

Introduction

1. This report sets out the Council's accounts for 2020-21. 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.
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 2020-21

6. The Council's net revenue spending for 2020-21 was £278,341. 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 £278,341 compares with £295,140 in the previous year, an approved budget of £541,325 and a forecast made at the time the 2021-22 budget was prepared of £455,945. 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 2020 and January 2021. Details of the major variations from the forecast that was made at the time the 2021-22 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 2020-21, 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 £159,252 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 £177,604 less than forecast at the time the budget was prepared in January. Of this, £159,252 relates to budgets rolled over into the current financial year, leaving a true variance of £18,352 underspent.
11. Details of the more significant variances from forecast and proposals for rollover are set out below:
12. **Stone Station (net £3,897 underspent)** – An accounting adjustment was made in respect of rentals (£1,088), rates for Feb and March 2021 we included in the budget in error (£450), gas usage was reduced do to reduced use of the building (£600) and budgeted repairs to the roof were delayed (£1,800).
13. **Bus Shelters and Street Furniture (£4,206 underspent)** – A significant number of recurring maintenance tasks were not undertaken in the year due to the pandemic (£4,200). In addition, refurbishment of the Oulton Road bus shelter (£700) had not been undertaken as at 31st March 2021. An amount of £700 has been rolled forward to meet this latter cost.
14. **Building Maintenance (£19,700 underspent)** – The building maintenance budget of £10,000 was supplemented by a £9,700 rollover from 2019-20. This £19,700 has been rolled forward via the rollover reserve.
15. **Crown Meadow Improvements (£2,317 underspent)** - £900 of the underspending relates to maintenance work not undertaken due to the pandemic. A further £1,425 relates to work on the provision of a path across the amphitheatre not having been undertaken by 31st March 2021. This latter sum of £1,425 has been rolled forward into 2021-22.
16. **Allotments (£1,025 underspent)** – Works on tree removal (£350) at Newcastle Road were planned for 2020-21, but have been delayed to the current year. An amount of £350 has been rolled forward via the rollover reserve to meet this cost. In addition, a contingency of £500 provided in the budget for unforeseen works was not required.
17. **Environmental Initiatives (£2,750 underspent)** – Spending under this budget was delayed due to the pandemic. The unspent £2,750 has been rolled forward into 2021-22 via the rollover reserve.

18. **Grants to Outside Bodies (£6,385 underspent)** – This underspending has been rolled forward via the rollover reserve.
19. **Administration (£1,058 overspent)** – The overspend is mainly due to the higher than expected initial costs of providing iPads for Councillors in 2019. The 2019-20 budget provided for six Members to take up iPad provision but the actual uptake was sixteen. This initial overspend has continued to be recovered by greater than anticipated savings on paper, postage, etc. over this and the next few years. It was anticipated that this 2019-20 overspending would take a number of years to repay itself from savings. A negative amount of £1,058 will thus be rolled forward to reduce the administration budget in 2021-22 in anticipation of further savings.
20. **Miscellaneous (£6,564 underspent)** – The underspending relates to the as yet unutilised portion of the Helpline grant, a reduction in card charges due to reduced activity and the contingency provision, which was not required.
21. **Stone Heritage Centre Capital (£125,000 underspent)** – No cost was incurred by the Council in 2020-21. The budget provision has been rolled over into 2021-22.
22. **Covid Contingency (£4,000 unspent)** – This amount was not allocated to budgets in 2020-21. It may, however be required in 2021-22 due to the lockdown being longer than anticipated when the budget was prepared. This underspending has therefore been rolled over into the current year.

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 £133 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 2020-21 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 2021-22.
 - b. Note the variances between the forecast outturn for 2020-21 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 2020-21

2019-20			2020-21`	
£	£		£	£
Income				
15,807		Frank Jordan Centre	9,125	
7,404		Stone Station	3,635	
18,040		Town Market	7,103	
3,679		Allotments	3,843	
585		Tourism & Town Promotion	-	
214		Community Bus	-	
-		Salaries & Employment Costs	1,116	
-		Administration	-	
1,822		Civic Dinner & Hospitality	-120	
218		Miscellaneous	4,921	
950		Interest	308	
-		Neighbourhood Plan	-	
	48,719	Total Income		29,932
Expenditure				
18,150		Frank Jordan Centre	18,552	
17,199		Stone Station	16,338	
7,638		Town Market	4,630	
100		Car Parking	4,782	
2,748		Bus Shelters & Street Furniture	1,594	
585		Street Lighting	771	
539		Dog & Litter Bins	740	
120		Joules Clock	-	
308		Town Electricity Supply	257	
15,979		Grounds Maintenance	17,349	
2,893		Crown Meadow Improvements	3,683	
2,621		Allotments	1,118	
-		Environmental Initiatives	-	
14,900		Christmas Lights	21,268	
360		Advertising	360	
17,866		Tourism & Town Promotion	8,605	
-0		Community Bus	-	
5,635		Grants to Outside Bodies	3,980	
149,018		Salaries & Employment Costs	162,679	
4,915		Accommodation	4,768	
6,632		Insurances	6,184	
34,701		Administration	21,288	
1,086		Audit & Legal Fees	975	
26,636		Town Council Elections	-	
2,460		Allowances - Mayor & Deputy Mayor	2,534	
1,199		Regalia & Presentations	381	
3,362		Civic Dinner & Hospitality	90	
2,069		Remembrance Sunday & War Memorials	987	
2,303		Miscellaneous	4,357	
1,838		Neighbourhood Plan	-	
	343,859	Total Expenditure		308,273
	295,140	Total Net Expenditure		278,341
Financing				
297,860		Precept	310,649	
18,399		Council Tax Support Grant	18,399	
11,461		Concurrent Functions Allowance	11,461	
-114,227		Transfer from (to) Earmarked Reserves	-18,377	
	213,493	Total Financing		322,132
	-81,647	Net Surplus for Year		43,791

Stone Town Council

Balance Sheet as at 31 March 2021

<u>2019-20</u>			<u>2020-21</u>	
£	£		£	£
		Current Assets		
2,672		Debtors	1,220	
4,044		Payments in Advance	2,303	
3,868		VAT Recoverable	6,612	
392,153		Cash at Bank and In Hand	436,756	
	402,737	Total Current Assets		446,891
		Current Liabilities		
36,104		Creditors	15,596	
986		Receipts in Advance	198	
2,164		Payroll Taxation	5,312	
	39,253	Total Current Liabilities		21,106
	<u>363,484</u>	Total Net Assets		<u>425,785</u>
		Represented by		
212,470		General Fund Balances	256,260	
148,980		Earmarked Reserves	167,357	
2,035		Mayor's Charity Fund	2,168	
	<u>363,484</u>	Total Reserves and Balances		<u>425,785</u>

Stone Town Council

Comparison of Actual 2020-21 with Budget and Forecast

Actual 2019-20	Actual 2020-21	Actual Compared With		Actual Compared With Forecast		Report Paragraph
		Budget	Variance	Forecast	Variance	
£	£	£	£	£	£	
2,343	9,427	11,715	-2,288	9,300	+127	
9,795	12,703	16,860	-4,157	16,600	-3,897	12
-	-	20,000	-20,000	-	-	
-10,402	-2,473	-2,700	+227	-2,300	-173	
100	4,782	5,000	-218	5,000	-218	
2,748	1,594	9,025	-7,431	5,800	-4,206	13
585	771	600	+171	800	-29	
539	740	700	+40	800	-60	
120	-	300	-300	300	-300	
308	257	400	-143	400	-143	
-	-	19,700	-19,700	19,700	-19,700	14
15,979	17,349	17,800	-451	17,400	-51	
2,893	3,683	5,935	-2,252	6,000	-2,317	15
-1,058	-2,725	1,410	-4,135	-1,700	-1,025	16
-	-	2,750	-2,750	2,750	-2,750	17
14,900	21,268	26,600	-5,332	21,200	+68	
360	360	-	+360	-	+360	
17,281	8,605	7,600	+1,005	9,000	-395	
-214	-	-	-	-	-	
5,635	3,980	-	+3,980	10,365	-6,385	18
149,018	161,562	158,300	+3,262	162,700	-1,138	
4,915	4,768	4,500	+268	5,000	-232	
6,632	6,184	6,700	-516	6,200	-16	
34,701	21,288	20,230	+1,058	20,230	+1,058	19
1,086	975	2,000	-1,025	1,200	-225	
26,636	0	-	+0	-	+0	
2,460	2,534	3,300	-766	2,800	-266	
1,199	381	500	-119	200	+181	
1,540	210	1,700	-1,490	300	-90	
2,069	987	7,000	-6,013	1,300	-313	
2,085	-564	6,000	-6,564	6,000	-6,564	20
-950	-308	-500	+192	-400	+92	
1,838	-	7,900	-7,900	0	-	
-	-	180,000	-180,000	125,000	-125,000	21
-	-	-	-	4,000	-4,000	22
295,140	278,341	541,325	-262,984	455,945	-177,604	

Section 2 – Accounting Statements 2020/21 for

Stone Town Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
			<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward	331,791	363,484	<i>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.</i>
2. (+) Precept or Rates and Levies	297,860	310,649	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	78,579	59,792	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	149,018	162,679	<i>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.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	195,728	145,461	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	363,484	425,785	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	392,153	436,756	<i>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.</i>
9. Total fixed assets plus long term investments and assets	306,312	307,062	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>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>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

I certify that for the year ended 31 March 2021 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

Date

27/05/2021

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

08/07/2021

as recorded in minute reference:

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

Stone Town Council

Summary Bank Reconciliation as at 31st March 2021

BANK RECONCILIATION

Balance per bank statements as at 31 March 2021:

	£	£
Current Account	1,655.00	
Business Reserve	421,793.46	
National Savings	<u>13,307.63</u>	
		436,756.09

Less: unpresented cheques at 31 March 2021

None	<u> </u>	0.00
------	-----------------------------	------

Add: unbanked cash at 31 March 2021:

Overbanking	<u>-0.50</u>	-0.50
-------------	--------------	-------

Net balances as at 31 March 2021

436,755.59

CASH BOOK

Opening Balance 1 April 2020

392,153.36

Add: Receipts in the year	385,138.81	
Less: Payments in the year	<u>340,536.58</u>	
		44,602.23

Closing balance per cash book as at 31 March 2021

436,755.59