

Explanation of Variances 2024/25

Kirkbymoorside Town Council

Financial year ending 31 March 2025

Section 1	2023/24	2024/25	Variance (+/-) £	</> 15% + £200	Detailed explanation of variance of more than 15% + £200 (with amounts £)
Box 1 (+) Balances brought forward	166,306.95	194,571.62	+ 28,264.67	>15% + £200	
Box 2 (=) Precept or Rates and Levies	79,400.00	99,377.00	+ 19,977.00	>15% + £200	<p>Necessity to increase precept to £99,377 in order to:</p> <p>i. recover some over expenditure in 2023/24 due to inflated energy costs, extent of tree works identified by the 2023 triennial tree safety report (0 – 6 months) and emergency works to repair a water leak at the sports field, which were in excess of the 2023/24 budget.</p> <p>Extracts of Budget Monitoring Document 2024/25:</p> <p><i>Increase in Precept to £99,377 to include payment of £11535 over expenditure in 2023/24:</i></p> <p><i>£2031 over-expenditure in cost code 3 Street Lighting - increased energy costs</i></p> <p><i>£3130 over-expenditure in cost code 6 Manor Vale - tree works identified by triennial tree safety report</i></p> <p><i>£6374 over expenditure in cost code 30 Development – water leak at sports field</i></p> <p>ii. adjustments to budget allocation to cover inflation and forecast expenditure including remaining tree works identified by the triennial tree safety report (6 – 18 months) (Cost Code 10)</p>

					<table><tr><th>Code</th><th>Adjustments to budget allocation</th><th>Budget 2024/2025</th><th>Variation from 2023/24</th></tr><tr><td></td><td>SERVICES - TOTAL</td><td><u>37626</u></td><td><u>+ 14126</u></td></tr><tr><td>3</td><td>Street lights</td><td>7031</td><td>+ 4031</td></tr><tr><td>6</td><td>Manor Vale</td><td>9750</td><td>+ 7750</td></tr><tr><td>7</td><td>Play Areas</td><td>3000</td><td>+ 1000</td></tr><tr><td>8</td><td>Moorside Room Running Costs</td><td>2000</td><td>+ 1200</td></tr><tr><td>9</td><td>Street Furniture</td><td>675</td><td>- 325</td></tr><tr><td>11 & 13</td><td>Public Information, Wifi, website & Publications</td><td>3120</td><td>+ 420</td></tr><tr><td>12</td><td>Clocks</td><td>250</td><td>+ 50</td></tr><tr><td></td><td>OVERHEADS - TOTAL</td><td><u>48768</u></td><td><u>+ 7068</u></td></tr><tr><td>16</td><td>Staff Costs</td><td>32000</td><td>+ 800</td></tr><tr><td>17</td><td>Office Costs</td><td>4500</td><td>+ 600</td></tr><tr><td>20</td><td>Subscriptions & Membership</td><td>1524</td><td>+ 24</td></tr><tr><td>22</td><td>Events & Civic Functions</td><td>750</td><td>+750</td></tr><tr><td>30</td><td>Development of Manor Vale, Play Areas</td><td>6374</td><td>+ 4374</td></tr><tr><td>36 & 39</td><td>Bank charges & Book keeping</td><td>3420</td><td>+ 520</td></tr><tr><td></td><td>COST OF EXISTENCE – TOTAL</td><td><u>4983</u></td><td><u>- 1217</u></td></tr><tr><td>25</td><td>Insurance</td><td>4373</td><td>- 1227</td></tr><tr><td>26</td><td>Audit</td><td>610</td><td>+ 10</td></tr><tr><td></td><td></td><td>TOTAL 99377</td><td>+ 19977</td></tr></table>	Code	Adjustments to budget allocation	Budget 2024/2025	Variation from 2023/24		SERVICES - TOTAL	<u>37626</u>	<u>+ 14126</u>	3	Street lights	7031	+ 4031	6	Manor Vale	9750	+ 7750	7	Play Areas	3000	+ 1000	8	Moorside Room Running Costs	2000	+ 1200	9	Street Furniture	675	- 325	11 & 13	Public Information, Wifi, website & Publications	3120	+ 420	12	Clocks	250	+ 50		OVERHEADS - TOTAL	<u>48768</u>	<u>+ 7068</u>	16	Staff Costs	32000	+ 800	17	Office Costs	4500	+ 600	20	Subscriptions & Membership	1524	+ 24	22	Events & Civic Functions	750	+750	30	Development of Manor Vale, Play Areas	6374	+ 4374	36 & 39	Bank charges & Book keeping	3420	+ 520		COST OF EXISTENCE – TOTAL	<u>4983</u>	<u>- 1217</u>	25	Insurance	4373	- 1227	26	Audit	610	+ 10			TOTAL 99377	+ 19977
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Box 3 (+) Total other receipts	67,514.73	48,834.74	- 18,679.99	> 15% + £200	<p>- £13,919.86 accounted for by VAT reclaim in 2023/24 for £20,166.89 (being 2 years’ worth of VAT payments made for the period of 01.04.2021 to 31.03.2023) compared to receipt of only £6,247.03 for the VAT reclaim for period 01.04.2023 to 31.03.2024 in 2024/25.</p> <p>- £5000 receipt of £15000 contribution to Christmas lighting costs received in</p>																																																																																

					2024/25 compared to £20,000 in 2023/24. - £18,919.86
Box 4 (+) Staff costs	33,805.05	35,376.20	+ 1,571.15	<15% + £200	NA
Box 5 (=) Loan interest/ capital repayments	0.00	0.00	0.00	0	NA
Box 6 (+) All Other payments	84,845.01	91,739.73	+ 6,894.72	<15% + £200	NA
Box 7 (+) Balances carried forward	194,571.62	215,667.46	+ 21,095.81	<15% + £200	NA
Box 9 (+) Total fixed assets plus long term investments and assets	542,972.91	543,978.41	+ 1,005.50	<15% + £200	NA
Box 10 (=) Total borrowings	0.00		0	0	NA

EXPLANATION OF HIGH RESERVES

Summary explanation of High Reserves circa £203,000:

- i. £65,000 cemetery provision;
- ii. £80,000 specific reserve to include: Staff sickness; By-election provision; Manor Vale provision; Moorside Room provision; development (including repairs) of the sports field, 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 the Report

Explanation of variance at Box 2 (+) Annual precept

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 ¹

£8,101.65 earmarked for sports field

£80,000 to be allocated to specific reserves 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

- 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.

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 £99,377 for 2024/25, subject to discussion by the full Council.²

- c. Cllr Wells proposed to accept the recommendations for the 2024/25 budget and to set a precept of £99,377 for 2024/25. **Agreed.**

The budget for 2024/25 was **agreed** and the precept of £99,377 **determined**.

¹ 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.

² 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.

		Budget for financial year (2023/2024)	Forecast Expenditure to 31.03.2024	Draft Budget for financial year 2024/25	Notes
Code	GRANTS - TOTAL	8000	8159	MIN 8000	
1 & 99	General incl. S137	5000	5159	5000 +	+ additional funds for accrual see Minute 23039 ³
2	All Saints (S214)	3000	3000	3000	
	SERVICES - TOTAL	23500	31261	MIN 32465 ** 37626	** including recovery of £5161 over expenditure: £3130 cost code 6 + £2031 cost code 3
3	Street lights	3000	5031	MIN 5000 5000 + 2031* = <u>7031</u>	Breakdown of annual expenditure: £4500 Street Lighting Energy Costs £500 Street Lighting Maintenance + *£2031 over expenditure from 2023/24
5	Christmas	N/A	N/A	N/A	
6	Manor Vale	2000	5380* ⁴	MIN 6620** MAX 6620 + 3130* = <u>9750</u>	Breakdown of £6620 essential costs for 2024/25: £5770 works identified in Tree Safety Report 6 – 12months £600 annual maintenance + £250 annual clearance of top bridle path + *£3130 over expenditure from 2023/24 budget (0-6 months works identified in Tree Safety Report)
7	Play Areas	2000	2850	MIN 3000 +	Breakdown of annual expenditure: £250 annual inspection £1220 annual grass cutting £530 remedial repairs + additional funds for accrual see Minute 23066d ⁵ .

³ Increase to grant budget - Extract from Minute23039 of the Ordinary meeting dated 19 June 2023:

23039 Agenda item 11. Cllr Dowie proposed the calculations of the 2024/25 budget should include consideration of an increased grant budget for the next financial year in order to support more local projects. **Agreed.**

⁴ *Cost Code 6 Forecast expenditure to 31.03.2023of £5380 = **£3380 over expenditure from 2023/24 budget:**

		Budget for financial year (2023/2024)	Forecast Expenditure to 31.03.2024	Draft Budget for financial year 2024/25	Notes
8	Moorside Room Running Costs	800	1900	MIN 2000	<i>Breakdown of annual expenditure: £1500 Utilities £300 Fire alarm servicing £200 Cleaning</i>
9	Street Furniture	1000	1250	MIN 675 MAX 1000	£675 refilling of grit bins +£325 contingency for replacement/repairs
10	Grass, flowers etc	11000	11000	MIN 11000	Breakdown of expenditure: £8500 Grass cutting total incl verges, roundabout, play areas, weir £1020 Watering hanging baskets £1020 £1080 Planting and installation of hanging baskets £400 misc maintenance incl wildflower seeds
11 & 13	Public Information, Wifi, website & associated costs & Publications	2700	3000	MIN 3120	<i>Breakdown of expenditure (including inflation): £745 Public Wi-fi £665 Office Broadband & line rental £470 Annual Subscriptions: Sync.com £45, ICO £35, Loveservers £65, Freefind £180 Kapersky Internet Security £45, Marq £100 £1860 The Moorsider x 3 issues @ £620 per issue</i>
12	Clocks	200	300*	MIN 250	£250 annual honorarium *+£50 repairs to Millennium Clock on Memorial Hall
108	Sports field Maintenance & repairs	800	800	MIN 800	Mower Service & pitch spraying in accordance with licence conditions
	OVERHEADS - TOTAL	<u>41700</u>	<u>49474</u>	<u>MIN 42394 *</u> ** 48768	*excludes allocation of funds to Cost Code 30 ** including recovery of £6374 over expenditure in cost code 30
16	Staff Costs	31200	32000	MIN 32000	Application of 2022/23 Local Government Services Pay Agreement, revised NJC paycales from 1 April 2023

- ⁵ Increase to Play Areas budget - Extract from Minute23066d. of the Ordinary meeting dated 17 July 2023: **23066d.** Agenda item 9. Play Areas Referring to Annual Inspection Report Item 14. Playdale Trim Trail - Referring to the comment that due to the age of items consideration should be given to replacing the whole trim trail in the future, Cllr Moffat proposed that referral be made to the Finance Committee when drafting the next budget, to consider the accrual of funds over subsequent years to cover the cost of replacement equipment when needed. **Agreed.**

		Budget for financial year (2023/2024)	Forecast Expenditure to 31.03.2024	Draft Budget for financial year 2024/25	Notes
17	Office Costs	3900	3900	MIN 4500	<i>Breakdown of expenditure (including inflation):</i> £1560 licence fee/rent £1600 cleaning (50% of Church House costs) £800 utilities (50% of Church House costs) £180 Meeting room hire for monthly Town Council meetings £360 Printer cartridges, stamps and stationery
18	Training	200	200	MIN 200	
20	Subscriptions & Membership	1500	1580	MIN 1524 + Yorkshire Post = £2057	<i>Breakdown of expenditure (including inflation):</i> £782 YLCA £222 SLCC £50 ALCC £470 Scribe Software Licence £533 Yorkshire Post (£458 + £75 delivery charge)
22	Events & Civic Functions	0	0	MIN £750	NEW £750 Traffic Management associated with Remembrance Parade
30	Development of Manor Vale, Play Areas and Sports Field	2000	8374	MIN £6374	£6374 over expenditure from 2023/24 budget
36 & 39	Bank charges & Book keeping	2900	3420	MIN 3420	<i>Breakdown of expenditure (including inflation):</i> £2280 Bookkeeping & Payroll £640 Annual Return £500 Bank charges
COST OF EXISTENCE – TOTAL		<u>6200</u>	<u>4980</u>	<u>MIN 4983</u>	
25	Insurance	5600	4373	MIN 4373	<i>Breakdown of expenditure (including inflation):</i> £3998 Council Insurance Policy £368 Cyber Insurance premium

		Budget for financial year (2023/2024)	Forecast Expenditure to 31.03.2024	Draft Budget for financial year 2024/25	Notes
					£8 addition of 'travel for business purposes' to clerks motor insurance
26	Audit	600	607	MIN 610	Breakdown of expenditure £190 Internal Audit £420 External Audit
		79400	94124 ⁶	MIN 87842 * <u>99377 **</u> ***	* MIN Total - excludes payment of over expenditure from 2023/24 **TOTAL of £99377 Including payment of £11535 over expenditure: £2031 over expenditure in cost code 3 Street Lighting £3130 over expenditure in cost code 6 Manor Vale £6374 over expenditure in cost code 30 Development *** Does not account for additional funds for grants and play areas

Lisa Bolland

Responsible Financial Officer

21 May 2025

⁶ £13592 overpayment forecast, including:

Cost Code 3 Street Lighting £2031 increased energy costs

Cost Code 6 Manor Vale £3540 works identified in Tree Safety Report

Cost Code 8 Moorside Room £1500 increased energy costs

Cost Code 30 Development £6521 footpath repairs at Old Road play area