

Seaton Valley Council

A Community Council

Report to: Full Council 27 April 2022

Report by: Clerk and Responsible Financial Officer

Subject: Budgetary Control Report – Final Position 2021/22

Purpose of Report

To provide detailed information on the Council's final outturn position for 2021/22 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 2021/22 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 7A 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 £95,780, 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
Income				
Allotment Rents	19,230	15,400	+3,830	One off deposits and better than anticipated occupancy. Offset by overspend on expenditure head.

APPENDIX 7

Item	Actual £	Budget £	Variance £	Comments
Expenditure				
Staff Salaries	115,940	123,560	-7,620	Reduction in admin hours and vacant post for a period of 4 months..
General Overheads	50,280	58,250	-7,970	Less activity than anticipated.
Members Expenses	10,380	2,650	+7,730	No allowances claimed but £10,250 charge for May elections.
Allotments	28,160	21,670	+ 6,490	Offset by over recovered income above and insurance claim still to be settled.
Public Conveniences	0	4,000	-4,000	NCC decision not to charge in 2021/22.
In Bloom	4,140	10,500	-6,360	Balance to be carried forward to 2022/23.
Bus Shelters	12,540	22,000	-9,460	Carry forward to 2022/23
Playgrounds	54,630	29,000	+25,630	Significant repairs and replacement costs incurred in 2021/22.
NCC Partnership	190,400	208,440	-18,040	Vacant apprentice post
Community Fund	3,580	8,500	-4,930	Less than anticipated demand
Members Small Schemes	19,700	46,970	-27,270	Budget will be carried forward to 2022/23
Support for Local Organisations	1,000	10,000	-9,000	Less than anticipated demand
Futures Magazine	7,050	15,060	8,010	Only two issues in 2021/22
Branding	1,890	3,070	1,180	Less than anticipated demand
Moveable CCTV Equipment	0	3,000		Project delayed.
Pop up Cinema	0	2,500	-2,500	Project delayed.
Neighbourhood Plan	0	2,000	-2,000	Residual expenditure not required.
SVCP Youth Project	3,940	15,000	-11,060	Funded post not filled.

Budget carry forwards

4. There are a number of budgets that are required to be carried forward to 2022/23. The budgets affected are shown in the table below:

Budgets to carry forwards

Budget Head	Carry forward/transfer requested £	Reason for request
In Bloom	6,360	Balances on a number of In Bloom Group accounts.
Bus Shelters	9,460	To fund Holywell shelter and outstanding seats.
Members Small Schemes	27,270	Monies remain to be spent in Holywell and Seghill. Report required to July Council meeting.
Total	43,090	

5. In addition, Council has previously agreed to make a £25,000 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 adjusted net under spend on the 2021/22 budget will be circa. £28,000, which is in line with my previous estimate.

Level of reserves

6. The table below shows a build-up of the Council's reserves as at 31 March 2022 after taking into account the items identified in the table above:

Build up and analysis of reserves as at 31 March 2022

	£
Reserves brought forward 31 March 2021	236,480
Less agreed use of reserves during the year	(26,650)
Add actual underspend 2021/22	95,790
Actual reserves as at 31 March 2022 as per Annual Return	305,620
<u>Analysis of Reserves</u>	
Minimum level of reserves (see below)	90,000
Earmarked reserves	
Playgrounds – replacement and renewals fund	86,300

Flat and building maintenance fund	5,000
Net budgets carried forward to 2021/22	43,090
Unallocated reserves	81,230
Total reserves analysed	305,620

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 2021. 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 2021/22 and its finances remain in a healthy position. Unallocated balances (£81,320) are at adequate levels and can be used to address any priorities that arise from the work that has just started to refresh our village plans. Additionally, earmarked reserves (particularly the play parks repairs and renewals fund) are being built up to fund future and specific developments.

SEATON VALLEY COMMUNITY COUNCIL						
Budgetary Control Report as at 31 March 2022						
	Budgeted	Allocation	TOTAL	Actual	Budget	Variance
	figure	fm Reserves	BUDGET	to 31/03/2022	31-Mar	
	£	£	£	£	£	£
Income						
Precept	572,170		572,170	572,170	572,170	0
Bank interest	2,000		2,000	2,195	2,000	-195
Flat rentals	11,300		11,300	11,850	11,300	-550
Allotment rents	15,400		15,400	19,228	15,400	-3,828
Advertising Income	1,500		1,500	550	1,500	950
Other Income	500	52,000	52,500	53,097	52,500	-597
NCC Members Contributions	0	11,030	11,030	11,028	11,030	2
Recharge to Services	8,000		8,000	8,000	8,000	0
Total Income	610,870	63,030	673,900	678,118	673,900	-4,218
Expenditure						
Staff salaries, NI	102,060	11,360	113,420	106,334	113,420	7,086
Employers Pension Cont's	9,000	1,140	10,140	9,604	10,140	536
OFFICE COSTS						
Staff expenses	2,570		2,570	2,255	2,570	315
Staff Training & Conferences	1,000		1,000	0	1,000	1,000
Staff recruitment	500		500	0	500	500
Telephone and broadband	1,530		1,530	1,473	1,530	57
Utilities (office)	3,060		3,060	3,457	3,060	-397
Repairs & Maintenance	1,000		1,000	1,066	1,000	-66
Office Cleaning	1,500		1,500	767	1,500	733
Office Supplies	1,110		1,110	130	1,110	980
Office Equipment/Furniture	700		700	199	700	501
IT Software and Equipment	500		500	169	500	331
IT Support	1,000		1,000	515	1,000	485

	Budgeted	Allocation	TOTAL	Actual	Budget	Variance
	figure	fm Reserves	BUDGET	to 31/03/2022	31-Mar	
	£	£	£	£	£	£
Office Maintenance Contracts	1,000		1,000	405	1,000	596
Venue Hire	300		300	126	300	174
Photocopying	1,000		1,000	927	1,000	73
Postage (inc. Freepost licence)	700		700	526	700	174
Stationery & Materials	1,310		1,310	564	1,310	746
Website Maintenance	1,000		1,000	4,260	1,000	-3,260
FEES AND CHARGES						
Insurances	6,430		6,430	4,514	6,430	1,916
PWLB Repayments	21500		21,500	21,396	21,500	104
Audits - Internal & External	1,800		1,800	1,800	1,800	0
Professional & Legal Fees	3,000		3,000	543	3,000	2,457
Public Notices	150		150	0	150	150
Subscriptions	3,000		3,000	2,747	3,000	253
Bank & credit card charges	230		230	259	230	-29
Flats Admin	1,130		1,130	1,215	1,130	-85
Maintenance of Flats	1,500		1,500	964	1,500	536
MEMBERS EXPENSES						
Councillors Expenses	500		500	0	500	500
Councillor Training	1,000		1,000	20	1,000	980
Election Expenses	0		0	10,255	0	-10,255
Parish Meeting	150		150	108	150	42
Youth Council	1,000		1,000	0	1,000	1,000
SERVICES						
Allotments	15,400	6,270	21,670	28,162	21,670	-6,492
Public Conveniences	4,000		4,000	0	4,000	4,000
Dog Fouling	18,480		18,480	18,087	18,480	393
Food Bank	4,000		4,000	3,142	4,000	858
Christmas Events	20,850		20,850	22,166	20,850	-1,316
Seaton Valley In Bloom	3,000	7,500	10,500	4,141	10,500	6,359
Floral Planting	26,590		26,590	25,505	26,590	1,085

	Budgeted	Allocation	TOTAL	Actual	Budget	Variance
	figure	fm Reserves	BUDGET	to 31/03/2022	31-Mar	
	£	£	£	£	£	£
Litter Bins	7,000		7,000	4,586	7,000	2,414
Bus Shelters	22,000		22,000	12,542	22,000	9,458
Playgrounds	29,000		29,000	54,632	29,000	-25,632
NCC Partnership	192,000	16,440	208,440	190,401	208,440	18,039
Clock Maintenance	300		300	269	300	31
Remembrance Day Wreaths	130		130	136	130	-6
ENGAGEMENT/DEVELOPMENT						
Community Fund	8,500		8,500	3,575	8,500	4,925
Village Events	5,500		5,500	1,179	5,500	4,321
Members Small Schemes	0	46,970	46,970	19,702	46,970	27,268
Support for Local Organisations	10,000		10,000	1,000	10,000	9,000
SVCP Capacity Building Support	4,000		4,000	4,000	4,000	0
Futures Magazine	15,060		15,060	7,052	15,060	8,008
Branding	3,070		3,070	1,888	3,070	1,182
Moveable CCTV Unit	3,000		3,000	0	3,000	3,000
Pop Up Cinema	2,500		2,500	0	2,500	2,500
Support for Public Transport	2,800		2,800	2,800	2,800	0
Neighbourhood Plan	2,000		2,000	0	2,000	2,000
YOUNG PEOPLE						
Youth Leisure - Active Northumberland	24,460		24,460	23,476	24,460	984
SVCP Youth Project	15,000		15,000	3,940	15,000	11,060
Total Expenditure	610,870	89,680	700,550	608,982	700,550	91,568
Total Income less Expenditure	0	-26,650	-26,650	69,136	-26,650	95,786