,000 below estimate, with the key variances being
 - The new Community Development Officer did not arrive until August 2016 and the cost of recruitment was lower than budgeted (£21,000)
 - The period where the ingoing Outdoor Services Manager was shadowing the outgoing Compliance Manager was shorter than anticipated (£6,000)
 - Staff not working at the top of their scale point and employer savings resulting from staff not making pension contributions (£6,000)

8. Supply costs were £52,000 below budget, the key variances being
 - A sum reserved for CCTV was not used (£5,000)
 - There were underspends on Cemetery grass cutting (£5,000) support for apprenticeship support (£5,000), general maintenance (£15,000) and maintenance of The Walks (£18,000), office supplies (£13,000), utilities (£8,000) and Christmas lights (£5,000)
 - Sponsorship budgets, although committed, were underspent by £7,000, which will be required in 2017/18
 - These were offset by new grants to Dorchester Youth Club (£19,000) and additional business rates on the Weymouth Avenue Recreation Ground Pavilion (£23,000)

9. Non-Precept income was £19,000 higher than budget, the key reason being
 - The receipt of a grant towards the cost of Community Development (£6,000)
 - Market income from 2015/16 being confirmed (£6,000)
 - Additional Burials and Burial Plot sales (£8,000)

10. Decisions were taken to increase Earmarked Reserves during the year, with an extra £23,000 being allocated towards
 - Public Realm and Trees (£18,000)
 - Christmas Lights (£5,000)

RECONCILIATION OF CASH AND RESERVES

31-Mar-16	Monies Held if Banks and Cash	31-Mar-17
£		£
	Bank Accounts	
459,165	Lloyds Bank	395,860
-14,288	Less Unpresented Cheques	0
906,276	National Savings and Investments	3,792
1,351,153	Total Monies Held	399,652
	Plus Debtors	
37,933	Payments in Advance to Suppliers	24,021
12,166	HMRC - VAT	12,048
0	Investments	1,000,000
0	Debtors not invoiced	3,050
5,422	Debtors invoiced but not yet paid	6,045
-372	Less provision for Bad Debt	0
55,149	Total Debtors	1,045,164
	Less Creditors	
14,507	Creditors who have not yet invoiced	9,178
7,792	Receipts in Advance	0
18,488	Sums deposited with the Council	14,869
40,787	Total Creditors	24,047
1,365,515	Monies Held plus Debtors less Creditors	1,420,769
	Earmarked Reserves	
180,000	Depot Loan Repayment	0
34,735	Municipal Buildings	52,340
11,367	Vehicles & Equipment Replacement	15,632
22,500	Parks Premises	24,305
58,208	Cemeteries	84,222
51,748	Play Equipment Replacement	51,748
88,882	Walks Resurfacing & Upgrade	26,069
56	Christmas Lights	4,795
6,000	Dorchester Arts Festival	9,000
598	Town Crier Uniform	0
3,906	Trees & Public Realm	24,155
10,000	Dorchester West Railway Access	10,000
12,843	Maumbury Rings S106	9,780
14,243	Maintain Graves in Perpetuity	14,220
38,498	Energy & Operational Efficiency	0
80,000	Service Growth & Corporate Projects	630,126
613,584	Total Earmarked Reserves	956,392
751,931	General Reserve	464,377
1,365,515	All Reserves	1,420,769

NOTES TO THE RECONCILIATION

BANK ACCOUNTS

11. The Council rationalised its operational bank accounts throughout the year. The sum held with National Savings and Investments was reduced when the interest rate paid on the account was reduced.

DEBTORS AND CREDITORS

12. Payments in Advance have decreased due to the third and final year payment of £13,100 on an advance to the Dorset County Pension Fund for deficit catch up payments.
13. Following the introduction of a Treasury Management Strategy at the beginning of the year, in November 2016 the Council made an investment in the Payden Global Sterling Reserve Fund, which aims to produce a higher return than that available from standard bank accounts, for a similar level of risk.
14. The practice of making of a Provision for Bad Debt has been discontinued due to the low levels of debt being experienced since tighter debt management controls were introduced. Write offs will in future be made directly to the relevant cost centre.

RESERVES

15. Overall Earmarked Reserves have increased by £343,000 during the year. Routine transfers in to the Earmarked Reserves from the General Reserve totalled £158,000, plus an exceptional transfer of £495,000 to the Corporate Projects Fund. There were net payments from the Reserves totalling £310,000, the key items being
 - The repayment of a loan to the PWLB (£200,000), originally taken out to build the Depot
 - The construction of a borehole in the Borough Gardens in order to reduce future utility consumption (£37,000)
 - The first phase of resurfacing works on the town Walks (£30,000)
 - A programmed vehicle purchase (£14,000)
16. The General Reserve has been reduced by £288,000 during the year. An exceptional transfer to the new Corporate Projects Reserve of £495,000 was offset by the £207,000 surplus on the Income and Expenditure account. The General Reserve remains higher than the level needed to cover general opportunities, threats and emergencies (established at £200,000 in January 2016), and a further transfer is planned to the Corporate Projects Reserve in 2017/18.
17. Significant spending commitments totalling £500,000 were made from the Corporate Projects Reserve as part of the 2016/17 Budget process, although most of the spending will occur from 2017/18 onwards.
18. At the Year End the Council held £1,421,000 in Reserves, £55,000 more than at the beginning of the year.

OTHER INFORMATION TO SUPPORT THE FINANCIAL STATEMENT AND ANNUAL RETURN

FIXED ASSETS STATEMENT

	Value @ 1 Apr 16 £000	Assets Added £000	Assets Disposed £000	Value @ 31 Mar 17 £000
Land & Buildings	5,137	0	0	5,137
Vehicles, Plant & Equipment	572	14	7	579
Community Assets	913	0	0	913
Investments	0	1,000	0	1,000
Total Fixed Assets	6,622	1,014	7	7,629

19. Asset changes during the year were:

- A vehicle was purchased at £13,885, replacing one valued at £6,697
- £1,000,000 was invested in the Sterling Reserve Fund managed by Payden Global Services plc. Quarterly distributions are received in the Income and Expenditure account.

LONG TERM DEBT

	Maturity Date	Interest Rate %	Value @ 1 Apr 16 £000	Value @ 31 Mar 17 £000
PWLB 479825 1997 25yr Annuity	08/2022	7.125	130	110
PWLB 487126 2002 25yr Annuity	09/2027	4.625	168	154
PWLB 492777 2007 10yr Maturity	01/2017	5.050	200	0
Total Value of Long Term Debt			498	264

PENSIONS

20. The Town Council encourages its staff to become members of the Dorset County Pension Fund, which administers a defined benefit scheme as laid down in the Local Government Pension Scheme. Staff make contributions based on a rising scale linked to salary, of between 5.5% and 8.5%.
21. In 2016/17 the Town Council contributed 16.5% of the employee's salary, plus an additional sum to ensure the Fund's assets equal 100% of its liabilities in the long term. There were Nil payments for Nil staff to the Pension Fund for early retirements during the year (2015/16 £Nil for Nil staff).

THE GENERAL POWER OF COMPETENCE AND SECTION 137 EXPENDITURE

22. Council adopted the General Power of Competence as minute 2015/52, then re-adopted it at Minute 2016/13e. As a consequence it made nil payments as section 137 expenditure during the year.

Section 1 – Annual governance statement 2016/17

We acknowledge as the members of:

Enter name of
smaller authority here:

DORCHESTER TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including 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 2017, that:

	Agreed		'Yes' means that this smaller authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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 smaller authority to conduct its business or on its finances.	✓		has only done what it has the legal power to do and has complied with proper practices in doing so.
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.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered the financial and other risks it faces and has dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
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 smaller authority and, where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
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	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.
		NA	
		✓	

This annual governance statement is approved by this smaller authority on:

03/05/17

and recorded as minute reference:

2017/1011

Signed by Chair at meeting where approval is given:

Susan Hasford

Clerk:

[Signature]

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how this smaller authority will address the weaknesses identified.

Section 2 – Accounting statements 2016/17 for

Enter name of smaller authority here:

DORCHESTER TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2016 £	31 March 2017 £	
1. Balances brought forward	1,016,475	1,365,515	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	1,209,555	1,251,000	Total amount of precept (or for IDBs, rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	330,854	311,949	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	591,526 <i>RESTATED</i>	644,297	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	61,651	254,528	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	538,192 <i>RESTATED</i>	608,870	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	1,365,515	1,429,769	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	1,351,153	399,652	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	6,622,350 <i>RESTATED</i>	7,629,538	This cell shows the value of all the property the authority owns. It is made up of its fixed assets and long-term investments.
10. Total borrowings	499,000	264,000	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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	The Council 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 2017 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

[Signature]

Date 31/05/2017

I confirm that these accounting statements were approved by this smaller authority on:

23/05/2017

and recorded as minute reference:

2017/10i

Signed by Chair at meeting where approval is given:

Susan DJS JCL

Annual internal audit report 2016/17 to

Enter name of smaller authority here:

DORCHESTER TOWN COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2017.

Internal audit has been carried out in accordance with this smaller 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 smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No	Not covered*
A. Appropriate accounting records have been kept properly throughout the year.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Asset and investments registers were complete and accurate and properly maintained.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit **ROSIE DACKIN - MILLER LUB (HONS) FCA**

Signature of person who carried out the internal audit  Date **12/04/2017**

*If the response is 'no' please 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, internal audit must explain why not (add separate sheets if needed).

**CORPORATE PLAN MILESTONES
WORKING WITH PARTNERS**

Field	Project	Milestone	Anticipated Outcome	Year End Position	Success?
Local Economy	Work proactively with developers	Quarterly meetings	Better understanding of emerging issues	Regular mtgs with Duchy, occasional contact with BSL, no contact with C&C	☺
	Develop Heritage Tourism Strategy	Process for developing strategy agreed with partners Mar 17	Partnership in place prior to new Heritage venues opening	Good contact with key partners, signage bid submitted	☺
	Build partnership with Business Community	Quarterly meetings	Better understanding of emerging issues	Regular contact, but limited to operational issues	☺
	Embed Apprenticeships	Appoint Apprentices Nov 16	c. 6 new opportunities for apprentices	Initiative embedded. Integrating with wider drive by other Councils	☺
	Housing	Trinity St Affordable Housing site	Planning applic'n Mar 17	Application to build units submitted	CLT continues to develop Background surveys underway Progress slower than anticipated
Traffic & Highways	Support DTEP project	Environmental works agreed Sep 16	Plans ready to improve lower South St/High W St	Due to start on site Apr 17	☺
	Seek to influence emerging Traffic and Parking Strategy development	Strategy exercise commenced Sep 16	Coherent strategy for cars in Dorchester being developed	Limited influence on strategy to date. Consultants did not engage with DTC	☹

Community Wellbeing, and Cultural	Carry out an audit of community facilities Develop a Community Plan Work with Dorchester Youth Centre MC to safeguard the future of the Centre	Completed Staff appointed Plan adopted Plan & funding in place	Mar 17 Jul 16 Mar 17 Sep 16	All available facilities logged Staff in place Clear Plan in place Youth Centre continues to operate	Elements in several documents, need to be pulled together Completed Draft ideas out to consultation Operational	☹️ ☺️ ☹️ ☺️
Environmental & Heritage	Refurbish the Town Walks Audit of informal heritage sites Replace tourism signage Provide one-off grant support to introduce new Cultural facilities	Ph 1 Complete Completed Plan in place First award made	Dec 16 Mar 17 Mar 17 Sep 16	Walks from Hardy statue to Trinity St adopted Heritage assets listed Plan for replacement signage agreed Decisions re Dorset County Museum & Dorchester Arts	Completed. Not yet commenced Application for LAG funding submitted £33,400 of £50,000 allocated. Developing other requests	☺️ ☹️ ☺️ ☺️

OUR OWN SERVICES

Service	Project	Milestone	Anticipated Outcome	Year End Position	Success ?
Allotments	Review Water fees	Completed Sep 16	Fairer fee structure	Completed	😊
	Review Green Waste service	Options developed Dec 16	Reduced net cost	Completed	😊
	Develop Red Cow site	Site handed over Sep 16	Site ready for use	TTD chose not to progress. Supporting alternative group	😞
Parks & Open Spaces	Tennis Courts on Bowling Green	Design agreed Jun 16 Completed Oct 16	Project plan agreed Completed	Archaeological studies delayed implementation	😞
	Skate Park Upgrade and Refurbishment	Completed Jun 16	Site upgraded	Completed	😊
	Borough Gardens Borehole	Completed May 16	Reduced water bills	Completed	😊
	Maumbury Rings Heritage refurbishment	Completed Sep 16	Steps and Notice Boards in place	Completed	😊
	Data map project	Completed Mar 17	Databases and maps of all infrastructure available	Commenced.	😞
	Assist develop of D. Cricket Club capacity	Agreement May 16	DCC able to let out Pavilion in evenings and weekends	Completed	😊
Cemeteries	Data map project	Completed Sep 16	All Cemeteries mapped with databases	95% completed	😊

	Complete Memorials testing	Completed	Mar 17	All memorials tested, action taken where required	Largely completed	😊
Municipal Buildings	Full site survey & repairs	Plan in place	Mar 17	Full site survey with report to Policy re long term funding needs	Completed	😊
Culture, Twinning & Other Services	Co-ordinate the town's WW1 Commemorations Market contractual arrangements and refurbishment	Completed Plan in place	Mar 17 Jun 16	Kut Day plus other events as agreed Agreed plan for improvement of market with appropriate contract in place	Kut completed Centenary plaques/field project underway Ongoing and protracted discussions with Market operator	😊 😐
Democracy, Govern. & Admin.	Adopt Corporate Plan after consultation	Adopted	May 16	Agreed plan in place with mechanism for monitoring and review	Completed	😊

Success Indicators

- 😊 20 Significant progress made, the specific milestone can be removed from the Corporate Plan, but may lead to another milestone
- 😐 9 Some progress made but a revised milestone will be required in the revised Corporate Plan
- 😞 1 No tangible progress made, needs to be reincluded in next Corporate Plan and resources identified to deliver