

# Seaton Valley Council

## A Community Council

**Report to:** Full Council 26 April 2017

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

**Subject:** Budgetary Control Report – Final Position 2016/17

### Purpose of Report

To provide detailed information on the Council's final outturn position for 2016/17 comparing actual and budgeted income and expenditure.

### Recommendations

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

### Background

1. This report builds on the figures presented in the Council's 2016/17 Annual 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 or transferred to earmarked reserves 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 £46,861, 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 2016/17 final outturn

Item	Actual £	Budget £	Variance £	Comments
<b>Income</b>				
Allotment Rents	14,234	11,280	+2,343	One off deposits and better than anticipated occupancy.
Premises Recharge	0	5,000	-5,000	Office sharing arrangements did not materialise

<b>Item</b>	<b>Actual £</b>	<b>Budget £</b>	<b>Variance £</b>	<b>Comments</b>
Planning Grant	0	7,000	-7000	Offset by underspend on Professional Fees
<b>Expenditure</b>				
Office Costs	18,087	19,500	-1,413	Budgets realigned in 2016/17.
Election expenses	6,130	0	+6,130	Cost of Seghill with Seaton Delaval by election.
Maintenance of Flats	515	1,500	-985	Underspend to be transferred to earmarked reserve.
Christmas Events	21,990	15,240	6,750	New contracting arrangements introduced.
Bus Shelters	29,961	40,500	-13,539	Less than anticipated repairs. New shelters cost less than estimated.
Playgrounds	4,740	13,460	-8,720	Repairs required were less than anticipated.
Community Fund	16,031	29,000	-12,969	Less than anticipated demand in first year of establishing budget.

Budget carry forwards/ transfer to earmarked reserves

4. There are a number of budgets that are required to be carried forward to 2017/18 and/or transferred to earmarked reserves. The budgets affected are shown in the table below:

Budgets to carry forward/transfer to earmarked reserves

<b>Budget Head</b>	<b>Carry forward/transfer requested £</b>	<b>Reason for request</b>
Allotments	4,700	C/Fwd net underspend
Flat maintenance	1,000	Transfer to earmarked reserve
Playgrounds	10,200	Transfer to earmarked reserve
Support for Retail Outlets	3,600	C/Fwd to fund outstanding expenditure
Gateway Installations	3,500	C/Fwd to fund outstanding expenditure
Community Fund	1,500	C/Fwd to fund 5 additional litter bins
<b>Total</b>	<b>24,500</b>	

5. Therefore, after adjusting for budget carry forward requests and/or transfers to earmarked reserves the net underspend on the 2016/17 budget is circa. £22,360 and is in line with previous projections.

Level of reserves

6. The table below shows a build-up of the Council's reserves as at 31 March 2017 after taking into account the items identified in the table above:

Build up and analysis of reserves as at 31 March 2017

	<b>£</b>
Reserves brought forward 31 March 2016	<b>182,553</b>
Less agreed use of reserves during the year	(44,110)
Add actual underspend 2016/17	46,861
<b>Actual reserves as at 31 March 2017 as per Annual Return</b>	<b>185,304</b>
Less budget carry forward requests identified above	13,300
<b>Adjusted level of reserves as at 31 March 2017</b>	<b>172,004</b>
<b><u>Analysis of Reserves</u></b>	
Minimum level of reserves (see below)	75,000
<b>Earmarked reserves</b>	
Support for 2017/18 Budget	19,000
Playgrounds – replacement and renewals fund	52,090
Flat and building maintenance fund	4,000
<b>Unallocated reserves</b>	
	<b>21,914</b>
<b>Total reserves analysed</b>	<b>172,004</b>

Minimum level of reserves

7. The latest guidance on minimum levels of reserves for small councils is set out in Governance and Accountability for Local Councils – A Practitioners Guide as updated in March 2014. Such guidance states that the amount of unallocated general reserves should be risked assessed on an annual basis.

8. Given the Council's excellent record of never exceeding budgeted spending, and that more than 50% of the Council's budget is expended on staffing and NCC partnership costs it is my view that the Council's minimum level of balances should be maintained at £75,000. In my view this level of balances is more than adequate for a council of Seaton Valley's size and risk appetite.

Conclusion

9. The Council has performed well from a financial perspective during 2016/17 and its finances remain in a healthy position. Unallocated balances are at adequate levels and progress has been made in beginning to earmark small levels of reserves for future and specific problems.

10. Adjustments between budget heads have been made in the 2017/18 budgets to reflect minor under and over spends during 2016/17 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 2017/18 financial year.

<b>SEATON VALLEY COMMUNITY COUNCIL</b>						
<b>Budgetary Control Report as at 31 March 2017</b>						
	<b>Budgeted</b>	<b>Allocation</b>	<b>TOTAL</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>figure</b>	<b>fm Reserves</b>	<b>BUDGET</b>	<b>to 31/03/2017</b>	<b>to 31/03/2017</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income</b>						
Precept	509,080		<b>509,080</b>	509,080	509,080	0
Bank interest	1,500		<b>1,500</b>	1,886	1,500	-386
Flat rentals	11,300		<b>11,300</b>	11,400	11,300	-100
Allotment rents	11,280		<b>11,280</b>	14,234	11,280	-2,954
Advertising Income	3,000		<b>3,000</b>	2,850	3,000	150
Christmas Tree Contribution	1,000		<b>1,000</b>	1,000	1,000	0
Other Income/Partnership Surplus	500	10,450	<b>10,950</b>	11,955	10,950	-1,005
Planning Grant	8,500		<b>8,500</b>	0	8,500	8,500
Litter Bins Contribution	0	8,910	<b>8,910</b>	8,907	8,910	3
Awards for All	0	9,460	<b>9,460</b>	9,460	9,460	0
Bellway Homes	0	11,000	<b>11,000</b>	11,000	11,000	0
Premises Recharge	5,000		<b>5,000</b>	0	5,000	5,000
S106 - Mitford Avenue		33,640	<b>33,640</b>	33,642	33,640	-2
<b>Total Income</b>	<b>551,160</b>	<b>73,460</b>	<b>624,620</b>	<b>615,415</b>	<b>624,620</b>	<b>9,206</b>
<b>Expenditure</b>						
Staff salaries, NI	90,500		<b>90,500</b>	92,039	90,500	1,539
Employers Pension Cont's	8,500		<b>8,500</b>	8,453	8,500	-47
Staff expenses	800		<b>800</b>	827	800	27
Staff Training & Conferences	1,000		<b>1,000</b>	35	1,000	-965
Staff recruitment	500		<b>500</b>	350	500	-150
<b>OFFICE COSTS</b>						
Telephone and broadband	1,500		<b>1,500</b>	1,982	1,500	482
Business Rates	2,990		<b>2,990</b>	2,735	2,990	-255
Utilities (office)	3,000		<b>3,000</b>	2,762	3,000	-238

	Budgeted	Allocation	TOTAL	Actual	Budget	Variance
	figure	fm Reserves	BUDGET	to 31/03/2017	to 31/03/2017	
	£	£	£	£	£	£
Repairs & Maintenance	1,000		1,000	2,962	1,000	1,962
Office Cleaning	3,000		3,000	695	3,000	-2,305
Office supplies	1,610		1,610	1,785	1,610	175
Office Equipment/Furniture	700		700	572	700	-128
IT Software and Equipment	500		500	1,051	500	551
IT Support	1,000		1,000	581	1,000	-419
Office Maintenance Contracts	1,000		1,000	559	1,000	-441
Venue Hire	300		300	95	300	-205
Photocopying & Printing	300		300	35	300	-266
Postage (inc. Freepost licence)	900		900	891	900	-9
Stationery & Materials	700		700	902	700	202
Website Maintenance	1,000		1,000	480	1,000	-520
<b>FEES AND CHARGES</b>						
Insurances	3,000		3,000	2,561	3,000	-439
PWLB repayments	21,500		21,500	21,396	21,500	-104
Audits - Internal & External	1,500		1,500	1,637	1,500	137
Professional & Legal Fees	11,500		11,500	4,013	11,500	-7,487
Public Notices	150		150	104	150	-46
Subscriptions	1,000		1,000	603	1,000	-397
Bank & credit card charges	80		80	130	80	50
Flats Admin	1,130		1,130	1,080	1,130	-50
Maintenance of Flats	1,500		1,500	515	1,500	-985
<b>MEMBERS EXPENSES</b>						
Councillors Expenses	500		500	275	500	-225
Councillor Training	1,000		1,000	0	1,000	-1,000
By Election	0		0	6,129	0	6,129
Parish Meeting	150		150	137	150	-13
Youth Council	1,000		1,000	0	1,000	-1,000
<b>SERVICES</b>						

	<b>Budgeted</b>	<b>Allocation</b>	<b>TOTAL</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>figure</b>	<b>fm Reserves</b>	<b>BUDGET</b>	<b>to 31/03/2017</b>	<b>to 31/03/2017</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Allotments	11,280	1,000	<b>12,280</b>	10,625	12,280	-1,655
Christmas Events	21,990		<b>21,990</b>	15,240	21,990	-6,750
Seaton Valley In Bloom	2,000	1,750	<b>3,750</b>	3,792	3,750	42
Floral Planting	23,000		<b>23,000</b>	22,779	23,000	-221
Litter Bins	5,000	8,910	<b>13,910</b>	13,936	13,910	26
Bus Shelters	42,000	-1,500	<b>40,500</b>	26,961	40,500	-13,539
Playgrounds	35,000	-21,540	<b>13,460</b>	4,740	13,460	-8,720
NCC Partnership	167,860		<b>167,860</b>	168,176	167,860	316
Clock Maintenance	300		<b>300</b>	0	300	-300
Remembrance Day Wreaths	130		<b>130</b>	105	130	-25
Use of 14/15 P/Ship Surplus	0	1,000	<b>1,000</b>	1,298	1,000	298
<b>ENGAGEMENT/DEVELOPMENT</b>						
Community Fund	25,000	4,000	<b>29,000</b>	16,031	29,000	-12,969
Support for Local Transport		4,000	<b>4,000</b>	3,578	4,000	-422
Play Park Consultation		2,750	<b>2,750</b>	2,828	2,750	78
Support for Retail Outlets		12,000	<b>12,000</b>	8,351	12,000	-3,649
Gateway Installations		7,000	<b>7,000</b>	3,575	7,000	-3,425
Bowling Equipment		3,000	<b>3,000</b>	2,929	3,000	-72
Newsletters	11,500		<b>11,500</b>	13,927	11,500	2,427
Branding	3,500		<b>3,500</b>	3,851	3,500	351
Crescent Play Area		20,000	<b>20,000</b>	18,593	20,000	-1,407
Mitford Avenue Play Area		75,200	<b>75,200</b>	75,235	75,200	35
<b>YOUNG PEOPLE</b>						0
Youth Leisure - Active Northumberland	22,790		<b>22,790</b>	22,725	22,790	-65
SVCP Youth Project	15,000		<b>15,000</b>	15,020	15,000	20
<b>Total Expenditure</b>	<b>551,160</b>	<b>117,570</b>	<b>668,730</b>	<b>612,663</b>	<b>668,730</b>	<b>-56,067</b>
<b>Total Income less Expenditure</b>	<b>0</b>	<b>-44,110</b>	<b>-44,110</b>	<b>2,751</b>	<b>-44,110</b>	<b>-46,861</b>