

Kirkby Stephen Town Council.

Explanation of Significant Variances between 2019-2020 & 2020-2021.

JCSB. (Clerk/RFO)

21 April 2021

Box 2 | Precept.

The precept was increased by £11,137 (13.43%) between 2019 2020 & 2020 2021 which would not ordinarily require an explanation to the auditor on the grounds that the underlying variance is less than 15%.

An explanation is therefore offered as follows for information only. At its meeting on the 14th January 2020 the council set a precept of £94,046 for the 2020/21 Year (Minute 19/111). In prior discussion of the draft budget (Minute 19/110) it was agreed to increase the precept in line with the council's prior resolution of 4th December 2018 (Minute 18/114), 1.) not to set a deficit budget, 2.) to build up general reserves over a five-year term including 3.) to establish restricted reserves when appropriate, to provide for the maintenance of assets devolved from the district council. In addition the council made provision for an additional £6,000 of expenditure as follows: £3,000 maintenance of the Cloisters, £1,500 Grant to the Jubilee Park Trust (in anticipation of fundraising efforts to improve the management of the park) and £1,500 towards youth work associated with a project centred on the former Evergreen building in Redmayne Road.

Box 3 | Other Income.

In 2019/20 the council received a one-off grant from Eden District Council of £75,000 from its 'Signature fund' towards the refurbishment of an all-weather pitch at Kirkby Stephen Grammar School. Later that year, following an appeal for funds, the council received £16,700 of donations to fund the commission of a bronze sculpture celebrating the association of Lady Anne Clifford with the town of Kirkby Stephen. In 2020/21 The Covid-19 Pandemic and the associated lockdown has had a significant impact on the council's earned income reducing income from sales of advertising (website) and newsletters and from the hire of rooms in the Community and Council Centre by £6,071. Market fees were not charged to support market traders reducing income by £439 in comparison with the previous year. After these items are taken into account the underlying variance is £1,751 or 4.99% which would not ordinarily require an explanation to the auditor on the grounds that the underlying variance is less than 15%. The Town Council does provide and publish a quarterly budget monitor for the Town Council and further minor variances can be reviewed there.

2019 2020		2020 2021	
£126,779	<i>Box 3 AGAR</i>	£26,818	<i>Box 3 AGAR</i>
-£75,000	<i>Signature Fund EDC</i>	£6,071	<i>Reduced income</i>
-£16,700	<i>Lady Anne's Way</i>	£439	<i>Reduction in Market fees</i>
£35,079	-	£33,328	= £1,751 (underlying variance)

Box 4 | Staff

The Community and Centre Manager resigned on the 13/07/2020. The council took a decision not to consider a reappointment until the impact of the pandemic and easing of the lockdown was clear and the council could assess its staffing needs going forward. (Minute ref 20/025, 4 August 2020)

The council (which accounts on a cash basis) also paid fourth quarter PAYE & NIC for the year 2018 2019 on the 8 April 2019 (9/V5) amounting to £2,894.06.

The true value of the overall reduction in spending on staff in 2020 21 is therefore £17,674.17

Box 6 | Other Payments.

In the year 2019/20 taking into account the expenditure of £81,557 (£75,000 funded with a grant to the council from Eden District Council's 'Signature fund' on the refurbishment of an all-weather pitch at Kirkby Stephen Grammar School + £6,557 towards the commission of a bronze sculpture 'Lady Anne's Way' from funds donated to the council for the purpose) and in the year 2020/21 a further £8,136 was expended on 'Lady Anne's Way' the underlying variance therefore stands at 15.89% (£5,995).

Because of the Covid 19 Pandemic the council did not incur increased or equivalent costs under the following headings: Open Spaces, down £1,116.05 (Lockdown); Grants, down £695 (Easter Vehicle Rally cancelled as a result of the lockdown, full grant not drawn down); Cloisters down £952 (Reduced insurance costs 2020/21/electrical maintenance 19/20); Vat recovery down £631. Thus - £1,116-£695-£952-£631 = -£3,394

The Council incurred increased miscellaneous costs, the chief components of which were in respect of Xmas Lights and measures connected to the safe reopening of the High Street after the first lockdown amounting to +£1,745 over the previous year.

Overall a reduction of -£1,649 (£3,394-£1,745) taking this into account the remaining variance is £4,346 or 11.52% which would not ordinarily require an explanation to the auditor on the grounds that the underlying variance is less than 15%. The Town Council does provide and publish a quarterly budget monitor for the Town Council and further minor variances can be reviewed there.

<u>2019 2020</u>	<u>2020 2021</u>	
£119,283	£51,857	<i>Box 6 (Agar)</i>
-£81,557	-£8,136	<i>Lady Anne's Way</i>
	-£3,394	<i>Reduced costs (Covid 19)</i>
	£1,745	<i>Increased Misc.</i>
£37,726	- £42,072	= -£4,346 (underlying variance)

Box 9 (value restated for the 2019 2020 year.)

At its meeting on the 2 March 2021 (Minute ref 20/135) the council approved revisions to its Asset Register as follows: 1. A/20/0001, the addition of 'Lady Anne's Way' by Diane Lawrenson at a total

commissioned/purchase cost of £14,493. In line with the council's valuation policy adopted on the 6 November 2018 (Minute ref 18/100) the value declared for the purpose of the Asset Register will be £14,493 (Purchase Cost). The Sculpture was installed on and insured from the 24th September 2020 at a value of £16,500 which will be index linked by the council's insurers.

2. Revisions to A/19/Schedule 5, Street Furniture revising the listing to correspond with the photographic survey of the town's benches carried out (2020) in advance of the bench walks initiative as follows: Line 1 2019/2020 register from 'Benches' 17 No., to 2021 register 'Wood Plastic & Stone Benches' 12 No.. & Line 2 2019/2020 register from 'Metal Seats' 20 No., to 2021 register 'Metal and Wood Benches' 30 No. In line with the council's valuation policy each bench is valued at £1 for the purpose of inclusion on the Asset Register with a revised insurance value based on replacement cost of £600 (subject to a £100 excess) a sum of £25,200 in all. As a result of the survey an additional 5 benches have been added to the register. Fixed Assets show an overall increase in proxy rather than insurance value from £10,280 to £24,828. In line with appropriate guidance the figure for 2019/20 has been restated as £24,828.