

Introduction

1. This report sets out the Council's accounts for 2022-23. 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 2022-23

6. The Council's net revenue spending for 2022-23 was £300,248. 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 £300,248 compares with £352,359 in the previous year, an approved budget of £668,590 and a forecast made at the time the 2023-24 budget was prepared of £622,410. 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 2022 and January 2023. Details of the major variations from the forecast that was made at the time the 2023-24 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 2022-23, 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 £305,564 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 £322,162 less than forecast at the time the budget was prepared in January. Of this, £305,564 relates to budgets rolled over into the current financial year, leaving a true variance of £16,568 underspent.
11. Details of the more significant variances from forecast and proposals for rollover are set out below:
12. **Frank Jordan Centre (net £6,371 underspent)** – Income was almost £5,000 more than expected, with a reduction in expenditure of around £1,500.
13. **Stone Station (net £31,822 underspent)** – This is largely due to the Council being planned work on roof repairs not taking place. The budget to undertake these repairs has been rolled forward into 2023-23.
14. **Town Market (net £1,486 overspent)** - Income was around £1,100 less than expected, with an increase in expenditure of around £350.
15. **Bus Shelters and Street Furniture (£2,694 underspent)** – Some recurring maintenance tasks were not undertaken in the year, including painting and glass replacement. This will be undertaken this year with the cost met from this year's budget. There does not appear to be a need to carry any provision forward via rollover.
16. **Grounds Maintenance (£3,477 underspent)** – This is due to anticipated work not being undertaken. £2,600 has been rolled forward into the 2023-24 budget to cover the cost of one-off items delayed to that year.
17. **Crown Meadow Improvements (£1,739 underspent)** – A number of project costs were less than anticipated. A sum of £525 from the underspending has been rolled forward due to work not yet undertaken on bridge cleaning.
18. **Environmental Initiatives (£2,750 underspent)** – Spending under this budget has been delayed. The unspent £2,750 has been rolled forward into 2022-23 via the rollover reserve.

19. **Tourism and Town Promotion (£1,316 overspent)** – This overspending is due to costs for the King’s Coronation event being incurred in 2022-23, whilst the event budget is held in 2023-24. As a result, 2023-24 spending would be expected to be reduced correspondingly.
20. **Administration (£5,749 overspent)** – The overspend was anticipated and is mainly due to spreading the cost of the four yearly office IT refresh in 2021, for which a sum of £4,000 has been rolled forward to reduce budgets in future years in anticipation of savings. It also relates to the £1,500 recruitment costs for the Marketing and Events Organiser post.
21. **Audit and Legal Fees (£4,111 underspent)** – This mainly relates to an unused provision of £4,000 for a lease review.
22. **Miscellaneous (£1,223 underspent)** – This budget provides an element of contingency which was not required on this occasion.
23. **Interest (£1,535 underspent)** – The underspend is due to higher than anticipated bank balances and increased interest rates.
24. **Stone Heritage Centre Capital (£273,689 underspent)** – The main contract has recently been let, so the anticipated expenditure will now take place in 2023-24. The unspent budget has been rolled forward to meet these costs in that year.

Audit Submission

25. 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 £1,365 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

26. The Council are recommended to:
- a. Approve the Council’s Accounts for 2022-23 as set out in this document, including the use of the rollover reserve to allow the transfer of budgets between financial years and the proposed use of those budgets in 2023-24.
 - b. Note the variances between the forecast outturn for 2022-23 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 2022-23

2021-22		2022-23	
£	£	£	£
Income			
20,157		22,883	
7,902		7,164	
16,479		16,603	
500		-	
3,847		4,049	
500		1,019	
3,558		-	
3,559		374	
-173		2,122	
-		1	
51		2,515	
52,821		56,731	
Expenditure			
18,055		17,063	
15,934		16,662	
10,096		12,459	
-		-	
6,071		2,766	
607		962	
740		763	
-		-	
342		590	
21,135		21,473	
-		5,521	
1,730		2,871	
-		-	
21,884		17,785	
-		-	
14,742		25,525	
5,729		4,655	
150,604		169,183	
5,393		5,496	
6,342		6,620	
35,969		26,373	
1,044		1,440	
7,882		-	
2,604		2,682	
307		3,359	
2,065		3,735	
1,623		2,708	
2,027		1,678	
525		-	
71,732		4,611	
405,179		356,978	
352,359	Total Net Expenditure	300,248	
Financing			
328,803		355,843	
20,509		21,419	
11,461		11,461	
46,987		-192,774	
407,760	Total Financing	195,949	
55,401	Net Surplus for Year	-104,298	

Stone Town Council

Balance Sheet as at 31 March 2023

2021-22			2022-23	
£	£		£	£
Current Assets				
1,489		Debtors	8,498	
2,353		Payments in Advance	2,296	
2,012		VAT Recoverable	2,083	
449,485		Cash at Bank and In Hand	540,268	
	455,338	Total Current Assets		553,145
Current Liabilities				
14,968		Creditors	17,640	
1,838		Receipts in Advance	6,007	
5,072		Payroll Taxation	6,197	
	21,878	Total Current Liabilities		29,844
	<u>433,460</u>	Total Net Assets		<u>523,302</u>
Represented by				
311,662		General Fund Balances	207,364	
120,370		Earmarked Reserves	313,144	
1,428		Mayor's Charity Fund	2,794	
	<u>433,460</u>	Total Reserves and Balances		<u>523,302</u>

Stone Town Council

Comparison of Actual 2022-23 with Budget and Forecast

Actual 2021-22	Actual 2022-23	Actual Compared With Approved Budget		Actual Compared With Forecast Outturn		Report Paragraph
		Budget	Variance	Forecast	Variance	
		2022-23	2022-23	2022-23	2022-23	
£	£	£	£	£	£	
-2,101	-5,821	3,700	-9,521	550	-6,371	12
8,031	9,498	39,200	-29,702	41,320	-31,822	13
-	-	20,000	-20,000	-	-	
-6,383	-4,144	-10,400	+6,256	-5,630	+1,486	14
6,071	2,766	7,780	-5,014	5,460	-2,694	15
607	962	700	+262	960	+2	
740	763	1,020	-257	760	+3	
-	-	300	-300	-	-	
342	590	400	+190	660	-70	
-	-	9,700	-9,700	-	-	
21,135	21,473	20,140	+1,333	24,950	-3,477	16
-500	5,521	13,415	-7,894	7,260	-1,739	17
-2,117	-1,178	-1,470	+292	-1,320	+142	
-	-	5,750	-5,750	2,750	-2,750	18
21,884	17,785	26,650	-8,865	18,600	-815	
14,242	24,506	28,250	-3,744	23,190	+1,316	19
5,729	4,655	8,300	-3,645	5,300	-645	
147,045	169,183	183,000	-13,817	168,400	+783	
5,393	5,496	5,510	-14	5,470	+26	
6,342	6,620	7,040	-420	6,620	-0	
35,969	25,999	18,900	+7,099	20,250	+5,749	20
1,044	1,440	5,240	-3,801	5,550	-4,111	21
7,882	-	-	-	-	-	
2,604	2,682	3,190	-508	3,190	-508	
307	3,359	500	+2,859	3,900	-541	
2,238	1,613	3,500	-1,887	2,000	-387	
1,623	2,708	2,060	+648	2,000	+708	
2,027	1,677	3,000	-1,323	2,900	-1,223	22
-51	-2,515	-50	-2,465	-980	-1,535	23
525	-	-	-	0	-	
71,732	4,611	263,265	-258,654	278,300	-273,689	24
352,359	300,248	668,590	-368,342	622,410	-322,162	

Section 2 – Accounting Statements 2022/23 for

ENT Stone Town Council RITY

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	425,785	433,460	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	328,803	355,843	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	84,791	90,976	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	150,604	169,183	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	255,315	187,795	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	433,460	523,301	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	449,485	540,268	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	308,166	288,868	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).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)	✓			The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)	✓			The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 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 REQUIRED

Date 17/05/2023

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

CONFIRMATION

as recorded in minute reference:

MINUTE REFERENCE

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

SIGNATURE REQUIRED

Stone Town Council

Summary Bank Reconciliation as at 31st March 2023

BANK RECONCILIATION

Balance per bank statements as at 31 March 2023:

	£	£
Current Account	1,500.00	
Business Reserve	525,446.31	
National Savings	<u>13,321.35</u>	
		540,267.66

Less: unpresented cheques at 31 March 2023

None	<u> </u>	0.00
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Add: unbanked cash at 31 March 2023:

None	<u> </u>	0.00
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Net balances as at 31 March 2023 **540,267.66**

CASH BOOK

Opening Balance 1 April 2022 **449,484.88**

Add: Receipts in the year	464,629.10	
Less: Payments in the year	<u>373,846.32</u>	
		90,782.78

Closing balance per cash book as at 31 March 2023 **540,267.66**