



HARPENDEN TOWN COUNCIL

CLOSER TO THE COMMUNITY

STATEMENT OF ACCOUNTS 2020/21 (Not Subject to Audit)

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LIST OF CONTENTS

COUNCIL INFORMATION	1
EXPLANATORY FORWARD	1
STATEMENT OF RESPONSIBILITIES.....	2
INCOME AND EXPENDITURE ACCOUNT	3
RECONCILIATION OF INCOME AND EXPENDITURE AND AGAR	4
BALANCE SHEET.....	5
NOTES TO FINANCIAL STATEMENTS	6
1. Outturn position.....	6
2. Employees	6
3. Pension Costs	7
4. Section 137 Expenditure	7
5. Statutory Charge for Capital.....	7
6. Advertising and Publicity	7
7. Members Allowances	7
8. Fixed Assets.....	8
9. Information on Assets Held	8
10. Debtors (falling within 1 year).....	9
11. Creditors and Receipts in Advance	9
12. Long Term Liabilities	9
13. Summary of Movements on Reserves	9
14. Earmarked Reserves & Useable Capital Receipts Reserve.....	10
STATEMENT OF ACCOUNTING POLICIES	12

COUNCIL INFORMATION

Council Members for the Financial Year 2020/21

Town Mayor

Nicola Linacre West Ward Conservative

Deputy Town Mayor

Paul Cousin North Ward Conservative

Harry Hill	North Ward	Liberal Democrats
Albert Pawle	North Ward	Conservative
Melanie Priggen	North Ward	Liberal Democrats
Paul de Kort	East Ward	Liberal Democrats
Rosemary Farmer	East Ward	Conservative
Pip Liver	East Ward	Liberal Democrats
Mary Maynard	East Ward	Conservative
Matt Cowley	South Ward	Conservative
John Drake	South Ward	Conservative
Brian Ellis	South Ward	Conservative
David Heritage	South Ward	Conservative
Roger Butterworth	West Ward	Conservative
Lisa Scriven	West Ward	Conservative
Nigel Turnbull	West Ward	Conservative

Town Clerk

Carl Cheevers

Responsible Finance Officer

Daniel Williams

EXPLANATORY FORWARD

The Accounting and Audit Regulations govern the requirements to produce the Councils accounts. The Council is classed as a 'smaller authority' and its statutory accounts are produced in the form of the Annual Governance and Accountability Return which is subject to a Limited Assurance Audit by PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD.

This Statement of Accounts, set out on the following pages, are not subject to audit. They provide background information to the figures declared in the Accounting Statements Return.

They include:

- an Income and Expenditure Account (Unaudited), presented in a Service Expenditure Analysis format, which summarises the Councils financial performance for the year;
- a Balance Sheet (Unaudited), which sets out the financial position of the Council at 31 March 2021;
- notes to the accounts; and
- a Statement of Accounting Policies.

STATEMENT OF RESPONSIBILITIES

The Councils Responsibilities

The Council is required:

to make arrangements for the proper administration of its financial affairs;

to secure that one of its officers has the responsibility for the administration of those affairs. Harpenden Town Councils officer is the Responsible Finance Officer;

to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;

to approve the Annual Governance and Accountability Return;

to approve the Statement of Accounts.

The Responsible Finance Officers Responsibilities

The Responsible Finance Officer is responsible for the preparation of the Councils Annual Governance and Accountability Return in accordance with Governance and Accountability for Smaller Authorities in England to present a true and fair view of the financial position of the Council at 31 March 2021 and its income and expenditure for the year ended.

In preparing these financial statements, the Responsible Finance Officer has:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with generally accepted accounting practice;
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Responsible Finance Officers Certificate

I certify that the Statement of Accounts presents a true and fair view of the financial position of Harpenden Town Council as at 31st March 2021 and its income and expenditure for the year then ended.

Signed:

Daniel Williams
Responsible Finance Officer
28 June 2021

INCOME AND EXPENDITURE ACCOUNT

2019/20	2020/21		
Net	Gross	Gross	Net
£	Expenditure	Income	£
£	£	£	£
Direct Services			
16,689	15,667	(3,673)	11,994
17,760	7,200		7,200
(7,961)	47,142	(12,493)	34,650
26,869	70,434	(81,870)	(11,435)
56,394	78,116	(22,211)	55,906
48	13,045	(10,042)	3,002
(5,891)	17,585	(13,594)	3,991
11,379	6,841	(1,698)	5,144
(56,540)	26,357	(29,006)	(2,648)
15,347	10,686		10,686
33,353	94,289	(68,454)	25,835
55,044	55,624	(523)	55,101
21,067	20,952		20,952
31,449	14,170		14,170
26,892	6,536	(4,634)	1,902
91,720	71,832	(7,400)	64,432
(2,650,000)			0
Democratic, Management and Civic Costs			
172,642	204,177		204,177
80,049	74,250		74,250
359,407	399,654		399,654
32,087	19,162		19,162
25,022	5,667		5,667
65,319	69,649	(245)	69,404
51,811	42,138		42,138
0	8,840	(8,840)	0
(1,530,045)	1,380,015	(264,681)	1,115,334
1,140			416
28,325			9,500
(13,142)			(3,277)
(1,513,723)			1,121,973
(1,019,630)			(1,069,930)
(2,533,353)			52,043
(14,603)			(20,677)
131,250			8,288
(2,650,000)			64,432
(2,533,353)			52,043

RECONCILIATION OF INCOME AND EXPENDITURE AND AGAR

	INCOME			EXPENDITURE			NET
	Box 2	Box 3	Box 4	Box 5	Box 6	Total	
	Precept £	Other Income £	Staff Costs £	Loans Repaid £	Other Costs £		
Communication		(3,673)			15,667	11,994	
Grants					7,200	7,200	
Park Hall		(12,493)	21,195		25,948	34,650	
Projects Fund		(81,870)			70,434	(11,435)	
Town Centre Management		(22,211)			78,116	55,906	
Public Toilets		(10,042)			13,045	3,002	
Farmers Markets		(13,594)			17,585	3,991	
Community Events		(1,698)			6,841	5,144	
Lydekker Car Park		(29,006)			26,357	(2,648)	
Lydekker Park					10,686	10,686	
Commons & Greens		(68,454)			94,289	25,835	
Tree Management		(523)			55,624	55,101	
Recreation Grounds & Play Areas					20,952	20,952	
Batford Springs Nature Reserve					14,170	14,170	
Allotments		(4,634)			6,536	1,902	
Corporate Management			202,873		1,305	204,177	
Finance Services			74,250		0	74,250	
Business Services			378,661		20,983	399,654	
Corporate Expenses					19,162	19,162	
Democratic Representation					5,667	5,667	
Central Administration		(245)			69,649	69,404	
Town Hall			4,487		37,651	42,138	
Recharges		(8,840)			8,840	0	
Interest Payable				416		416	
Principal Repayments				9,500		9,500	
Interest Income		(3,277)				(3,277)	
Projects - Capital		(7,400)			71,832	64,432	
Precept	(1,069,930)					(1,069,930)	
Accounting Statement Total	(1,069,930)	(267,958)	681,466	9,915	698,549	52,043	

BALANCE SHEET

2019/20	Note		2020/21
£			£
	8-9	Fixed Assets	
1,013,100		Land and Buildings	999,974
319,896		Vehicles and Plant	314,704
890,000		Non-Operational Assets	890,000
<u>2,222,996</u>		Total Fixed Assets	<u>2,204,679</u>
		Current Assets	
50,999	10	Debtors and Prepayments	46,310
2,300,000		Short Term Investments	2,300,000
1,357,048		Cash at Bank	<u>1,278,471</u>
			<u>3,624,781</u>
<u>5,931,043</u>		Total Assets	<u>5,829,460</u>
		Current Liabilities	
(160,899)	11	Creditors and Receipts in Advance	(129,676)
(9,500)	12	Current Portion of Long Term Debt	<u>0</u>
			<u>(129,676)</u>
<u>5,760,644</u>		Total Assets Less Current Liabilities	<u>5,699,784</u>
		Financed by:	
	13-14	Reserves available to the Council	
357,370		Earmarked Revenue Reserves	349,082
2,650,000		Capital Receipts Reserve	2,585,568
539,778		General Fund	<u>560,455</u>
<u>3,547,148</u>			<u>3,495,106</u>
		Reserves Not Available to Council **	
2,213,496		Capital Financing Account	2,204,679
<u>5,760,644</u>			<u>5,699,784</u>

Note: ** Represents the Councils Net Investment in Fixed Assets less Outstanding Loans

These accounts for the year ended 31 March 2021 were approved by Harpenden Town Council at the Council meeting held on 28 June 2021.



Councillor Paul Cousin
Town Mayor, Harpenden Town Council



Daniel Williams
Responsible Finance Officer

NOTES TO FINANCIAL STATEMENTS

1. Outturn position

The Income and Expenditure account reports the gross expenditure and income, on an accruals basis, of all the functions for which the Council is responsible

The net surplus or deficit for the year is added to the Town Councils General Fund Balance or if appropriate retained within earmarked reserves.

A comparison of the budget against actual for 2020/21 is set out below.

	Adjusted Budget		Provisional Outturn	
	£	£	£	£
Expenditure	1,299,190		1,254,256	
Capital Projects	333,900		71,832	
Projects Fund	89,180		63,842	
		1,722,270		1,389,931
Less Income:				
Commercial Income	138,830		143,562	
Other Income	103,140		124,396	
		241,970		267,958
Net Budget		1,480,300		1,121,973
Funded By;				
Precept	1,069,930		1,069,930	
Earmarked Reserves	86,110		8,288	
Capital Receipt Reserve	326,500		64,432	
General Reserves	0		(20,677)	
		1,482,540		1,121,973
Net Position		(2,240)		0

2. Employees

The Council employed 12 full time and 5 part time employees during 2020/21 (12 full time and 5 part time in 2019/20). All staff are paid in accordance with nationally agreed pay scales.

The number of employees whose remuneration, excluding employers pension contributions, was £50,000 or more in bands of £5,000 was:

Remuneration band	2019/20 No. Employees	2020/21 No. Employees
£50,000 - £54,999	0	0
£55,000 - £59,999	0	0
£60,000 - £64,999	0	0
£65,000 - £69,999	0	0
£70,000 - £74,999	1	0
£75,000 - £79,999	0	1

3. Pension Costs

The amount of pension contributions paid by the Town Council during 2020/21 was £108,903 (£90,835 2019/20). This includes an outstanding contribution at 31 March which has been included in the Balance Sheet within creditors. Harpenden Town Councils contribution rate for 2020/21 was 22.15% (2019/20 23.8%) of pensionable pay. Employees contribute at a variable rate dependant on their salary.

4. Section 137 Expenditure

The Government included a “general power of competence” in the Localism Act 2011 (Part 1, Chapter 1, ss 1-8). It was brought into force by SI 965, the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012 in April 2012. This general power of competence supersedes the previous section 137 of the Local Government Act 1972.

5. Statutory Charge for Capital

The Town Council is required under Section 3 of the Local Government Act 2003 to debit the amount equivalent to the instalment of interest and principal that is payable annually to the Income and Expenditure Account. This totalled £9,915 in 2020/21 (£29,465 in 2019/20)

6. Advertising and Publicity

Section 5 of the Local Government Act 1986 requires the Council to disclose expenditure on advertising and publicity. This amounted to nil during 2020/21 (£4,535 in 2019/20).

The Town Council produces a quarterly community magazine, Forum, distributed to all households in the parish. The cost of design, printing and distributing was £13,993 in 2020/21 (£20,537 in 2019/20). A proportion of these costs are recovered through advertising revenue.

7. Members Allowances

Members annual basic allowance is set at £360 which was taken by 3 Members in 2020/21. The Town Mayor received a Mayoral Allowance of £3,110 in 2020/21 and is not eligible for a basic allowance. Members may receive reimbursement for travel expenses outside the parish for attending approved meetings and seminars.

8. Fixed Assets

	Land and Buildings	Vehicles & Plant	Investment Property	Total
	£	£	£	£
Valuation				
at 01/04/20	1,177,772	892,082	890,000	2,959,854
Additions	12,820	73,897		86,717
Disposals		0		0
at 31/03/21	1,190,592	965,978	890,000	3,046,570
Depreciation				
at 01/04/20	164,672	572,186	0	736,858
in year charge	25,946	79,088		105,034
at 31/03/21	190,618	651,274	0	841,892
Balance Sheet				
at 01/04/20	1,013,100	319,896	890,000	2,222,996
Balance Sheet				
at 31/03/21	999,974	314,704	890,000	2,204,679

9. Information on Assets Held

Operational Assets - Land and Buildings

Town Hall, Park Hall, and Public Toilets in Leyton Road.

Lydekker Park and Car Park.

Batford Springs Headquarters.

Harpenden Common and land at Batford Springs Nature Reserve/Marquis Lane.

Recreation land at Porters Hill, Westfields and Marquis Lane.

14 Allotments sites managed for the Council by the East Harpenden Gardening Club and the South Harpenden Allotment and Gardens Society.

19 Bus shelters at various sites.

Operational Assets – Vehicles, Plant and Equipment

Furniture, fixtures, fittings and equipment in the Council Offices, Park Hall and Storage Depot.

Farmers Market stalls and covers.

Council vehicles and trailer.

Interpretation boards at open spaces.

Children’s play equipment at Porters Hill, Westfields and Marquis Lane.

Christmas lights.

Non-Operational Assets

Those parts of the Common, which are let on lease or licence, including two cottages have been included as Non-Operational Assets.

10. Debtors (falling within 1 year)

	31/03/20	31/03/21
	£	£
Sundry Debtors including prepayments	31,275	21,003
Accrued interest	5,373	424
HMRC - VAT Reclaim	14,351	24,884
	50,999	46,310

11. Creditors and Receipts in Advance

	31/03/20	31/03/21
	£	£
Inland Revenue - Payroll	13,426	13,753
Pension Fund - Payroll	10,151	12,108
Accruals	124,274	94,006
Deposits	3,286	3,213
Receipts in Advance	9,762	6,596
	160,899	129,676

12. Long Term Liabilities

Public Works Loan Board analysis of loans by maturity.

Principal Amounts	31/03/20	31/03/21
	£	£
Less than one (Creditor)	9,500	0
One to two	0	0
	9,500	0

13. Summary of Movements on Reserves

The Council keeps several reserves in the Balance Sheet. The movements on the reserves can be summarised as follows:

Reserve	Balance 31 March 2020 £	Movement in Year £	Balance 31 March 2021 £	Purpose of Reserve
Earmarked Reserve (see note 14)	357,370	(8,288)	349,082	Resources available to meet specific spending plans.
Useable Capital Receipts Reserve (see note 14)	2,650,000	(64,432)	2,585,568	To be spent on future capital projects
General Reserve	539,778	20,677	560,455	Resources available to meet future costs of services.
Capital Financing Account	2,213,496	(8,817)	2,204,679	Store of capital resources set aside to meet past expenditure
Total	5,760,644	(60,860)	5,699,784	

14. Earmarked Reserves & Useable Capital Receipts Reserve

Earmarked reserves allow monies to be set aside for uncompleted or delayed spending plans on projects or repairs of assets.

	Cttee	01 April 2020	Transfers Between Reserves	Approved Release of Reserves	Amounts Used	Transfers to Reserves (year end)	Balance Remaining
EARMARKED RESERVES 2020-21							
Capital improvement programme (CIP)	CSC	0	116,500	34,500			116,500
Audio Visual Equipment	CPF	10,030		10,030			10,030
Storage Facility	CSC	116,500	(116,500)				0
Town Centre Improvements	CSC	42,220	(19,115)				23,105
Farmers Market Stalls	CSC	9,640					9,640
Car Park Improvements	CSC	7,600	(7,600)				0
Commons and Greens Spaces - management plans	CSC	67,990	(38,105)	29,890	29,885	(6,367)	6,367
Play Areas and Playgrounds Improvements	CSC	9,800					9,800
Allotments - repairs and maintenance	CSC	17,885	(15,205)				2,680
Grants and Business Support	CPF	7,820	1,410				9,230
Staff Training	CPF	4,000					4,000
Staff Resources	HR	61,320		46,190	27,980		33,340
Dementia Café	CPF	1,155					1,155
VE Day	CSC	1,410	(1,410)				0
Elections	CPF	0				(5,000)	5,000
Health Liability Insurance	CPF	0				(8,210)	8,210
General budget 2021/22 subsidy	CSC	0	64,820				64,820
Tree planting	CSC	0				(5,000)	5,000
Sustainability projects	CSC	0	15,205				15,205
New assets contingency	CSC	0				(25,000)	25,000
		357,370	0	120,610	57,865	(49,577)	349,082

	Cttee	01 April 2020	Transfers Between Reserves	Approved Release of Reserves	Amounts Used	Transfers to Reserves (year end)	Balance Remaining
USEABLE CAPITAL RECEIPTS RESERVES 2020-21							
Subject to taking ownership of assets involved							
CIP - Invest in new play equipment at Rothamsted Park	CSC	0	150,000	150,000			150,000
CIP - Invest in new play equipment for Roundwood Lane Open Space	CSC	0	80,000				80,000
CIP - Invest in new play equipment for Wood End Open Space	CSC	0	80,000				80,000
CIP - New 3G pitch in Rothamsted Park	CSC	0	250,000				250,000
CIP - New Clubhouse/pavilion in Rothamsted Park	CSC	0	350,000				350,000
CIP - Improvement works to Cricket square in Rothamsted Park	CSC	0	10,000				10,000
CIP - Improved Grass pitches in Rothamsted Park	CSC	0	20,000				20,000
Projects							
CIP - Install Boardwalk at Battford Springs Nature Reserve	CSC	0	100,000	107,400		(7,400)	107,400
CIP - Improve/resurface vehicular access onto the Common from Baa Lambs Car Park	CSC	0	50,000				50,000
CIP - Improve insulation of Council buildings	CSC	0	20,000				20,000
CIP - Festive lighting displays	CSC	0	100,000	44,700			100,000
CIP - Provide funding for the HTC public realm improvement plan	CSC	0	150,000				150,000
CIP - Every school and public area with a defibrillator	CSC	0	3,000				3,000
CIP - Friendship Benches	CSC	0	2,000				2,000
CIP - Tree planting across open spaces	CSC	0	50,000				50,000
CIP - Install water refill stations in public spaces	CSC	0	20,000				20,000
CIP - Increase depth of parking area opposite British Legion	CSC	0	30,000				30,000
CIP - Improve existing footpaths and adding new ones around Harpenden	CSC	0	100,000				100,000
CIP - Provide more secure cycle parking in the town centre.	CSC	0	15,000				15,000
CIP - Entrance to station on South side/from Southdown	CSC	0	35,000				35,000
One-off spend							
CIP - Funds to replace Town Council maintenance vehicles	CSC	0	70,000	70,000	45,017		24,983
CIP - Purchase of additional HTC maintenance equipment	CSC	0	20,000	20,000	13,995		6,005
CIP - Upgrade events team equipment such as gazebos	CSC	0	5,000				5,000
CIP - Storage facility	CSC	0	116,500	116,500			116,500
CIP - Fencing and Pathways at Porters Hill	CSC	0	10,000	10,000			10,000
Legal Commitment							
CIP - Allotment improvements	CSC	0	132,500	20,000	12,820		119,680
Capital improvements programme (CIP) unallocated	CSC	2,650,000	(1,969,000)				681,000
		2,650,000	0	538,600	71,832	(7,400)	2,585,568

STATEMENT OF ACCOUNTING POLICIES

General Principles

The Statement of Accounts summarises the Councils transactions for the 2020/21 financial year and its position at the year ended 31 March 2021.

The Town Council prepares an Annual Governance and Accountability Return for review by its External Auditors in line with proper accounting practices for smaller relevant bodies as laid down in the Governance and Accountability for Smaller Authorities in England.

These statements have been prepared having regard to standard accounting concepts and provide additional detail to the information provided in the audited annual governance and accountability return. Certain requirements have been omitted for clarity and simplicity as these statements are not subject to audit.

The accounting convention adopted is historic cost.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular:

Fees, charges and rents due from customers are accounted for as income at the date the Council provided the relevant goods or services. Supplies are recorded as expenditure when they are received. The exceptions to this rule are payments of insurance premiums and regular periodic accounts (e.g., telephones), which are charged on a consistent basis i.e., at the date of meter readings rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on any one-years accounts.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

Overheads and Support Services

Staffing costs are aggregated centrally and defined in line with the management structure, i.e., corporate, finance and business services. Office and other overheads are also aggregated centrally.

Grants and Contributions (revenue)

Whether paid on account, by instalment or in arrears; grants and third-party contributions and donations are recognised as income at the date that the Town Council satisfies the conditions of entitlement to the grant/contribution, there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. They are matched in revenue accounts with the service expenditure to which they relate.

Grants and Contributions (capital)

Where grants and contributions are received that are identifiable to fixed assets with a finite useful life, the amounts would be credited to the Income and Expenditure Account to offset the cost of purchasing the asset.

Operating Leases

Rentals paid under leasing agreements have been accrued and accounted for through the revenue accounts in the period to which they relate.

Fixed Assets

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

Recognition: Expenditure above the Councils de minimis level of £5,000 on the acquisition, creation or enhancement of tangible fixed assets is written off to the Town Councils Income and Expenditure Account in the year of acquisition. Expenditure on fixed assets is then included in the Balance Sheet with a corresponding transaction shown in the Capital Financing Account if it yields benefits to the Council for more than one financial year.

The use of a de minimis level of £5,000 for tangible fixed assets, excluding land and property, allows for a consistent approach in recording capital expenditure.

Measurement: Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.

Tangible Fixed Assets (excluding non-operational assets) are held in the Balance Sheet at historic cost together with subsequent acquisitions and enhancements. Non-operational fixed assets have been included in the Balance Sheet at open market value. Community Assets for which cost of purchase is not available are recorded at the nominal value of £1.

Disposals: When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Capital Financing Account. Receipts from disposals are credited to the Income and Expenditure Account. Amounts more than £10,000 and categorised as capital receipts within the meaning of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 would be carried to a Usable Capital Receipts reserve which could only be used for new capital investment or set aside to reduce the Councils borrowing requirement.

Depreciation: Depreciation is provided for on all assets with a determinable finite life, except for non-operational assets, by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use. Depreciation is calculated on the following basis:

Leasehold buildings	over 45 years on a straight line basis
Equipment, Vehicles etc.	between 3 and 20 years on a straight line basis.

Short Term Investments

Investments are included in the Balance Sheet at historic cost and realised gains or losses would be taken into the Income and Expenditure as realised. The Town Council currently only holds short term fixed rate investments; these will mature during the following financial year and have been included at the lower of cost or net realisable value.

VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected and paid is accountable to HM Revenues and Customs and all VAT paid is recoverable from it.

Long Term Liabilities

The Town Council entered into long-term borrowing with the Public Works Loan Board to fund the lease acquisition of Park Hall and building of the Town Hall. These were fixed rate loans and the Councils only borrowing. The Council has made the final loan repayment and is now debt-free in that it has no long-term borrowing to finance capital expenditure.

Loan repayments, both principle and interest are included in the Income and Expenditure Account and transferred to the Balance Sheet with a corresponding entry in the Capital Financing Account.

Reserves

The Council maintains reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by appropriating amounts from the net surplus. When expenditure to be financed from the reserve is incurred, it is charged to the Income and Expenditure Account in that year within the net cost of services. The reserve is then appropriated back into the General Reserve.

The Capital Financing Account is kept to manage the accounting processes for fixed assets and does not represent useable resources for the Council.

Pensions

Employees of the Council are members of the Local Government Pensions Scheme administered by the Local Pensions Partnership on behalf of Hertfordshire County Council. The scheme provides defined benefits to members (retirement lump sum and pensions), earned as employees working for the Council.

Pension contributions made by the Town Council are charged against the precept in the Income and Expenditure Account. These contributions are determined by the funds actuary following triennial valuation of the funds assets and liabilities, and are set in accordance with relevant government regulations which require benefits to be fully funded. The latest triennial valuation was completed in March 2020.

