

# Seaton Valley Council

## A Community Council

**Report to:** Full Council 29 April 2020

**Report by:** Clerk and Responsible Financial Officer

**Subject:** Budgetary Control Report – Final Position 2020/21

### Purpose of Report

To provide detailed information on the Council's final outturn position for 2020/21 comparing actual and budgeted income and expenditure.

### Recommendations

**Council is recommended to receive the report and agree the budget carry forwards identified in paragraph 4 below.**

### Background

1. This report builds on the figures presented in the Council's 2020/21 Annual Governance and Accountability Return and compares actual income and expenditure with budgeted income and expenditure on a line by line basis. The report goes on to identify budgets required to be carried forward to the current year and reviews the level of reserves held by the Council.

### Budgets compared to actuals

2. The analysis attached at Appendix 5A details the Council's budgets on a line by line basis, and shows a comparison between latest budgets and actual income and expenditure. The column headed 'Variance' shows the applicable under or overspends against each individual budget head.

3. Members will note that the net variance equates to £88,050, however, this sum is made up of a number of ups and downs with the main ones being highlighted in the table below:

### Main Variances 2020/21

Item	Actual £	Budget £	Variance £	Comments
<b>Income</b>				
Allotment Rents	16,720	15,400	+1,320	One off deposits and better than anticipated occupancy. Balance to be carried forward to 2021/22.
Planning Grant	2,220	6,000	-3,780	Reduced income offset by reduced expenditure

## APPENDIX 5

Item	Actual £	Budget £	Variance £	Comments
<b>Expenditure</b>				
Staff Salaries	131,630	136,020	-4,010	Reduction in admin hours and reduced expenditure on training and recruitment.
General Overheads	42,150	45,870	-3,720	Reduced activity due to Covid.
Members Expenses	0	2,650	-2,520	No allowances claimed.
Allotments	16,450	21,400	-4,950	Underspend to be carried forward to 2020/21 to fund large projects recently ordered.
Public Conveniences	0	4,000	-4,000	NCC decision to charge this year due to increased number of visitors and ensuing litter and parking issues.
In Bloom	-3,750	3,750	-7,500	Balance to be carried forward to 2021/22.
Floral Planting	24,780	26,870	-2,850	Less than anticipated additional works in 2020/21.
Bus Shelters	22,900	39,000	-16,100	Carry forward from 19/20 excessive and not all of it was required.
Playgrounds	23,970	29,000	-5,030	
NCC Partnership	180,740	172,700	+8,040	Overspend will be offset by under spend in 2021/22
Community Fund	27,180	6,500	+20,680	Overspend all relates to grants given to schools to purchase additional IT equipment.
Members Small Schemes	7,620	50,000	-42,380	Budget will be carried forward to 2021/22
Support for Local Organisations	1,000	5,000	-4,000	Reduced call on funds
Branding	570	3,070	2,500	Reduced activity due to Covid
Moveable CCTV Equipment	0	3,000		Project delayed due to Covid
Pop up Cinema	0	2,500	-2,500	Project delayed due to Covid.
Neighbourhood Plan	4,510	8,000	-3,490	Offset by reduced grant income above.
SVCP Youth Project	9,000	15,000	-6,000	Reduced activity due to Covid

Budget carry forwards

4. There are a number of budgets that are required to be carried forward to 2021/22. The budgets affected are shown in the table below:

Budgets to carry forwards

<b>Budget Head</b>	<b>Carry forward/transfer requested £</b>	<b>Reason for request</b>
Allotments	6,270	Net underspend on earmarked budget
In Bloom	7,500	Various groups but significant income to carry forward for the Holywell group.
Members Small Schemes	42,380	Approximately 50% of expenditure committed but some schemes still to be identified.
<b>Total</b>	<b>56,150</b>	

5. In addition, Council has previously agreed to make a £20,000 per annum contribution to its Playground Replacement and Renewals Fund which will be processed as part of the year end close down procedure.

6. Therefore, after adjusting for budget carry forward requests and the contribution identified in the paragraph above the net under spend on the 2020/21 budget will be circa. £10,000 which is a little less than I have estimated in previous reports.

Level of reserves

6. The table below shows a build-up of the Council's reserves as at 31 March 2021 after taking into account the items identified in the table above:

Build up and analysis of reserves as at 31 March 2021

	<b>£</b>
Reserves brought forward 31 March 2019	<b>191,750</b>
Less agreed use of reserves during the year	(43,320)
Add actual underspend 2020/21	88,050
<b>Actual reserves as at 31 March 2021 as per Annual Return</b>	<b>236,480</b>

<b><u>Analysis of Reserves</u></b>	
Minimum level of reserves (see below)	90,000
<b>Earmarked reserves</b>	
Playgrounds – replacement and renewals fund	61,300
Flat and building maintenance fund	5,000
Net budgets carried forward to 2021/22	56,150
Unallocated reserves	24,030
<b>Total reserves analysed</b>	<b>236,480</b>

Minimum level of reserves

7. The latest guidance on minimum levels of reserves (MLR) for small councils is set out in Governance and Accountability for Local Councils – A Practitioners Guide as updated in March 2020. Such guidance states that the amount of unallocated general reserves should be risked assessed on an annual basis.

8. Given that the Councils minimum level of reserves was reviewed two years ago I am quite happy to leave said level at £90,000. And for the avoidance of doubt, it is very much my view that this level of minimum balances (£90,000) is more than adequate for a council of Seaton Valley’s size, which has a moderate to low risk appetite and an unblemished financial performance record.

Conclusion

9. The Council has performed well from a financial perspective during 2020/21 and its finances remain in a healthy position. Unallocated balances (£24,030) are at adequate levels and earmarked reserves are being built up for future and specific developments.

10. Adjustments between budget heads will be made in the 2021/22 budgets to reflect minor under and over spends during 2020/21 and consequently, in terms of budgetary control, the Council should continue to see smaller variances between actual and budgeted income and expenditure as we move through the 2021/22 financial year.