

# SADBERGE PARISH COUNCIL

## **COMMENTARY ON THE ACCOUNTS AND ANNUAL RETURN** **FOR THE YEAR ENDED 31-MAR-2015**

### **Bank reconciliation**

Please see note 5 to the accounts.

**Revised version**

### **Variation in the Precept**

The table below gives some key figures for the seven years from 2009-10 to 2015-16.

|                                | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|
| <b>Precept</b>                 | £1,500  | £1,500  | £1,900  | £2,400  | £4,100  | £5,600  | £5,600  |
| <b>Grant</b>                   | £1,415  | £1,415  | £1,415  | £1,415  | Nil     | Nil     | Nil     |
| <b>Budgeted income</b>         | £2,920  | £2,920  | £3,320  | £3,815  | £4,100  | £5,600  | £5,600  |
| <b>Actual income</b>           | £4,618  | £3,887  | £4,536  | £5,362  | £5,883  | £10,194 |         |
| <b>Actual versus budget</b>    | +£1,698 | +£967   | +£1,216 | +£1,547 | +£1,783 | +£4,594 |         |
| <b>Budgeted expenditure</b>    | £4,305  | £4,015  | £3,725  | £3,670  | £4,895  | £6,245  | £4,410  |
| <b>Actual expenditure</b>      | £4,271  | £6,911  | £5,933  | £3,651  | £4,056  | £8,466  |         |
| <b>Actual versus budget</b>    | -£34    | +£2,896 | +£2,208 | -£19    | -£839   | +£2,221 |         |
| <b>Balance carried forward</b> | £5,100  | £2,076  | £679    | £2,390  | £4,217  | £5,945  |         |

Up to 2009-10, the grant from Darlington Borough Council showed a small but steady year-on-year increase, basically to cover inflation. Darlington Borough Council stopped giving grants to parish councils in 2013.

From 2013-14 onwards, part of the precept has been displaced by Council Tax Support Grant. For example, the Parish Council set a precept of £4,100 for 2013-14, but £767 of this came as Council Tax Support Grant, so the precept for 2013-14 was technically £3,333.

One reason for the actual income and expenditure generally being higher than the budgeted income and expenditure is the annual Sadberge Summer Festival. The budget sets the net cost of the festival as an expenditure, while the accounts record the full cost of the festival and the income and donations that off-set part of that cost.

The main reasons for the increases in precept in the period from 2011-12 to 2015-16 are:-

- The Sadberge Summer Festival, which has become an annual event, was first held in 2007. The resulting increase in the Parish Council's costs was partly masked by the fact that between 2007 and 2012 the Council reduced its level of reserves, which had been higher than recommended.

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- Darlington Borough Council discontinued its grants to parish councils with effect from 2013-14.
- The Parish Council's budget for 2014-15 included £2,500 to purchase a vehicle-activated speed sign for Sadberge.

Darlington Borough Council paid the 2015-16 precept early, during the 2014-15 financial year, so the 2014-15 precept reported in the Annual Return is  $(£5,600 - £712) + (£5,600 - £912) = £9,576$ .

### **Change in Total Other Receipts**

The Other Receipts for 2014-15 were £3,668 (144%) higher than in 2013-14. The main reasons for the difference were that:-

- Darlington Borough Council paid the 2015-16 Council Tax Support Grant, amounting to £912, before the end of the 2014-15 financial year; and

during 2014-15 the Parish Council received:-

- a grant of £2,000 from the Durham Police & Crime Commissioner's Community Safety Fund towards the cost of a vehicle-activated speed sign; and
- a donation of £1,500 from a local resident towards the cost of two public access defibrillators.

### **Change in Other Payments**

The Other Payments in 2014-15 were £4,410 (154%) higher than in 2013-14. The main reasons for the difference were that during 2014-15 the Parish Council spent:-

- £3,270 on a vehicle-activated speed sign;
- £800 on two public access defibrillators; and
- £456 on new fencing for one of the open areas in the village.

### **General Comment**

The changes in the Total Other Receipts and Other Payments are a good illustration of the fact that a significant proportion of Sadberge Parish Council's expenditure is on "one-off" items. This is different to the situation of larger local authorities, which generally spend the majority of their money on providing the same set of on-going services each year.

### **Balance Carried Forward**

The reserve carried forward at 31-Mar-2015 was £11,545, which is equivalent to 206% of the precept for 2015-16. However, this includes the 2015-16 precept and Council Tax Support Grant, which together amount to £5,600. Also £1,296 of the reserve was earmarked for the purchase of cabinets for the public access defibrillators. Excluding the 2015-16 precept and Council Tax Support Grant, the general reserve at 31-Mar-2015 was therefore £4,649, which is equivalent to 83% of the precept for 2015-16.

Note: For the purposes of the percentages in this section I have taken the precept as £5,600, which is what was set by the Parish Council. In practice, some of the precept was displaced by the Council Tax Support Grant.

### **Change in Fixed Assets**

There were the following significant changes to the Parish Council's fixed assets during 2014-15:-

- |                                    |        |
|------------------------------------|--------|
| • Vehicle activated speed sign     | £2,725 |
| • Two public access defibrillators | £800   |

- Fencing at the front and rear of Hampass £380

### **Risk Assessment**

The Parish Council reviewed its risk assessment on 3<sup>rd</sup> February 2015. The main change was the inclusion of a (separate) risk assessment for the operation of the vehicle-activated speed sign.

On 1<sup>st</sup> July 2015 Parish Councillors carried out an inspection tour of the Parish Council's land and property, and action was subsequently taken to address a number of issues that were identified during the tour. See the inspection checklist.

### **Review of the Effectiveness of the Internal Audit System**

On 3<sup>rd</sup> February 2015 the Parish Council carried out a review of its system of internal control (including the internal audit system) and agreed that the existing arrangements are appropriate.

### **Asset & Investment Register**

The Register of Assets was updated on 1<sup>st</sup> April 2015 and the updated register was approved by the Parish Council on 2-Jun-2015.

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13<sup>th</sup> July 2015