

NON-CONFIDENTIAL

Meeting	Council
Date	28 June 2021
Report by	Daniel Williams - Finance Manager
Report title	Year End Account 2020/21
Business Plan theme	Run an effective, efficient, low-cost Council administration.

1. Purpose of the report

- 1.1. This report presents the year end outturn for 2020/21, together with the level of Earmarked Reserves and General Reserves as at 31 March 2021. In line with best practices a simplified Statement of Accounts for 2020/21 has been prepared for approval by Council.

2. Recommendation

- 2.1. Council is asked to:
- 2.1.1. note the outturn for 2020/21, as set out in section 4.
 - 2.1.2. approve the level of Earmarked Reserves and General Reserves at the 31 March 2021, as set out in paragraph 5.8.
 - 2.1.3. approve the Statement of Accounts for the financial year 2020/21.
 - 2.1.4. approve that the Statement of Accounts be signed by the Mayor and the Responsible Finance Officer.

3. Background information

- 3.1. The Accounts and Audit (England) Regulations removed the requirement for Local Councils to produce a full set of accounts, i.e. a full Statement of Accounts, as the statutory accounts for external audit are now produced in the form of an Annual Governance and Accountability Return (AGAR), which includes an Accounting Statement summarising the income and expenditure.

- 3.2. The Regulations place a duty on Councils to maintain effective systems of financial management in line with proper practices, as set out in the Governance and Accountability for Smaller Authorities in England.
- 3.3. As part of an effective system of financial management it is good practice to provide information showing the Councils financial standing and how it has used the resources. This can be addressed with the production of a simplified Statement of Accounts, albeit this document is not subject to audit.

4. Outturn 2020/21

- 4.1. The Original Budget for 2020/21 was set at £1,448,240. This was funded by the precept £1,069,930, income of £332,120 and a drawdown from the earmarked reserves of £46,190.
- 4.2. On 18 May 2020, Council agreed a Revised Budget due to the impact on commercial income that the coronavirus would have. This was set at £1,275,530 to be funded by the precept of £1,069,930, income of £161,650 and a drawdown from the earmarked reserves of £46,190.
- 4.3. During the year additional funds have been approved and released from reserves totalling £412,610 from earmarked reserves, which increased the budget to £1,722,270.
- 4.4. An analysis of expenditure and income at the year-end is shown below which shows the overall position on the budgeted expenditure, approved additional spend incurred during the year and how these costs were funded. Details summarising significant budget movements were reported to the Corporate Policy and Finance Committee on 16 June 2021 and Community Service Committee on 23 June 2021.

	Adjusted Budget		Provisional Outturn	
	£	£	£	£
Expenditure	1,299,190		1,254,256	
Capital Projects	333,900		71,832	
Projects Fund	89,180		63,842	
		1,722,270		1,389,931
Less Income:				
Commercial Income	138,830		143,562	
Other Income	103,140		124,396	
		241,970		267,958
Net Budget		<u>1,480,300</u>		<u>1,121,973</u>
Funded By:				
Precept	1,069,930		1,069,930	
Earmarked Reserves	86,110		8,288	
Capital Receipt Reserve	326,500		64,432	
General Reserves	0		(20,677)	
		<u>1,482,540</u>		<u>1,121,973</u>
Net Position		<u>(2,240)</u>		<u>0</u>

5. Reserves

- 5.1. The Earmarked Reserves Policy allows for setting aside monies for major projects, or cyclical major repairs or renewals which would otherwise fall on one year's budget. They also allow for the safeguarding of monies for projects which may have been delayed.
- 5.2. In line with the Earmarked Reserves Policy, £8,288 has been transferred from earmarked reserves during 2020/21. This represents £57,865 being spent and £49,577 of new amounts added at the year end.
- 5.3. On 31 March 2021, the earmarked reserves totalled £349,082 as set out in Appendix A.
- 5.4. On 4 November 2019, the Town Council received a Capital Receipt of £2.65m from the sale of the Former Westfield Allotments. Amounts in excess of £10,000 are categorised as capital receipts within the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 resulting in the creation of a Usable Capital Receipts reserve which can only be used for new capital investment.

- 5.5. In line with the Capital Reserve Policy, £64,432 has been transferred from Useable Capital Receipts reserves during 2020/21. This represents £71,832 being spent and £7,400 of new amounts added at the year end.
- 5.6. The current level of general reserves was reviewed by the Corporate Policy and Finance Committee during the budget process in September 2020. When reviewed it was highlighted in the report that the level of general reserves should be maintained at £500,000. The level of general reserves is currently equivalent to approximately slightly more than 5 months of net revenue expenditure.
- 5.7. On 31 March 2021, the general reserves totalled £560,455.
- 5.8. In summary at the 31 March 2021 the reserves totalling £3,495,105 were held, this includes the new Capital Receipts Reserve of £2,585,568, Earmarked Reserves of £349,082 and a General Reserve of £560,455.

6. Statement of Accounts 2020/2

- 6.1. The Statement of Accounts has been reconciled to the statutory AGAR which is included elsewhere on the agenda.
- 6.2. The statement of accounts, which is not subject to audit, includes:
- A brief list of Council information and explanatory forward.
 - Statement of responsibilities.
 - Income and Expenditure Account.
 - Reconciliation of Income and Expenditure Account to the Accounting Statements Return.
 - Balance Sheet.
 - Notes to the financial statements.
 - Statement of the accounting policies adopted.

7. Other implications

Other Implications	Comment
Legal	None
Environment and biodiversity	None
Crime and Disorder	None
Risk/Health & Safety	None

8. Appendices

Appendix A – Earmarked Reserves 2020/21.

Appendix B – Statement of Accounts 2020/21

Appendix A

	Cttee	01 April 2020	Transfers Between Reserves	Approved Release of Reserves	Amounts Used	Transfers to Reserves (year end)	Balance Remaining
EARMARKED RESERVES 2020-21							
Capital improvement programme (CIP)	CSC	0	116,500	34,500			116,500
Audio Visual Equipment	CPF	10,030		10,030			10,030
Storage Facility	CSC	116,500	(116,500)				0
Town Centre Improvements	CSC	42,220	(19,115)				23,105
Farmers Market Stalls	CSC	9,640					9,640
Car Park Improvements	CSC	7,600	(7,600)				0
Commons and Greens Spaces - management plans	CSC	67,990	(38,105)	29,890	29,885	(6,367)	6,367
Play Areas and Playgrounds Improvements	CSC	9,800					9,800
Allotments - repairs and maintenance	CSC	17,885	(15,205)				2,680
Grants and Business Support	CPF	7,820	1,410				9,230
Staff Training	CPF	4,000					4,000
Staff Resources	HR	61,320		46,190	27,980		33,340
Dementia Café	CPF	1,155					1,155
VE Day	CSC	1,410	(1,410)				0
Elections	CPF	0				(5,000)	5,000
Ill Health Liability Insurance	CPF	0				(8,210)	8,210
General budget 2021/22 subsidy	CSC	0	64,820				64,820
Tree planting	CSC	0				(5,000)	5,000
Sustainability projects	CSC	0	15,205				15,205
New assets contingency	CSC	0				(25,000)	25,000
		357,370	0	120,610	57,865	(49,577)	349,082

Appendix A

	Cttee	01 April 2020	Transfers Between Reserves	Approved Release of Reserves	Amounts Used	Transfers to Reserves (year end)	Balance Remaining
USEABLE CAPITAL RECEIPTS RESERVES 2020-21							
<u>Subject to taking ownership of assets involved</u>							
CIP - Invest in new play equipment at Rothamsted Park	CSC	0	150,000	150,000			150,000
CIP - Invest in new play equipment for Roundwood Lane Open Space	CSC	0	80,000				80,000
CIP - Invest in new play equipment for Wood End Open Space	CSC	0	80,000				80,000
CIP - New 3G pitch in Rothamsted Park	CSC	0	250,000				250,000
CIP - New Clubhouse/pavilion in Rothamsted Park	CSC	0	350,000				350,000
CIP - Improvement works to Cricket square in Rothamsted Park	CSC	0	10,000				10,000
CIP - Improved Grass pitches in Rothamsted Park	CSC	0	20,000				20,000
<u>Projects</u>							
CIP - Install Boardwalk at Batford Springs Nature Reserve	CSC	0	100,000	107,400		(7,400)	107,400
CIP - Improve/resurface vehicular access onto the Common from Baa Lambs Car Park	CSC	0	50,000				50,000
CIP - Improve insulation of Council buildings	CSC	0	20,000				20,000
CIP - Festive lighting displays	CSC	0	100,000	44,700			100,000
CIP - Provide funding for the HTC public realm improvement plan	CSC	0	150,000				150,000
CIP - Every school and public area with a defibrillator	CSC	0	3,000				3,000
CIP - Friendship Benches	CSC	0	2,000				2,000
CIP - Tree planting across open spaces	CSC	0	50,000				50,000
CIP - Install water refill stations in public spaces	CSC	0	20,000				20,000
CIP - Increase depth of parking area opposite British Legion	CSC	0	30,000				30,000
CIP - Improve existing footpaths and adding new ones around Harpenden	CSC	0	100,000				100,000
CIP - Provide more secure cycle parking in the town centre.	CSC	0	15,000				15,000
CIP - Entrance to station on South side/from Southdown	CSC	0	35,000				35,000
<u>One-off spend</u>							
CIP - Funds to replace Town Council maintenance vehicles	CSC	0	70,000	70,000	45,017		24,983
CIP - Purchase of additional HTC maintenance equipment	CSC	0	20,000	20,000	13,995		6,005
CIP - Upgrade events team equipment such as gazebos	CSC	0	5,000				5,000
CIP - Storage facility	CSC	0	116,500	116,500			116,500
CIP - Fencing and Pathways at Porters Hill	CSC	0	10,000	10,000			10,000
<u>Legal Commitment</u>							
CIP - Allotment improvements	CSC	0	132,500	20,000	12,820		119,680
Capital improvements programme (CIP) unallocated	CSC	2,650,000	(1,969,000)				681,000
		2,650,000	0	538,600	71,832	(7,400)	2,585,568