

## ALDENHAM PARISH COUNCIL

<b>Council Document</b> To review the debtors and creditors accounts for 2020/21 and decide on any action to be taken	<b>AGENDA item 12</b> <b>Finance &amp; General Purposes</b> <b>Committee Meeting 12<sup>th</sup> April 2021</b>
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### Background

As part of the year-end work for 2020/21 the council is asked to review what debts are outstanding and propose actions to the full council.

The Council Manager reviews monthly the debtors and creditors and will take any long term debts to full council to ask them to either 'write off' or permission to pursue through legal means if felt appropriate.

In March 2020 at the start of the pandemic, the council resolved to pay all the utility invoices for the Radlett Centre until the Radlett Centre was opened and to not charge for the services of the Company Secretary. This was to support the Radlett Centre Trust as the building was closed, so no income from shows and hirers was possible. Under the common cost guidance, the Radlett Centre would pay 75% of the utility bills and would also pay APC £4,851 for the Company Secretary Services. The council informed the Radlett Centre Trust that once the building was open again and receiving income then the outstanding invoices would be billed over the following twelve months.

APC continued to pay the grant of £120,000, the £14,000 Life Cycle Grant, rental of the council offices in the Radlett Centre (£6,547), and the common costs (25%) for maintenance of the building totalling approximately £5,000.

A separate invoiced area is the RCT Maintenance & Cleaning arrangement. This is for cleaning the building and for the Radlett Centre to administer the maintenance of the building. Any invoices for the actual works are dealt with separately. There is a quarterly charge for this of £2,372.50 which was paid for the first quarter as there was still works carried out. However, council asked for further clarification regarding what this covered for the rest of the year, so there is still £7,117.50 outstanding debt for the council.

The Assistant Manager has advised the accounts clerk of the Radlett Centre Trust of the invoices for utilities and other common costs such as photocopier rental and use, water machine, telephones etc. for their records. These total so far, with February and March still to be added as net £14,000 for utilities and £7,500 for other common costs.

Currently these are all in a contra account so do not show on the final balance but a way forward needs to be agreed, especially as this 'common costs' arrangement ended on 31<sup>st</sup> March 2021 and the Radlett Centre now receives a lump sum for it to manage accordingly.

### Recommendations

- a) That APC agree to net these figures off (£21,500 plus the February/March invoices minus £7,117.50 owed to RCT) and invoices RCT for the remainder over the 2021/22 financial year.
- b) That APC inform RCT of this arrangement.

### **Reasons for recommendation**

This will ensure the records are straight for the year-end and the internal auditors when they visit.

### **Alternative options**

APC could take the net amount owed from the £137,000 figure allocated to the Radlett Centre although this may affect their financing initially as they are not expected to have income from shows until later in the year.

Members could propose another option which includes only paying a proportion of the RCT Cleaning & Maintenance invoices on the basis that the Radlett Centre has not been open.

### **Financial Implications**

Currently there is a deficit in the 2020/21 RCT contra account of over £21,500 which could have an effect on future finance planning.

### **Risk Management Implications**

To not address this issue would not be seen by auditors as good management practice.

Members are asked to consider this report.

Peter Evans  
Parish Council Manager