

## **Introduction**

1. This report sets out the Council's accounts for 2019-20. It compares the final outturn figures with the original budget for the year and the forecast produced as part of the budget process.
2. The proposed financial submission to the Council's external auditors is also attached for approval.

## **Background**

3. The Council's financial year runs from 1 April to 31 March. It is required to keep its accounts for that period in accordance with legal requirements, to report them for approval by the Council within three months of the year end, and to submit an annual return to its external auditors to a similar timescale. For 2020 only, however, this deadline has been extended to five months.
4. The Council is also required to employ the services of an internal auditor, who examines the accounts, reviews the Council's internal control, completes the internal audit section of the annual return, and may produce a report identifying any areas of concern to Members. This internal audit has been performed by Sandie Morris, who will be reporting independently to the Council, as required.
5. Subject to certain limited requirements, councils which turn-over less than £6.5 million per annum are not expected to comply with the accounting standards required of larger local authorities and have more freedom to determine their own form of accounts, subject to national recommendations on proper practices.

## **Accounts 2019-20**

6. The Council's net revenue spending for 2019-20 was £295,140. This can be seen in detail in the Income and Expenditure Account set out at Appendix 1. The resulting effect on the Council's balance sheet can be seen at Appendix 2.
7. This net spending of £295,140 compares with £276,388 in the previous year, an approved budget of £476,410 and a forecast made at the time the 2020-21 budget was prepared of £441,500. This is set out in more detail in Appendix 3.

8. Explanations of the major variations between the original budget and the forecast were included in a series of budget reports to this Committee and its Sub-Committees during December 2019 and January 2020. Details of the major variations from the forecast that was made at the time the 2020-21 budget was prepared are set out later in the report.
9. In a number of cases identified below, spending was originally anticipated and provided for in 2019-20, but that expenditure has been delayed until the current year. In such cases I have recommended that the budgets be rolled forward to the new financial year to meet the costs when they are incurred. A figure of £140,875 has been contributed to the Rollover Reserve to allow this transfer between years to happen. The details of the makeup of this reserve are set out in the explanation of variances below.

### **Explanation of Variances from Forecast**

10. Appendix 3 shows that the Council's net expenditure for 2019-20 was £146,360 less than forecast at the time the budget was prepared in January. Of this, £140,875 relates to budgets rolled over into the current financial year, leaving a true variance of £5,485 – an underspending of around 1.2%.
11. Details of the more significant variances from forecast (over £1,000 or where a rollover is proposed) are set out below:
12. **Frank Jordan Centre (net £2,057 underspent)** – Work on rebuilding walls (£500), marking out car parking spaces (£750) and upgrading Wi-Fi (£1,165) had not been undertaken as at 31<sup>st</sup> March 2020. An amount of £2,415 has been rolled forward via the rollover reserve to meet these costs.
13. **Stone Station (net £1,105 underspent)** – Work on upgrading Wi-Fi (£1,520) had not been completed at 31<sup>st</sup> March 2020. This amount has been rolled forward.
14. **Bus Shelters and Street Furniture (£1,853 underspent)** – Repairs/refurbishment to the kingfisher bench (£425) and Oulton Road bus shelter (£700) had not been undertaken as at 31<sup>st</sup> March 2020 and an amount of £1,125 has been rolled forward to meet these costs. In addition, a number of recurring maintenance tasks were not undertaken in the year due to a combination of bad weather and illness of the contractor.
15. **Building Maintenance (£9,700 underspent)** – The building maintenance budget of £10,000 was supplemented by a £9,700 rollover from 2018-19. This budget was subsequently reduced by £10,000 when setting the precept, leaving £9,700 unspent. This £9,700 has been rolled forward via the rollover reserve.
16. **Grounds Maintenance (£1,321 underspent)** – Replanting of town borders and Walton Roundabout (£1,200) were not completed during the financial year. This has been rolled forward into 2020-21.

17. **Allotments (£2,258 underspent)** – Works on the road (£1,000) and tree removal (£350) at Newcastle Road were planned for 2019-20, but have been delayed to the current year. An amount of £1,350 has been rolled forward via the rollover reserve to meet these costs.
18. **Christmas Lights (£1,100 underspent)** – Anchor bolt testing has been delayed from March 2019 due to the national lockdown. Due to this the full amount of this underspending has been rolled forward into 2020-21.
19. **Tourism and Town Promotion (£1,719 underspent)** –The underspend relates to the contingency provision provided in the budget not being fully required.
20. **Grants to Outside Bodies (£2,365 underspent)** – This underspending has been rolled forward via the rollover reserve.
21. **Administration (£4,901 overspent)** – The overspend is mainly due to the higher than expected initial costs of providing iPads for Councillors. The budget provided for six Members to take up iPad provision but the actual uptake was sixteen. This initial overspend will be recovered by greater than anticipated savings on paper, postage, etc. over the next few years. A rounded, negative amount of £4,900 will thus be rolled forward to reduce the administration budget in 2020-21 in anticipation of these savings. It should be noted that only part of these savings will be realised in 2020-21, so a reducing negative rollover should be expected in each of the next three years accounts.
22. **Stone Heritage Centre Capital (£125,000 underspent)** – No cost was incurred by the Council in 2019-20. The budget provision has been rolled over into 2020-21.

#### **Audit Submission**

23. The completed financial statement to be submitted to the Council's external auditors is attached at Appendix 4 and the summary year-end bank reconciliation which will accompany it is at Appendix 5. It should be noted that the net expenditure shown in the audit return is £887 different than set out in other parts of this report. This is because the Mayor's Charity Fund is required to be included within the accounts for external reporting purposes, but it is excluded from internal income and expenditure reports for the sake of clarity.

#### **Recommendations**

24. The Council are recommended to:
  - a. Approve the Council's Accounts for 2019-20 as set out in this document, including the use of the rollover reserve to allow the transfer of budgets between financial years and its proposed use in 2020-21.
  - b. Note the variances between the forecast outturn for 2019-20 and the actual outturn, and the reasons identified for the major variances.
  - c. Approve the financial statement for submission to the Council's external auditors.

# Stone Town Council

## Income and Expenditure Account 2019-20

2018-19			2019-20	
£	£		£	£
<b>Income</b>				
12,201		Frank Jordan Centre	15,807	
8,410		Stone Station	7,404	
20,375		Town Market	18,040	
3,607		Allotments	3,679	
2,600		Tourism & Town Promotion	585	
-		Community Bus	214	
25		Administration	-	
1,038		Civic Dinner & Hospitality	1,822	
-30		Miscellaneous	218	
572		Interest	950	
1,500		Neighbourhood Plan	-	
	<b>50,298</b>	<b>Total Income</b>		<b>48,719</b>
<b>Expenditure</b>				
27,564		Frank Jordan Centre	18,150	
17,157		Stone Station	17,199	
15,204		Town Market	7,638	
4,340		Car Parking	100	
8,908		Bus Shelters & Street Furniture	2,748	
782		Street Lighting	585	
405		Dog & Litter Bins	539	
-		Joules Clock	120	
329		Town Electricity Supply	308	
15,145		Grounds Maintenance	15,979	
1,432		Crown Meadow Improvements	2,893	
2,439		Allotments	2,621	
-		Environmental Projects	-	
12,975		Christmas Lights	14,900	
60		Advertising	360	
21,509		Tourism & Town Promotion	17,866	
3,527		Community Bus	-0	
4,637		Grants to Outside Bodies	5,635	
141,081		Salaries & Employment Costs	149,018	
4,455		Accommodation	4,915	
8,073		Insurances	6,632	
19,194		Administration	34,701	
2,632		Audit & Legal Fees	1,086	
-		Town Council Elections	26,636	
2,250		Allowances - Mayor & Deputy Mayor	2,460	
223		Regalia & Presentations	1,199	
2,719		Civic Dinner & Hospitality	3,362	
1,856		Remembrance Sunday & War Memorials	2,069	
789		Miscellaneous	2,303	
7,002		Neighbourhood Plan	1,838	
	<b>326,687</b>	<b>Total Expenditure</b>		<b>343,859</b>
	<b>276,388</b>	<b>Total Net Expenditure</b>		<b>295,140</b>
<b>Financing</b>				
289,489		Precept	297,860	
18,166		Council Tax Support Grant	18,399	
11,461		Concurrent Functions Allowance	11,461	
19,462		Transfer from (to) Earmarked Reserves	-114,227	
	<b>338,578</b>	<b>Total Financing</b>		<b>213,493</b>
	<b>62,190</b>	<b>Net Surplus for Year</b>		<b>-81,647</b>

# Stone Town Council

## Balance Sheet as at 31 March 2020

2018-19			2019-20	
£	£		£	£
		<b>Current Assets</b>		
1,919		Debtors	2,672	
1,615		Payments in Advance	4,044	
4,144		VAT Recoverable	3,868	
337,284		Cash at Bank and In Hand	392,153	
	<b>344,962</b>	<b>Total Current Assets</b>		<b>402,737</b>
		<b>Current Liabilities</b>		
10,098		Creditors	36,104	
931		Receipts in Advance	986	
2,143		Payroll Taxation	2,164	
	<b>13,171</b>	<b>Total Current Liabilities</b>		<b>39,253</b>
	<b><u>331,791</u></b>	<b>Total Net Assets</b>		<b><u>363,484</u></b>
		<b>Represented by</b>		
294,117		General Fund Balances	212,470	
34,753		Earmarked Reserves	148,980	
2,921		Mayor's Charity Fund	2,035	
	<b><u>331,791</u></b>	<b>Total Reserves and Balances</b>		<b><u>363,484</u></b>

# Stone Town Council

## Comparison of Actual 2019-20 with Budget and Forecast

Actual 2018-19	Actual 2019-20	Actual Compared With		Actual Compared With Forecast		Report Paragraph
		Approved Budget		Outturn		
		Budget 2019-20	Variance 2019-20	Forecast 2019-20	Variance 2019-20	
	£	£	£	£	£	
15,363	2,343	7,800	-5,457	4,400	-2,057	12
8,748	9,795	10,500	-705	10,900	-1,105	13
-	-	125,000	-125,000	-	-	
-5,171	-10,402	-13,200	+2,798	-10,100	-302	
4,340	100	4,500	-4,400	100	+0	
8,908	2,748	4,600	-1,853	4,600	-1,853	14
-	-	6,600	-6,600	-	-	
782	585	500	+85	600	-15	
405	539	700	-161	700	-161	
-	120	300	-180	1,000	-880	
329	308	400	-92	400	-92	
-	-	9,700	-9,700	9,700	-9,700	15
15,145	15,979	18,200	-2,221	17,300	-1,321	16
1,432	2,893	2,860	+33	3,700	-807	
-	-	-	-	-	-	
-1,168	-1,058	3,850	-4,908	1,200	-2,258	17
12,975	14,900	15,000	-100	16,000	-1,100	18
60	360	-	+360	-	+360	
18,909	17,281	21,100	-3,819	19,000	-1,719	19
3,527	-214	-	-214	-	-214	
4,637	5,635	8,000	-2,365	8,000	-2,365	20
141,081	149,018	150,300	-1,282	149,000	+18	
4,455	4,915	4,200	+715	4,100	+815	
8,073	6,632	8,500	-1,868	6,500	+132	
19,169	34,701	29,800	+4,901	29,800	+4,901	21
2,632	1,086	1,200	-114	1,200	-114	
-	26,636	28,000	-1,364	28,000	-1,364	22
2,250	2,460	3,200	-740	3,200	-740	
223	1,199	500	+699	950	+249	
1,681	1,540	1,500	+40	1,700	-160	
1,856	2,069	2,000	+69	2,000	+69	
818	2,085	11,500	-9,415	1,400	+685	
-572	-950	-600	-350	-850	-100	
5,502	1,838	9,900	-8,063	2,000	-163	
-	-	-	-	125,000	-125,000	
<b>276,388</b>	<b>295,140</b>	<b>476,410</b>	<b>-181,270</b>	<b>441,500</b>	<b>-146,360</b>	

## Section 2 – Accounting Statements 2019/20 for

## ENTStone Town Council RITY

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	288,528	331,791	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	289,489	297,860	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	79,925	78,579	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	141,081	149,018	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	185,070	195,728	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	331,791	363,484	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	337,284	392,153	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>
9. Total fixed assets plus long term investments and assets	294,104	306,312	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	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)	Yes	No	The Council, as a body corporate, 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 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

SIGNATURE: C. Parton

DD/MM/YY

Date

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

**Summary Bank Reconciliation**

Local Council Name: Stone Town Council

Financial year ending 31 March 2020

Prepared by \_\_\_\_\_ (Name and Position) Date \_\_\_\_\_

**Balance per bank statements as at 31 March 2020:**

	<u>£</u>	<u>£</u>
Current Account	1,500.00	
Business Reserve	377,045.05	
National Savings	<u>13,197.65</u>	
		391,742.70

**Less: unpresented cheques at 31 March 2020**

Cheque Number	013378	500.00	
			<u>500.00</u>

**Add: unbanked cash at 31 March 2020:**

	<u>910.66</u>	910.66
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**Net balances as at 31 March 2020****392,153.36****CASH BOOK**

Opening Balance 1 April 2019	337,283.66
Add: Receipts in the year	399,567.07
Less: Payments in the year	344,697.37
Closing balance per cash book as at 31 March 2020 (receipts and payments)	<b>392,153.36</b>