



# Lichfield City Council

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Town Clerk: Anthony Briggs

TB/F1/6

30 May 2019

**To: Members of the Audit Committee**

Councillor M Warfield (Chairman) Mrs J Greaves, I Jackson, Mrs A Lax, A Smith and C Spruce

**Also to:** Ms A James (Accounts Officer), and Mr G Keatley (Internal Auditor).

Dear Councillor

**Audit Committee**

You are invited to attend a meeting of the Audit Committee to be held in the Moulton Room, Guildhall at **6.30pm on Thursday, 6 June 2019** for the transaction of the business below.

Yours sincerely

Anthony Briggs  
Town Clerk

## AGENDA

**1 APOLOGIES FOR ABSENCE**

**2 MINUTES**

To confirm as a correct record the Minutes of the Audit Committee meeting held on 18 March 2019, **attached**. *NB: Appendices were previously circulated to all Councillors with the agenda for the Council meeting on 23 April 2019 when the minutes were adopted.*

**3 MATTERS ARISING FROM MINUTES**

**4 OUT-TURN REPORT AND STATEMENT OF ACCOUNTS**

To consider the Town Clerk's Out-turn Report (**APPENDIX 1**, attached) and draft Annual Return (**APPENDIX 2**, attached) for the year ending 31 March 2019; and the recommendations contained in the report.

**5 DATE AND TIME OF NEXT MEETING**

Scheduled for Thursday, 12 March 2020 at 6.30pm.

\* \* \* \* \*



## **Lichfield City Council**

### **Minutes of the Audit Committee held at 6.30pm on Tuesday, 18 March 2019 in the Moulton Room, Guildhall**

**Present:** Councillors B Cocksey (Chairman), J Brooks, D Leytham, Mrs J Greaves, C Spruce and Mrs L Warfield

**Apologies:** None

**In Attendance:** Mr A Briggs (Town Clerk and RFO), Mr G Keatley (Internal Auditor). Ms A James (Accounts Officer), Ms S Thomas (Deputy Town Clerk)

#### **5 MINUTES**

**RESOLVED:** *That the Minutes of the meeting of the Audit Committee meeting held on 7 June 2018 [Minutes approved by the City Council on 18 June 2018] be confirmed as a correct record.*

#### **6 INTERNAL AUDIT ANNUAL REPORT 2018-2019**

The Internal Auditor presented his Internal Audit Annual Report 2018-2019, (which incorporated the Management Risk Register). Members discussed the detail of the report and the recommendations therein and agreed the management response.

Members of the Committee expressed their appreciation to the Internal Auditor for producing a clear and comprehensive report.

**RECOMMENDED:** *That the Council note the Internal Audit Annual Report 2018-2019, and adopt the recommendations and timescales as contained in that Report.*

#### **7 ANNUAL REVIEW OF EFFECTIVENESS OF SYSTEM OF INTERNAL CONTROL**

Members undertook a review of the effectiveness of the System of Internal Control as required by Regulation 5 of the Accounts and Audit Regulations 2015 (Internal Audit).

**RECOMMENDED:** *That the Review findings as contained in Appendix A to these Minutes be presented to Council for adoption.*

#### **8 TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT 2019-2020**

Consideration was given to the Treasury Management Policy and Strategy Statement.

**RECOMMENDED:** *That the Council adopt the Treasury Management Policy and Strategy Statement 2019-2020, as contained in Appendix B to these Minutes.*

#### **9 RESERVES POLICY**

Consideration was given to the City Council's Reserves Policy.

**RECOMMENDED:** *That the Council adopt the Reserves Policy as contained in Appendix C to these Minutes.*

**10     AUDIT PLAN**

The Committee considered the Audit Plan which set out the proposed work programme for the Internal Auditor for 2019-2020 and beyond.

***RECOMMENDED: That the Council adopt the Audit Plan as contained in Appendix D to these Minutes.***

**11     DATE AND TIME OF NEXT MEETING**

Scheduled for Thursday 6 June 2019 at 6.30pm.

**THERE BEING NO FURTHER BUSINESS  
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 7.25 PM**

## **THE REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT**

### **Legislative framework**

Regulation 4 of the Accounts and Audit Regulations 2015 (Accounting records and control systems) requires The authorities responsible financial officer must determine, on behalf of the authority-

- 1) The form of its accounting records and supporting records ensuring that the authorities accounting records are kept up to date
- 2) Its financial control system including measures. To ensure that the financial records are recorded timely and accurately, enable prevention and detection of inaccuracies and fraud ensure risk is appropriately managed and identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers

Regulation 5 of the Accounts and Audit Regulation 2015 (Internal Audit) requires that “ a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance process, taking into account public sector internal auditing standards or guidance”

The starting point for the review will usually be an assessment against the internal audit standards set out in the guide. These include making an assessment in relation to:

- Scope of internal Audit
- Independence
- Competence
- Relationships
- Audit planning and reporting

A key point is that it is the responsibility of the body to conduct the annual review; it is not a review that will be carried out by the external auditor as part of the annual audit.

Whilst there will usually be input from the internal audit provider, he or she cannot be allowed to influence the direction or extent of the review.

The results of the review are then reported to and considered by a full meeting of the members for consideration. There are no hard and fast rules as to who actually performs the review, but bodies may wish to set up a small working party for this purpose.

### **What should the review of the system of internal audit cover?**

Under the 2015 Regulations a relevant authority must conduct an annual review of the system of internal audit which-

- a) Facilitates the effective exercise of its functions and achievement of its aims and objectives;
- b) Ensures that the financial and operational management of the authority is effective; and
- c) Includes effective arrangements for the management of risk.

### **The outcome of the review**

The review of the effectiveness of the system of internal audit cannot be considered in isolation as it feeds into the review of the wider system of internal control. The report on the review should include an opinion as to whether or not the internal audit system is effective. Any areas for development or change should be identified in the report and an action plan produced, setting out the proposed remedial actions, the people responsible for delivering them, and the deadlines for completion of the actions.

## 1 Meeting the Standards

1. Expected Standard	2. Evidence of Achievement	3. Response
1. Scope of internal audit	Terms of reference were approved by full Council	Yes, Council adopts the <i>Internal Audit Action Plan and work programme</i>
	Scope of audit work takes into account risk management processes and wider internal control	Yes, included in checks undertaken by Internal Auditor
	Terms of reference define audit responsibilities in relation to fraud	Yes, detailed in approved <i>Anti-Fraud manual</i>
2. Independence	Internal Auditor has direct access to those charged with governance.	Yes
	Reports are made in own name to management.	Yes
	Auditor does not have any other role within the council.	Yes
3. Competence	No evidence that internal audit work has not been carried out ethically, with integrity and objectivity.	Yes
4. Relationships	Responsible officers (Town Clerk (RFO), etc) are consulted on the internal audit plan and on the scope of each audit.	Yes
	Responsibilities for officers and internal audit are defined in relation to internal control, risk management and fraud and corruption matters.	Yes, defined in approved <i>Standing Orders, Whistle-Blowing Policy and Fraud manual</i>
	The responsibilities of board/council members are understood; training of members is carried out as necessary.	Yes
5 Audit Planning and reporting	The Audit Plan properly takes account of corporate risk.	Yes
	The Audit Plan has been approved by the council	Yes
	Internal Audit has reported in accordance with the Plan	Yes. Will be reported to full Council 23 April 2019

## 2 Review of Effectiveness

4. Characteristics of 'effectiveness'	5. Evidence of Achievement	6. Suggested Response
Internal audit work is planned	Planned Internal audit work is based on risk assessment and designed to meet the body's governance assurance needs.	Yes
Understanding the whole organisation its needs and objectives	The annual audit plan demonstrates how audit work will provide assurance in relation to the body's annual governance statement.	Yes
Add value and assist the organisation in achieving its objectives	Demonstrated through positive management responses to recommendations and follow up action where called for.	Yes
Be forward looking	When identifying risks and in formulating the annual audit plan, changes on national agenda are considered. Internal audit maintains awareness of new developments in the services, risk management and corporate governance.	Yes
Be challenging	Internal audit focuses on risks and encourages managers/members to develop their own responses to risks, rather than relying solely on audit recommendations. The aim of this is to encourage greater ownership of the control environment.	Yes
Ensure the right resources are available	Adequate resource is made available for internal audit to complete its work.	Yes
	Internal auditor understands the body and the legal and corporate framework in which it operates.	Yes. Internal Auditor has worked for the City Council/Charter Trustees continuously since 1974.

## **Lichfield City Council**

### **TREASURY MANAGEMENT POLICY AND STRATEGY STATEMENT 2019-2020**

As part of the monitoring of the Treasury Management Operation, the Town Clerk (RFO) will submit a financial progress report to Council each year on the activities of the Treasury Management Operation.

#### **THE POLICY**

That the Council adopts the CIPFA Treasury Management Code modified to the Council's requirements.

Treasury Management is defined as “the management of the local authority's cash flow, its borrowing and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks”. (CIPFA)

The Council's treasury activities are for debt and investment management, and the Council will not take up speculative positions which may be interpreted as trading activities.

The purpose of this statement is to establish how the authority will manage its activities in relation to borrowing and investments.

#### **Borrowing**

Local council borrowing is governed by Schedule I of the Local Government Act 2003. Parish and town councils in England have to apply and receive permission from the Department for Communities and Local Government), before taking any borrowing. Temporary borrowing (i.e. up to 364 days) does not require such approval.

The authority will review its borrowing requirements annually when formulating its annual budget. The Council currently has no borrowing, and no borrowing requirement has been identified for 2017-2018

#### **Investments**

The Council adopts the guidance under section 15(1)(a) of the Local Government Act 2003.

The authority will review its Investment Strategy annually (see investment Policy below).

#### **Treasury Management Practices**

The Council adopts the Treasury Management Practices (TMP) which set out the manner in which the authority will seek to achieve its treasury management policies and objectives and how it will manage and control those activities. (See Treasury Management Practices below).

#### **The Treasury Management Strategy Statement 2019-2020**

The Treasury Management Strategy details the expected activities of the treasury function in the financial year 2019-2020.

Borrowing - there is not anticipated to be any borrowing requirement for the year.

Investments - to be in accordance with the approved Investment Strategy.

## INVESTMENT POLICY

With reference to Secretary of State's Guidance under section 15 (1)(a) of the Local government Act 2003 and the CIPFA Code of Practice for Treasury Management in the Public Services.

### ANNUAL INVESTMENT STRATEGY

Definition of Treasury Management in the Public Services: "The management of the organisation's cash flow, its banking, money market and capital transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

#### Strategy Guidelines

The main principles governing the Council's investment criteria are the security and liquidity of its investments before yield, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity.

The Council will ensure it has sufficient liquidity in its investments. For this purpose it will set a minimum amount to be held in short term investments (specified investments). This is set out in liquidity investments below.

The RFO will maintain a counterparty list in compliance with these criteria and will revise and submit to Council for approval as necessary.

#### Liquidity of Investments

The Council will carefully balance the use of short term or specified investments and non-specified investments. All the core investment balance and any cash flow investments will be maintained as short term or specified investments.

#### Specified Investments

These investments are sterling investments of not more than one-year maturity. These are low risk assets where the possibility of loss of principle or investment income is low. These would include investment with:

- The UK government (such as the Debt Management Office, UK Treasury Bills or a Gilt with less than one year to maturity)
- A Local authority, parish or community council
- An investment scheme that has been awarded a high credit rating by a credit rating agency
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society).

Credit Rating Agency - Standards & Poor's, Moody's or Fitch rating agencies. Within these bodies, and in accordance with the Code, the Council has set additional criteria to say the time and amount of monies which will be invested in these bodies. These criteria are:

Security	Limit
Marketable securities issued or guaranteed by the UK Government i.e. UK Treasury bills or a gilt with less than one year to mature	The authority has no plans to invest in such securities and would require specialist advice in order to do so.
Other Local authorities, parish councils or community councils.	The authority has no plans to invest in these institutions
Fixed Term Time deposits.	Approve – UK clearing Banks Nat West to a maximum limit of £2,000,000
Money Market Funds	The authority currently has no plans to invest in these funds. Any change to this policy would be require approval by full Council



### Non Specified Investments

Non-specified investments are any other type of investment (i.e. not defined as specified above). These would include sterling investments with:

- Securities admitted to the Official List of the Stock Exchange which are guaranteed by the UK Government (such as supranational bonds). These are fixed income bonds although the value of the bond may rise or fall before maturity. The bond may be sold before maturity.
- Gilt edged securities with a maturity of greater than one year
- Institutions not meeting the basic security of greater than one year
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) for deposits with a majority of greater than one year

Security	Limit
Security issued or guaranteed by non-UK EU governments and Supranational securities	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.
Gilt edge securities	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.
Securities issued by corporate, banks and building societies, including floating rate notes, commercial paper, assets backed securities and certificates of deposits longer than 1 year.	The authority has no plans to invest in such securities and would require specialist financial advice in order to do so.

### The Monitoring of Investment Counterparties Listing

The authority is required to monitor the credit rating listing of its counterparties. Any counterparty failing to meet the criteria will be removed from the list immediately by the RFO and if required new counterparties which will meet the criteria will be added to the list.

### The use of External Fund Managers

It is the Council's policy not to use external fund managers.

## **LICHFIELD CITY COUNCIL**

### **RESERVES POLICY**

#### **1. Introduction**

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation. Section 50 of the Local Government Act 1992 requires that local precepting authorities have regard to the level of reserves needed to meet estimated future expenditure when calculating the budget requirement.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing-this forms part of the general reserves;
- A contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves;
- A means of building up funds often referred to as earmarked reserves, to meet known or predicted requirements.

#### **2. General Fund Balance**

The general fund balance, commonly termed the 'working balance' is a balance on the councils revenue account which is not held for any specific purpose other than to cushion the council's finances against any unexpected short term cash flow problems.

The general fund balance is to be maintained at a level based upon a risk assessment carried out by the Responsible Finance Officer (RFO).

When setting the budget for the forthcoming year. Any surplus on the reserve above the required balance may be used to fund capital expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept.

#### **3. Financial Risk Management**

In order to assess the adequacy of the general fund when setting the annual budget, the RFO will take account of the strategic, operational and financial risks facing the council. The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon a risk assessment of the council's main areas of income and expenditure and take into account provisions and contingencies that may be required.

The main items to be considered are:

<b>Financial Risk</b>	<b>Analysis of risk</b>
Inflation assumptions	Inflation increases at a higher rate than assumed for items such as Pay Awards, Utilities and Supplies and Service Costs.
Insurance	To enable the Council to meet the excesses of claims not covered by insurance
Collection of Income	There is a reduction in collection performance from Guildhall and Markets
Elections/referendum	Sufficient resources to meet Parish elections/referendum costs
Grounds Maintenance costs	Impact of unexpected increase in costs
Impact of Vat Tribunal Decisions	Impact of back dated Vat liability
Contingencies	To meet unexpected events or emergencies

#### **4. Statutory Reserves**

Local Authorities also hold reserves that arise out of the interaction of legislation and proper accounting practices.

- Section 106 agreements with Developers
- Neighbourhood Plan – Community Infrastructure Levy (CIL)

#### **5. Earmarked Reserves**

Earmarked Reserves represent amounts that are generally built up over a period of time which are earmarked for specific items of expenditure to meet known or anticipated liabilities or projects. The 'setting aside' of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year. The Council, when establishing an earmarked reserve, will set out:

- The reason/purpose of the reserve;
- How and when the reserve can be used;
- Procedures for the management and control of the reserve; a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

The following earmarked reserves will be held by the council;

Budget description	Use	Total Reserve 2018/19 £	Total Reserve 2019/20 £
<b>Repairs and Renewal-Buildings</b>			
Dr Johnson Birthplace Listed Building No 1292492 Grade I	To provide for future capital works	353,000	353,000
Guildhall Listed Building No 1187740 Grade II			
Donegal House Listed Building No 1209722 Grade II*			
Cruck House Listed Building No 1194899 Grade II*			
Friary Clock Tower Listed Building No 1218909 Grade II			
War Memorial and Garden Wall, Balastrade and Gate Listed Building No 1187733 Grade II*			
Boswell Statute Listed Building No 1187726 Grade: II			
Dr Johnson Statute Listed Building No 1217846 Grade: II*			
Stafford Road ,Pinfold Listed Building No 1194898 Grade: II			
Borrowcop Pavilion Listed Building No 1187718 Grade: II			
Prince Rupert's Mound Listed Building No 1021362 Ancient monument			
Grey Friars Listed Building No 1008544 Ancient Monument			
Community Centres -Curborough, -Boley Hall, -Darwin Hall.			
All Properties	Quinquennial inspection of property portfolio		
<b>Repairs and Renewals-Street Lighting</b>			
Street Lighting	To provide for replacement and updating of Street Lighting	0	0
<b>Repairs and Renewals-Open Spaces</b>			
Open Spaces	To provide for footpath resurfacing and replacement of equipment	0	0
	<b>Total</b>	<b>£353,000</b>	<b>£353,000</b>
<b>Rent Deposit Scheme</b>			
Donegal House-Tenants	In accordance with the Rent Deposit Deed	450	450
Market Traders Retainer	In Accordance with Market Traders Licence	500	500
	<b>Total</b>	<b>£950</b>	<b>£950</b>
<b>Election Reserve</b>			
Parish Election	To build up the reserve over 4 years to fund the elections in May 2023	40,000	0
	<b>Total</b>	<b>£40,000</b>	<b>£0</b>
<b>Community Infrastructure Levy(CIL)</b>			
Neighbourhood Plan-Meaningful Proportion	In accordance with the requirements of CIL	14,037	14,037
	<b>Total</b>	<b>£14,037</b>	<b>£14,037</b>
<b>Total Earmarked Reserves</b>		<b>£407,987</b>	<b>£367,987</b>

## 6. Review of adequacy of balances and reserves

In assessing the adequacy of reserves the strategic, operational and financial risks facing the authority will be taken into account. The level of earmarked reserves will be reviewed as part of the annual budget preparation.

## **LICHFIELD CITY COUNCIL**

### **AUDIT PLAN**

#### **7. Purpose of the Report**

To consider the work programme for the Internal Auditor for the year 2019-2020 onwards.

#### **8. Statement of Reasons**

The internal Auditor must ensure that all activities of the Council are subject to an internal audit review in accordance with the Accounts and Audit (England) Regulations 2011

The identification of these activities has been agreed with the Town Clerk, taking into account perceived priorities and risks, which cumulates in the production of a three-year strategic plan.

The Audit Plan has been compiled and is set out below.

The plan is based upon the following principles:

- An attempt has been made, based upon the internal auditor's experience, to target areas that are known to be high risk
- Based on information available, to include those areas which have not been subject to a recent audit review

By achieving the Audit Plan, the internal auditor will be providing the Town Clerk and councillors, with the necessary assurance that the internal controls are in place and are operating effectively.

At the end of each year, an audit report will be issued detailing the findings of the reviews together with any recommendations required to be implemented in order to achieve the required level of control

#### **3. Recommendation**

To approve the Audit Plan.

## **AUDIT PLAN**

### **1. Financial Services**

- 1.1. Fraud and Corruption Checklist
- 1.2. Main Accounting System
- 1.3. Creditors
- 1.4. Sundry Debtors
- 1.5. Payroll
- 1.6. Management of VAT
- 1.7. Banking Arrangements
- 1.8. Petty Cash
- 1.9. Income Monitoring
- 1.10. Budgetary Controls
- 1.11. End of year closedown
- 1.12. Statement of Account

### **2. Strategic policies**

- 2.1 Treasury Management Policy and Strategy Statement
- 2.2 Investment Policy
- 2.3 Treasury Management Practices

### **3. Specific Reviews**

- 3.1 Financial Regulations and procedures
- 3.2 Contract Standing Orders
- 3.3 Review Internal Audit Recommendations
- 3.4 Capital Works
- 3.5 Local Government Transparency Code 2015
- 3.6 Insurance
- 3.7 Members Code of Conduct and Disclosure of Interests
- 3.8 The Samuel Johnson Birthplace Museum
- 3.9 Policy and Procedure Documentation-Employees
- 3.10 Further Developments
- 3.11 Review of Corporate Governance
- 3.12 Any other areas Identified during the year of Audit

### **4. Management and Insurance Risk Register**

## LICHFIELD CITY COUNCIL FINANCIAL OUT-TURN REPORT 2018/19

*The following notes explain the variations between the original budget and the actual year-end out-turn.*

<b>Note</b>	<b>Details</b>
<b>1</b>	<b>Parks and Footpaths</b> Includes costs relating to removal of damaged/diseased trees at St Michael's Churchyard and resurfacing work to 'Bishop's Walk' and the 'Windings'.
<b>2</b>	<b>Guildhall</b> Overspend caused by the cost of lift repairs plus additional costs associated with cleaning provision due to staff sick leave. Bookings income increased by approximately 4% year on year.
<b>3</b>	<b>Markets</b> Reduced rental charges and several cancelled markets due to inclement weather have impacted upon income during the year. A general decline in stall occupancy levels (as has been noted in markets nationally) continues to affect income.
<b>4</b>	<b>Arts/Tourism/Twinning</b> Includes Additional cost relating to the stress testing of Christmas lights supports.
<b>5</b>	<b>Johnson Birthplace Museum</b> Includes additional cost of cleaning provision due to staff sick leave.
<b>6</b>	<b>Democratic Services</b> Includes cost of By Elections - Stowe Ward and Curborough Wards.
<b>7</b>	<b>Interest</b> Increase in investment interest due to higher interest paying account being utilised following discussions with the City Council's bankers.
<b>8</b>	<b>Capital contribution</b> Capital contribution following the City Council's meeting of 23 April 2018.
<b>9</b>	<b>Community Infrastructure Levy (CIL)</b> CIL receipts less commitments; any balance being transferred to the earmarked CIL reserve.

**Employee costs:** The overall employee costs totalling £450,216 are recharged across all the budget heads in the table below. Employee cost increases include tiered national pay award which averages at around 4%, and further sickness cover costs.

**Central administration:** The overall administration costs totalling £144,592 are recharged across all the budget heads in the table below. Administration costs include a reduction in income from letting offices at Donegal House.

**RECOMMENDATION TO COUNCIL:**

- 1      *The Report and Out-Turn Statement 2018/19 be received.***
- 2      *The Council as Trustee of the Johnson Birthplace Charitable Trust make a payment of £9,969 from the Trust Funds to the City Council as the contribution to the expenditure incurred by the City Council in operating the Museum during the 2018/19 financial year.***
- 3      *In respect of the External Auditor Annual Return for the year ending 31 March 2019:***
  - a. The council approve the Annual Governance Statement (Section 1 of the Annual Return) and that this be signed by the Mayor and Town Clerk on behalf of the Council***
  - b. The Council approve the Accounting Statements (Section 2 of the Annual Return) and this be signed by the Mayor on behalf of the Council***
  - c. The Council note the Annual Internal Audit Report section of the Annual Return.***



## ACCOUNTS SUMMARY TABLE

This table summarises the income and expenditure against budget for the service areas for the financial year 2018/19 and provides the year-end outturn.

The table shows:

Column 1 – 2018/19 Budget as agreed by Council in January 2018

Column 2 – Actual spend during the 2018/19 financial year

Column 3 – The variance between approved budget and actual spend for 2018/19

Column 4 – The budget for 2019/20

Column 5 – Numbered explanatory notes

*Budget/actual figures in red represent income.*

*Percentage figures in red (Variance 2018/19 column) represent variance worse than budget.*

<b><u>Net Expenditure</u></b> <b>SERVICE AREAS</b>	<b>BUDGET 2018/19</b>	<b>ACTUAL 2018/19</b>	<b>VARIANCE 2018/19</b>	<b>BUDGET 2019/20</b>	<b>Note</b>
	£	£	%	£	
<b>Parks and Footpaths</b>	208,866	224,842	8	231,998	1
<b>Guildhall</b>	72,515	81,908	13	73,505	2
<b>Community Centres</b>	14,451	10,033	30	15,130	
<b>Markets</b>	-31,325	-18,723	40	-30,175	3
<b>Civic</b>	80,802	82,782	2	86,022	
<b>Grant Aid/Partnerships</b>	50,133	44,461	11	51,366	
<b>Arts/Tourism/Twinning</b>	61,971	64,775	5	65,790	4
<b>Johnson Birthplace Museum</b>	80,437	87,090	8	98,349	5
<b>Democratic Services</b>	91,318	110,820	21	152,326	6
<b>Investment Interest</b>	-200	-2,300	1,150	-4,890	7
<b>Loan Charges</b>	0	0	0	0	
<b>Agency</b>	-18,515	-18,350	0	-18,174	
<b>Repairs and Renewals</b>	107,452	96,605	10	90,933	
<b>TOTAL SERVICE COST</b>	717,905	763,943	6	812,180	
<b>Capital Contribution</b>	0	-50,000	100	0	8
<b>Community infrastructure Levy (CIL)</b>	0	-15,554	100	0	9
<b>SUB TOTALS</b>	717,905	698,389	3	812,180	
<b>PRECEPT</b>	717,905	717,905	0	757,180	
<b>TOTAL To/(From) balances</b>	0	19,516	100	(55,000)	

Further detail relating to these headline figures is provided in the Out Turn Analysis overleaf

# OUTTURN 2018/19 ANALYSIS

<u>Net Expenditure</u>	BUDGET 2018-19	ACTUAL 2018-19	BUDGET 2019/20
SERVICE AREAS	£	£	£
<b>Parks and Footpaths</b>			
Employee costs	27,962	29,339	30,047
Central administration	20,064	20,966	22,771
Contract repair/maintenance	122,800	123,985	127,820
Other repair/maintenance	32,420	48,274	43,650
Energy	7,820	9,137	9,910
Contributions	0	-4,820	0
Miscellaneous income	-550	-553	-550
Burial fees income	-750	-586	-750
Allotment rents	-900	-900	-900
<b>Total</b>	<b>208,866</b>	<b>224,842</b>	<b>231,998</b>
<b>Guildhall</b>			
Employee costs	68,833	72,266	74,009
Central administration	19,372	20,243	21,986
Repair/maintenance	14,210	17,415	13,140
Energy	8,440	10,996	9,570
Rates	7,310	6,869	7,470
Supplies and Services	14,160	16,261	14,260
Lettings	-59,810	-62,142	-66,930
<b>Total</b>	<b>72,515</b>	<b>81,908</b>	<b>73,505</b>
<b>Community Centres</b>			
Employee costs	5,275	5,540	5,674
Central administration	2,076	2,169	2,356
Boley Hall	2,210	796	2,210
Curborough	1,280	1,427	2,280
Cruck House	1,400	0	1,400
Darwin Hall	2,210	101	1,210
<b>Total</b>	<b>14,451</b>	<b>10,033</b>	<b>15,130</b>
<b>Markets</b>			
Employee costs	43,702	45,885	46,991
Central administration	12,453	13,013	14,134
Repair/Maintenance	2,800	3,001	2,310
Energy	1,720	1,543	1,400
Rates and Water	19,700	20,625	21,240
Supplies & Services	57,130	51,919	62,680
Misc. lettings	-18,450	-21,002	-30,090
Friday market income	-52,870	-43,383	-50,250
Saturday market income	-60,460	-55,085	-59,450
Farmers market income	-8,960	-5,617	-7,860

<b>Tuesday market income</b>	<b>-28,090</b>	<b>-29,622</b>	<b>-31,280</b>
<b>Total</b>	<b>-31,325</b>	<b>-18,723</b>	<b>-30,175</b>
<b>Civic</b>			
Employee costs	40,999	43,034	44,072
Central administration	15,913	16,628	18,060
Mayor's allowance	4,650	3,873	4,650
Sheriff's allowance	2,150	2,230	2,150
Supplies and services	4,500	5,628	4,500
Events	6,000	4,530	6,210
Mayor's Banquet	700	1,105	700
Sheriff's Ride	5,890	5,754	5,680
<b>Total</b>	<b>80,802</b>	<b>82,782</b>	<b>86,022</b>
<b>Grant Aid/Partnerships</b>			
Employee costs	4,074	4,271	4,374
Central administration	6,919	7,230	7,852
Grants to outside bodies	32,000	25,820	32,000
Grants for open Churchyards	7,140	7,140	7,140
<b>Total</b>	<b>50,133</b>	<b>44,461</b>	<b>51,366</b>
<b>Arts/Tourism/Twinning</b>			
Employee costs	29,377	30,818	31,562
Central administration	8,994	9,398	10,208
Arts/Culture/Tourism	2,430	2,133	2,430
Christmas Lights	21,420	22,796	21,840
income	<b>-250</b>	<b>-369</b>	<b>-250</b>
<b>Total</b>	<b>61,971</b>	<b>64,776</b>	<b>65,790</b>
<b>Johnson Birthplace Museum</b>			
Employee costs	64,887	68,112	69,755
Central administration	11,070	11,567	12,564
Repair/Maintenance	3,810	3,398	3,870
Energy	3,150	3,288	3,250
Rates and Water	1,050	511	840
Supplies and Services	12,300	12,444	23,900
Promotion	2,000	3,274	2,000
Grant income	<b>0</b>	<b>0</b>	<b>0</b>
Stock for sale	3,000	4,964	3,000
Sales income	<b>-9,820</b>	<b>-10,499</b>	<b>-9,820</b>
Contribution from Birthplace Trust	<b>-11,010</b>	<b>-9,969</b>	<b>-11,010</b>
<b>Total</b>	<b>80,437</b>	<b>87,090</b>	<b>98,349</b>
<b>Democratic Services</b>			
Employee costs	52,793	55,429	56,766
Central administration	31,825	33,256	36,120
Election costs	0	17,536	55,000
Neighbourhood Plan	0	0	0
Newsletter	6,400	4,140	4,140
Member allowances/travel etc.	300	458	300

<b>Total</b>	<b>91,318</b>	<b>110,820</b>	<b>152,326</b>
<b>Investment Interest</b>			
<b>Total</b>	<b>-200</b>	<b>-2,300</b>	<b>-4,890</b>
<b>Agency</b>			
<b>Employee costs</b>	<b>2,101</b>	<b>2,204</b>	<b>2,256</b>
<b>Central administration</b>	<b>1,384</b>	<b>1,446</b>	<b>1,570</b>
<b>SCC Verge Income</b>	<b>-22,000</b>	<b>-22,000</b>	<b>-22,000</b>
<b>Total</b>	<b>-18,515</b>	<b>-18,350</b>	<b>-18,174</b>
<b>Repairs and Renewals</b>			
<b>Employee costs</b>	<b>11,150</b>	<b>11,727</b>	<b>12,010</b>
<b>Central administration</b>	<b>8,302</b>	<b>8,676</b>	<b>9,423</b>
<b>Guildhall/Donnegal House</b>	<b>51,500</b>	<b>55,157</b>	<b>25,500</b>
<b>Samuel Johnson Birthplace</b>	<b>15,000</b>	<b>1,038</b>	<b>0</b>
<b>Parks and Footpaths</b>	<b>18,000</b>	<b>17,536</b>	<b>23,000</b>
<b>Community Centres</b>	<b>3,500</b>	<b>2,470</b>	<b>11,000</b>
<b>Markets</b>	<b>0</b>	<b>0</b>	<b>10,000</b>
<b>Other</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>107,452</b>	<b>96,604</b>	<b>90,933</b>
<b>Total Service Costs</b>	<b>£717,905</b>	<b>£763,943</b>	<b>£812,180</b>
<b>Capital Projects/Contribution</b>			
<b>Receipts</b>	<b>0</b>	<b>-50,000</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>-50,000</b>	<b>0</b>
<b>community Infrastructure Levy(CIL)</b>			
<b>Expenditure</b>	<b>0</b>	<b>14,112</b>	<b>0</b>
<b>Receipts</b>	<b>0</b>	<b>-29,666</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>-15,554</b>	<b>0</b>
<b>Johnson Birthplace Charitable Trust</b>			
<b>Grant/ Donations</b>	<b>-7,730</b>		<b>-7,730</b>
<b>Admissions income</b>	<b>-3,280</b>		<b>-3,280</b>
<b>Funding to LCC</b>	<b>11,010</b>		<b>11,010</b>
<b>Total</b>	<b>0</b>		<b>0</b>
<b>TOTAL</b>	<b>£717,905</b>	<b>£698,389</b>	<b>£812,180</b>
<b>PRECEPT</b>	<b>-717,905</b>	<b>-717,905</b>	<b>-757,180</b>
<b>Local Council Tax Support Grant</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Precept Requirement</b>	<b>-£717,905</b>	<b>-£717,905</b>	<b>-£757,180</b>
<b>TOTAL (To)/From balances</b>	<b>£0</b>	<b>-£19,516</b>	<b>£55,000</b>
<b>NOTE-Internal Recharges</b>			
<b>Employee Cost</b>			
<b>Employee costs</b>	<b>428,863</b>	<b>450,216</b>	<b>461,075</b>
<b>Recharge to Services</b>	<b>-428,863</b>	<b>-450,216</b>	<b>-461,075</b>
<b>Total</b>	<b>0</b>		<b>0</b>
<b>Central Administration</b>			
<b>Employee costs</b>	<b>77,710</b>	<b>81,591</b>	<b>83,559</b>
<b>Central administration</b>	<b>0</b>	<b>0</b>	<b>0</b>

<i>Professional Fees/Audit Fees</i>	9,000	4,523	10,250
<i>Office Rates/Water</i>	9,690	9,555	9,960
<i>Office Energy</i>	3,620	5,242	4,770
<i>Supplies &amp; Services</i>	26,000	26,956	26,580
<i>Telephone/Postage</i>	7,530	5,711	5,710
<i>Subscriptions. Courses/Training</i>	3,690	3,417	3,690
<i>Insurance</i>	19,900	22,445	23,495
<i>Office Rent</i>	-18,740	-14,840	-10,940
<i>Miscellaneous Receipts</i>	-30	-8	-30
<i>Recharge to Services</i>	-138,370	-144,592	-157,044
<b>Total</b>	0		0
<b>Balances &amp; Reserves</b>			
<i>Opening Balance</i>	692,542	692,542	706,578
<i>to/-from reserve</i>	0	19,516	-55,000
<b>Closing Balance</b>	£692,542	£712,058	£651,578
<b>Breakdown of Reserve</b>			
<i>Repairs/Renewals Reserve-Building</i>	353,000	353,000	353,000
<i>Repairs/Renewals Reserve-Street Lighting</i>	0		0
<i>Repairs/Renewals Reserve-Open Spaces</i>	0		0
<i>Rent Deposit Scheme</i>	1,100	1,100	450
<i>Election Reserve</i>	40,000	40,000	0
<i>CIL Reserve</i>	0	15,554	14,037
<i>General Revenue Reserves</i>	298,442	302,404	284,091
<b>Closing Balance</b>	£692,542	£712,058	£651,578
<b>Total Expenditure</b>	1,015,805	1,087,612	1,124,310
<b>Total income</b>	-297,900	-389,223	-312,130
<b>Net Expenditure</b>	717,905	698,389	812,180
<b>Precept</b>	-717,905	-717,905	-757,180
<b>TOTAL (To)/From balances</b>	£0	(£19,516)	£55,000