

**Explanation of Variances 2023/24**

**Kirkbymoorside Town Council**

**Financial year ending 31 March 2024**

<b>Section 1</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Variance (+/-) £</b>	<b>&lt;/&gt;15%</b>	<b>Detailed explanation of variance of more than 15% + £200 (with amounts £)</b>
<b>Box 1</b> (+)Balances brought forward	193,588.16	166,306.95	- 27,281.21	>15% + £200	<p>Emergency expenditure incurred in 2023/24 £3088: repairs to drainage at The Moorside Room (£388 + VAT) and works to detect and repair a water leak at the sports field (£2700 + VAT)</p> <p>2023/24 Overspend on Budget Codes due to market inflation and circumstances:</p> <p>Cost Code 25 Insurance + £1516.73</p> <p>Cost Code 16 Staffing + £3379.04</p> <p>Cost Code 3 Street Lighting energy Costs + £2031.92</p> <p>Cost Code 6 Manor Vale woodland – tree works identified in triennial tree safety report + £2333.40</p> <p>Cost Code 7 Play Areas + £3065.92 including; tree works identified in triennial tree safety report; and remedial repairs and replacement of damaged play equipment</p> <p>Cost Code 8 Moorside Room + £430.73 increased energy prices</p> <p>Cost code 17 office Costs + £717.26 increased running costs including cleaning and utilities</p> <p>Cost Code 20 Subscriptions &amp; Membership + £488.33 increased charges</p> <p>Cost Code 39 Bookkeeping &amp; Banking + £941.24 increased charges</p> <p>Cost Code 11 Pubic information &amp; wi-fi + £783.00 increased charges</p>

					Cost Code 106 Sports field water charges + £1925.31 <b>£20,678.80</b> Variance of Balances brought forward less overspend on budgeted cost codes in 2023/24 = <15% and £200 [- 27,281.21 – (3088 + 20,678.80) = --3902.41]
<b>Box 2 (=) Precept or Rates and Levies</b>	74,000.00	79,400.00	+ 5400	<15% + £200	NA
<b>Box 3 (+) Total other receipts</b>	56,294.72	67,514.73	+ 11,220.01	>15% + £200	£20,166.89 received in 2023/24 in respect of VAT 126 refund for the period of 01.04.2021 to 31.03.2023 (payment received 12.06.2023). Accounting for the VAT reclaimed would reduce the degree of variance to less than 15% Variance of Total other receipts less the VAT refund received in 2023/24 = <15% and £200 [+ 11,220.01 – 20,169.89 = -8,949.88]
<b>Box 4 (+) Staff costs</b>	33,352.28	33,805.05	+ 452.77	<15% + £200	NA
<b>Box 5 (=) Loan interest/ capital repayments</b>	0.00	0.00	0.00	0	NA
<b>Box 6 (+) All Other payments</b>	124,223.65	84,845.01	- 39,378.64	>15% + £200	One off expenditure in 2022/23 totalling £30,334: £4,282 – supply and installation of commando sockets to accommodate column mounted Christmas motifs (Authorised at Minute 21059 dated 19 July 2021 – Expenditure incurred 20.06.2022) Purchase of street furniture/assets in 2022/23: i. £14,848 – New play equipment in Old Road play area (Authorised at Minute 22127 dated 21 November 2022) ii. £1,400 – Bespoke structures in the town Pound (Authorised at Minute 22128 dated 21 November 2022)

					iii. £795 – Commemorative bench ‘In Memory of Robin Butler’ (Authorised at Minute 22084 dated 26 September 2022) Replacement of street furniture/assets in 2022/23: i. £4,909 – final instalment for replacement play equipment in Old Road play area (Authorised at Minute 21145 dated 17 January 2022) ii. £4,100 – replacement Town Council notice board on Market Place (Authorised at Minute 21166 dated 21 February 2022) Variance of All other payments less the one off expenditure in 2022/23 = <15% and £200 [-39,378 – 30,334 = 9,044]
<b>Box 7 (+)</b> Balances carried forward	166,306.95	194,571.62	+ 28,264.67	<15% + £200	NA
<b>Box 9 (+)</b> Total fixed assets plus long term investments and assets	542,810.99	542,972.91	+ 28,264.67	<15% + £200	NA
<b>Box 10 (=)</b> Total borrowings	0.00	0.00	0	0	NA

#### **EXPLANATION OF HIGH RESERVES**

Summary explanation of High Reserves circa £163,000:

- i. £65,000 cemetery provision;
- ii. £40,000 general reserve, on the basis that the general reserve is recommended to be at least half of the precept, to include: Staff sickness; By-election provision; Manor Vale provision; Moorside Room provision; development (including repairs) of the sportsfield, play area and skatepark;
- iii. £50,000 held in account designated for the ‘Path for Everyone’ project;
- iv. £8,000 held in account designated for sports field management

**Resolution(s) of the Town Council referenced in respect of explanation of variance at Box 6 (+) All Other payments:**

Replacement of street furniture/assets in 2022/23:

£4909 – final instalment (£4909 of £10,742) for replacement play equipment in Old Road play area (Minute 21145 dated 17 January 2022)

Extract of Minute 21145 of the Ordinary meeting of the Town Council dated 17 January 2022:

**21145** Agenda item 9. Old Road play area

- a. Information on proposed replacement equipment at Old Road play area at a cost of £10,742.85 + VAT was **received**. The proposal detailed replacement of the existing 'Cantilever swing' and 'Junior swings' (which have been identified as needing replacement in 2022 by the annual play inspection report) with an 'Aero Tilt' and a 'Team Swing seat'. The town clerk explained that information provided by the play specialists confirmed that utilising the existing play surfacing would be the most cost effective solution, saving on the cost of ground prep and full surfacing, in the region of £5-6k.
- b. The allocation of CIL funds associated with development at Wains Field Planning Application 18/01313/MFUL to cover the cost of replacement play equipment was **agreed**.

Extract of Minute 21166 of the Ordinary meeting of the Town Council dated 21 February 2022:

**21166** Agenda item 8. Street furniture

- a. The cost of purchasing a replacement notice board on Market Place was **considered** and Quotation A, £4,100 + VAT (supply only) **agreed**.

**Extract from Minutes of the Ordinary Town Council meeting dated Monday 20 November 2023**

**Present:** Councillors C Dowie, J Illingworth, A Moffat and J Wells.

**23141** Agenda item 12. 2024/25 Budget

- a. The 2024/25 Budget Monitoring Document was **considered**. Cllr Dowie explained that, reluctantly, the recommendation is to increase the Town Council's budget to £99,377, due to inflated costs e.g. street lighting energy costs, and additional expenditure necessary for compliance e.g. tree works and repairs to play equipment, as detailed in the budget monitoring document.
- b. Recommendations from the Finance Committee regarding the budget for 2024/25 were **received** as follows:

Capital Budget

- a. Allocation of reserves:

**£64,853.58** earmarked for expansion of the cemetery

**£50,048.95** earmarked for 'Path for Everyone' project <sup>1</sup>

**£8,101.65** earmarked for sports field

- i. The level of general reserve should be retained at **£40,000**, on the basis that the general reserve is recommended to be at least half of the precept, to include: Staff sickness; By-election provision £4,000; Manor Vale provision £6,000; Moorside Room provision £10,000; development (including repairs) of the sportsfield, play area and skatepark £15,000

#### Revenue Budget

- a. Considerations of the Revenue Budget for the financial year 2024/25 should include recovery of any additional expenditure in excess of the 2023/24 budget on the basis that any revenue overspend should come out of the revenue as opposed to depleting the Town Council's specific reserves.

Recommend to set the precept of £99377 for 2024/25, subject to discussion by the full Council.<sup>2</sup>

#### **Resolution(s) of the Town Council referenced in respect of money held for 'Path for Everyone' project:**

Extract of minute 20130 of the Ordinary meeting of the Town Council dated 16 November 2020:

**20130** The award of £20,000 from the AJ1 Project Road Safety Fund in response to the grant application submitted by the Town Council in partnership with Ryedale Cycle Forum and Kirkbymoorside Environment Group was **noted** and the Document of Understanding **agreed**.

Extract of minute 20149 of the Ordinary meeting of the Town Council dated 21 December 2020:

**20149** Police, Fire and Crime Commissioner for North Yorkshire AJ1 Project Road Safety Fund

- a. The Grant Agreement in respect of £20,000 to be awarded to Kirkbymoorside Town Council in partnership with Ryedale Cycle Forum was **received**.
- b. Correspondence from Ryedale Cycle Forum acknowledging the terms of the Grant Agreement was **received**.
- c. It was **agreed** to support Ryedale Cycle Forum's request for design costs from GGP Consulting Engineers.
- d. The Grant Agreement in respect of £20,000 to be awarded to Kirkbymoorside Town Council in partnership with Ryedale Cycle Forum was **approved**.

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<sup>1</sup> Funds held in Town Council account 31430734 in accordance with Section 139(1)(b) of the Local Government Act 1972, states ...a local council may accept, hold and administer, for the benefit of the inhabitants of the area or some part of it, gifts made for that purpose.

<sup>2</sup> Precept setting is the process of determining the additional tax level to be levied on local households. The precept is the difference between the Parish Council's estimated income and its anticipated spending requirements for the financial year (its budget). The budget must be prepared and approved before the precept can be set. The Local Government Finance Act 1992 states that precepts may be set by parishes and towns for their budget requirements. The budget setting process consists of listing all the working income and expenditure expected in the next financial year and working out how much precept to ask for.

Extract of minute 20213 of the Ordinary meeting of the Town Council dated 15 March 2021:

**20213 Path for Everyone**

- c. The request for the allocation of a bank account for management of financial transactions associated with the project was **considered**. The clerk confirmed that the request is feasible both practically, as the Town Council can designate an existing account to the management of the funds and legally, in accordance with Section 139(1)(b) of the Local Government Act 1972.<sup>3</sup> In the accounts, it will be necessary to create separate headings in the cash book for the project income and expenditure. In the AGAR, the income and expenditure will be shown as separate income to the precept and expenditure will be included in 'expenditure other than staffing expenses'. The request for the allocation of a bank account for management of financial transactions associated with the project was **agreed**.
- d. The request for match-funding in the amount of £20,000 from the Council's reserve funds was **considered**. The Town Clerk confirmed that the request is feasible. The Town Council has high level of reserves which it would be prudent to earmark to satisfy the explanation provided to the external auditors. The cost of the project to upgrade the Town Council owned street lighting to LED lanterns was completed under budget so there are funds available that had previously been earmarked for this purpose. The request is also feasible legally, in accordance with various legislation.<sup>4</sup>

Cllr Brown proposed the allocation of £20,000 to the 'Path for Everyone' project from the reserve funds. **Agreed**.

Extract of minute F22007 of the Finance Committee Meeting held on Thursday 13 October 2022:

**F22007 CAPITAL BUDGET**

- i) £49,389 held in account designated for the 'Path for Everyone' project (Minute 20213c. dated 15 March 2021). The funds comprise £20,000 grant awarded by the AJ1 Project Road Safety Fund (Minute 20130 dated 16 November 2020), £20,000 match funding from the Town Council's reserves (Minute 20213 dated 15 March 2021) and £9,389 donations.

Lisa Bolland

Responsible Financial Officer

11 June 2024

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<sup>3</sup> Section 139(1)(b) of the Local Government Act 1972, states ...a local council may accept, hold and administer, for the benefit of the inhabitants of the area or some part of it, gifts made for that purpose.

<sup>4</sup> Local Government (Miscellaneous Provisions) Act 1976, s.9; Public Health Act 1875, s.164; Highways Act 1980, ss.43, 50