

Introduction

1. This report sets out the Council's accounts for 2021-22. 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 2021-22

6. The Council's net revenue spending for 2021-22 was £352,359. 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 £352,359 compares with £278,341 in the previous year, an approved budget of £597,752 and a forecast made at the time the 2022-23 budget was prepared of £479,672. 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 2021 and January 2022. Details of the major variations from the forecast that was made at the time the 2022-23 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 2021-22, 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 £112,790 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 2021-22 was £127,313 less than forecast at the time the budget was prepared in January. Of this, £112,790 relates to budgets rolled over into the current financial year, leaving a true variance of £14,523 underspent.
11. Details of the more significant variances from forecast and proposals for rollover are set out below:
12. **Frank Jordan Centre (net £5,001 underspent)** – Income was almost £3,000 more than expected, with a reduction in expenditure of just over £2,000.
13. **Stone Station (net £1,669 underspent)** – Income was £700 more than expected, with a reduction in expenditure of just under £1,000.
14. **Town Market (net £1,617 overspent)** - Income was around £1,800 less than expected, with a reduction in expenditure of around £200.
15. **Bus Shelters and Street Furniture (£2,979 underspent)** – Some recurring maintenance tasks were not undertaken in the year. A sum of £1,500 from the underspending has been rolled forward due to work not yet undertaken in respect of Oulton Road bus shelter (£700), Christchurch Way bus shelter (£400) and installation of the new noticeboard (£400).
16. **Grounds Maintenance (£1,575 overspent)** – One more monthly maintenance bill was received in 2021-22 than anticipated.
17. **Crown Meadow Improvements (£5,370 underspent)** - A sum of £4,875 from the underspending has been rolled forward due to work not yet undertaken in respect of scrape 1 (£2,200) tree replanting (£1,250) and the Amphitheatre path (£1,425).
18. **Allotments (£637 underspent)** – Works to clear overgrown plots has been delayed. An amount of £400 has been rolled forward via the rollover reserve to meet this cost.
19. **Environmental Initiatives (£5,750 underspent)** – Spending under this budget has been delayed. The unspent £5,750 has been rolled forward into 2022-23 via the rollover reserve.

20. **Tourism and Town Promotion (£8,358 underspent)** – There has been a significant underspending from this budget as events have not taken place due to the pandemic.
21. **Grants to Outside Bodies (£3,144 overspent)** – The overspending is mainly due to two grant payments that were not expected when the budget was prepared and a notional payment from this budget to the Frank Jordan Centre and Station income budgets to cover free use granted to the Stone Scouts.
22. **Salaries and Employment Costs (£2,955 underspent)** – This is due to the 2021-22 pay award not being agreed until 2022-23.
23. **Administration (£10,927 overspent)** – The overspend is mainly due to the four yearly office IT refresh, for which a sum of £8,000 has been rolled forward to reduce budgets in future years in anticipation of savings. It also relates to the ongoing impact of higher than expected initial costs of providing iPads for Councillors in 2019, the replacement of the Council Chamber coffee machine and a higher than anticipated cost of training.
24. **Town Council Elections (£1,118 underspent)** – The cost of the by-election was £7,882 compared with the estimate of £9,000.
25. **Stone Heritage Centre Capital (£108,268 underspent)** – The main contract has not yet been let. An amount of £108,265 has been rolled forward to 2022-23 to meet these costs in that year.

Audit Submission

26. 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 £740 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

27. The Council are recommended to:
 - a. Approve the Council's Accounts for 2021-22 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 2022-23.
 - b. Note the variances between the forecast outturn for 2021-22 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 2021-22

2020-21			2021-22	
£	£		£	£
Income				
9,125		Frank Jordan Centre	20,157	
3,635		Stone Station	7,902	
7,103		Town Market	16,479	
-		Crown Meadow Improvements	500	
3,843		Allotments	3,847	
-		Tourism & Town Promotion	500	
1,116		Salaries & Employment Costs	3,558	
-120		Civic Dinner & Hospitality	-173	
4,921		Miscellaneous	-	
308		Interest	51	
	29,932	Total Income		52,821
Expenditure				
18,552		Frank Jordan Centre	18,055	
16,338		Stone Station	15,934	
4,630		Town Market	10,096	
4,782		Car Parking	-	
1,594		Bus Shelters & Street Furniture	6,071	
771		Street Lighting	607	
740		Dog & Litter Bins	740	
-		Joules Clock	-	
257		Town Electricity Supply	342	
17,349		Grounds Maintenance	21,135	
3,683		Crown Meadow Improvements	-	
1,118		Allotments	1,730	
-		Environmental Initiatives	-	
21,268		Christmas Lights	21,884	
360		Advertising	-	
8,605		Tourism & Town Promotion	14,742	
3,980		Grants to Outside Bodies	5,729	
162,679		Salaries & Employment Costs	150,604	
4,768		Accommodation	5,393	
6,184		Insurances	6,342	
21,288		Administration	35,969	
975		Audit & Legal Fees	1,044	
-		Town Council Elections	7,882	
2,534		Allowances - Mayor & Deputy Mayor	2,604	
381		Regalia & Presentations	307	
90		Civic Dinner & Hospitality	2,065	
987		Remembrance Sunday & War Memorials	1,623	
4,357		Miscellaneous	2,027	
-		Neighbourhood Plan	525	
-		Stone Heritage Centre (Setup)	71,732	
	308,273	Total Expenditure		405,179
	278,341	Total Net Expenditure		352,359
Financing				
310,649		Precept	328,803	
18,399		Council Tax Support Grant	20,509	
11,461		Concurrent Functions Allowance	11,461	
-18,377		Transfer from (to) Earmarked Reserves	46,987	
	322,132	Total Financing		407,760
	43,791	Net Surplus for Year		55,401

Stone Town Council

Balance Sheet as at 31 March 2022

<u>2020-21</u>			<u>2021-22</u>	
£	£		£	£
		Current Assets		
1,220		Debtors	1,489	
2,303		Payments in Advance	2,353	
6,612		VAT Recoverable	2,012	
436,756		Cash at Bank and In Hand	449,485	
	446,891	Total Current Assets		455,338
		Current Liabilities		
15,596		Creditors	14,968	
198		Receipts in Advance	1,838	
5,312		Payroll Taxation	5,072	
	21,106	Total Current Liabilities		21,878
	<u>425,785</u>	Total Net Assets		<u>433,460</u>
		Represented by		
256,260		General Fund Balances	311,662	
167,357		Earmarked Reserves	120,370	
2,168		Mayor's Charity Fund	1,428	
	<u>425,785</u>	Total Reserves and Balances		<u>433,460</u>

Section 2 – Accounting Statements 2021/22 for

Stone Town Council

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	363,484	425,785	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	310,649	328,803	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	59,792	84,791	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	162,679	150,604	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	145,461	255,315	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	425,785	433,460	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	436,756	449,485	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	307,062	308,166	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	N/A	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 2022 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

16/05/22

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

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 2022

BANK RECONCILIATION

Balance per bank statements as at 31 March 2022:

	£	£
Current Account	1,500.00	
Business Reserve	434,676.42	
National Savings	<u>13,308.96</u>	
		449,485.38

Less: unpresented cheques at 31 March 2022

None	<u> </u>	0.00
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Add: unbanked cash at 31 March 2022:

Overbanking	<u>-0.50</u>	-0.50
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Net balances as at 31 March 2022

449,484.88

CASH BOOK

Opening Balance 1 April 2021

436,755.59

Add: Receipts in the year	450,378.67	
Less: Payments in the year	<u>437,649.38</u>	

12,729.29

Closing balance per cash book as at 31 March 2022

449,484.88