

Budget Monitoring Report – Quarter 2 2016 and Statement of Reserves**1. Introduction**

Under section 4 of the Financial Regulations a quarterly budget monitoring report is required.

For income, the report details income received during the first quarter of the year, together with the expected income for the remainder of the year.

For expenditure, the report sets out the budgeted expenditure for the year and the first two quarters of the year, the actual expenditure for the first two quarters and expected expenditure by quarter for the remainder of the year. Additionally, some codes have a brought forward figure that reflect the adjustments contained in the annual accounts, together with agreed allocations from reserves. These allocations are £80000 for Flagstaff Park Play area from the Play Area reserve, £15000 for CCTV and £10000 for seat repairs, both from the general [unallocated] reserve, and £18000 for Christmas lights from the Council Projects reserve. From these figures, areas of significant variance above planned expenditure are identified.

2 Income

Income from Precept and the Coastal Communities and Portas grant streams was received as expected. The VAT refund for quarter 4 2015-16 was received in quarter 2, along with the VAT refund for quarter 1 2016-17. Additionally, a grant for further Neighbourhood Plan support was agreed and invoices to project partners for the agreed sums to support a series of 'next steps' workshops on the Barracks reawakening project [total £3000] have been issued.

3. Expenditure: Significant Negative Variances

3.1 Administration: Staffing – there will be an underspend on the staffing budget if, as seems likely, a full time clerk is not appointed until quarter 4 or even the end of the financial year

3.2 Administration: Office Costs – Two areas are showing significant variance from budget, telecoms and cleaning. In the case of telecoms, this is due to the true cost of the new phone system only becoming apparent after the budget was prepared. For cleaning, this because no funds for this were included in the budget.

3.3 Administration: Operational Costs - Two areas are showing significant variance from budget, photocopies and waste collection. In the case of photocopies, use is expected to be higher than anticipated at the time the budget was set time. For waste collection, this because no funds for this were included in the budget. The software licence fee budget is underspent as renewal was made for one rather than two computers. A budget is required for new accounting software to replace the current package

3.4 Administration: Statutory & Professional Fees - Three areas are showing significant variance from budget, Internal Audit, External Audit and Legal and Professional Fees. In the case of Internal Audit, this is because the accepted tender for internal audit resulted in a charge significantly higher than for previous internal audits. In the case of External Audit, this is because BTC have moved into a higher income/expenditure bracket and so are charged a higher fee. In the case of legal & professional fees, this is because of freehold transfer costs.

3.5 Council Services: Public Space Maintenance – Four areas are showing significant variance from budget, Bus Shelter Maintenance, Litter bin purchase, Public Realm Works and Floral Displays labour. For Bus Shelter Maintenance, a number of glass panels have required replacement and a number of electrical faults have needed to be corrected. For litter bins, a significant purchase of bins in the first quarter exceeded the budget by £240; further purchases during the year have increased this overspend. For public realm works, activity in the first two quarters has exceeded the budget; further expenditure in the remainder of the year contributing further to the overspend. For floral displays labour, summer bedding planting and watering costs exceeded the budget, with costs of planting winter/spring bedding adding to the overspend.

3.6 Council Services: Allotments - Two areas are showing significant variance from budget, repairs and water provision for owned allotment sites. For repairs, the overspend is expected due to the cost of repairing the fence at Five Arches site. For water supply, the overspend results from a change in Northumbrian Water's policy for billing un-metered supplies, producing a much higher bill for Blakewell Gardens. Installing a meter and restoring a supply to Five Arches is likely to incur further costs.

3.7 Parks and Play Areas: Projects – The cost of removing and disposing of existing equipment and surfacing has been added to the cost producing a projected overspend.

3.8 Parks and Play Areas: - a consequence of taking on the freehold of the play areas is a potential charge for grass cutting within the play areas. This is estimated at £300 per play area, a cost which is not currently in the budget.

3.9 Promotion: Marketing: - the Other Marketing budget is overspent due to increased promotion and the teenage market.

3.10 Grants – One area is significant variance from budget, Spittal Seaside Festival, where the grant awarded exceeded the budget allocated.

3.11 Insurance: - a new insurance deal has substantially reduced the cost of most insurance, including civic regalia and play areas. Play area insurance has been reduced further by opting to insure only new play equipment.

3.12 Net Impact – At present, these actual and anticipated overspends [total approximately £23580] are currently exceeded by various anticipated underspends [approximately £27820], leaving the budget as a whole with a potential underspend of just over £4000 and meaning that at this stage any corrective action can be limited to virements between budget heads.

4. Statement of Reserves

At the end of the 2015-16 financial year, Berwick Town Council had the designated reserves detailed in Table 1. In addition, there is a general [unallocated] fund of £200288.

At the start of the year, £80000 from the Play Area reserve was allocated to commissioned work at Flagstaff Park. In addition, £15000 for CCTV, £2000 for Quayside footpath work and £10000 for seat repairs were allocated from the general fund. These allocations leave the current reserve position as in Table 2. At this stage, it is expected that the remaining £40000 in the Play Area reserve will be utilised in work planned for play areas at Osbourne road and Grove Gardens South

Table 1 Details of Designated reserves

Reserve	
Play Area	120000
Council Projects	25000
Capital grants	4000
Bus Shelter	9753
Allotment	783
Operating	51932

Future projects, such as heritage lamp standards [estimated £20000] and replacement Christmas lights [estimated £30000] will be funded by identifying necessary sums to be transferred to appropriate designated funds. Additionally, BTC have further six play areas [seven if responsibility for Westfield is taken on] to refurbish over the coming years. Carrying this work out over three years would require approximately £60000 to £80000 to be allocated to the play area reserve each year

Table 2 Details of current levels of reserves

Reserve		Notes
Play Area	40000	Potentially allocated
Council Projects	7000	After allocation for Christmas lights
Capital grants	4000	
Bus Shelter	9753	
Allotment	783	
Operating	51932	
General Fund	173288	
Total	286756	

90. RECEIPTS

<u>Code</u>	<u>Title</u>	Q1 + Q2 Actual	Q3 Expected	Q4	Annual Total
47	Precept	125,500	125,500		251,000
48	Bank interest	48	50	50	148
49	Sundry	2,791			2,791
50	Grants	16,721			16,721
92	VAT refund	17,970	4,500	6,000	28,470
134	Public Seats	250	100	100	450
150	Portas	20,980			20,980
172	Play Areas	11,000	14,000		25,000
173	Allotment rents [owned]	205			205
175	Allotment Rent [leased]	0			0
176	Festive Lights/Trees Donations	150			150
180	Neighbourhood Plan	4,280.00			4,280
182	Barracks Revival project	1,000	2,000		3,000

**91. FREEMEN:
Receipts**

<u>Code</u>	<u>Title</u>	Actual			
61	Schedule III surplus	0		90,000	90,000
62	Freedom Admissions fees	75	100	100	200

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01. ADMINISTRATION: Staffing

Code	Title	Budget		Payments		Future Expenditure		under/ over spend	Notes			
		Annual	Q1 + Q2	Actual	Com- mitted	Current Balance	Q3			Q4		
	Salaries:	69903	29590	26103	0	43800	0	0	15731	15736	12333	
9	Training: officers	150	0	0		150			150		0	
10	Travel/subsistence: officers	400	125	0		400			125	150	125	
				0						Total	12458	

02. ADMINISTRATION: Office Costs

Code	Title	Budget		Payments		Future Expenditure		under/ over spend	Notes	
		Annual	Q1 + Q2	Actual	Com- mitted	Current Balance	Q3			Q4
13	Rent	6600	3300	3300		3300	1650	1650	0	
14	Service Charge	214	107	107		107	53	53	0	
16	Gas	350	110	276		74	120	120	-166	
17	Electricity	540	254	275		265	143	143	-21	
18	Water	200	94	103		97	53	53	-9	
19	Telecoms	800	70	811		-11	365	365	-741	Budget increase needed
20	IT Equipment	400	237	237		163	163		0	
21	IT Support	1200	660	540		660	270	270	120	
27	Equipment & Furniture	400	200	30		370		200	170	
171	Cleaning	0		292		-292	186	186	-664	Budget required
								Total	-1311	

03. ADMINISTRATION: Operational Costs

<u>Code</u>	<u>Title</u>	Payments			Current Balance	Future Expenditure		under/ over spend	Notes
		Budget	Actual	Com- mitted		Q3	Q4		
		Annual	Q1 + Q2						
22	Software Licence Fee	400	400	295	105			105	Budget for new software purchase required
24	Postage	450	250	119	331	100	100	131	
25	Stationery & Printing	1000	500	339	661	250	250	161	
26	Photocopies	600	200	1197	-597	200	200	-997	Budget increase needed
36	Website	150	50	0	150	100		50	
169	Waste Collection	0	0	204	-204			-204	Budget required
						Total		-754	

04. ADMINISTRATION: Councillor Costs

<u>Code</u>	<u>Title</u>	Payments			Current Balance	Future Expenditure		under/ over spend	Notes
		Budget	Actual	Com- mitted		Q3	Q4		
		Annual	Q1 + Q2						
11	Councillor Training	500	250	36	464	125	125	214	
12	Councillor Travel & Subsistence	500	250	146	354	125	125	104	
						Total		318	

05. ADMINISTRATION: Statutory & Professional Fees

		Payments			Current Balance	Future Expenditure		under/ over spend	
		Annual	Q1 + Q2						
28	Insurance	850	850	886	-36			-36	
29	Internal Audit	750	750	2728	-1978			-1978	Budget increase needed
30	External Audit	800	800	0	-400			-400	Budget increase needed
31	Legal & Professional Fees	1000	500	4330	-3330	250	250	-3830	Budget increase needed
33	Public Notices	500	500	0	500			500	
						Total		-5744	

06. ADMINISTRATION: Miscellaneous Costs

		Payments	Current Balance	Future Expenditure	under/ over spend
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<u>Code</u>	<u>Title</u>	Budget		Actual	Com- mitted	Q3	Q4	Notes
		Annual	Q1 + Q2					
34	Publications	50	0	0	50	50		0
35	Publicity	50	0	0	50		50	0
37	Subscriptions	1800	1800	1423	377	350		27
40	Meeting Expenses	500	250	7	493	125	125	243
						Total		270

07. ADMINISTRATION: Exceptional costs

<u>Code</u>	<u>Title</u>	<u>Bal. B/Fwd.</u>	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
			Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
166	Professional Services	8800	0	0	9502	0	-702			-702	
								Total		-702	

10. COUNCIL SERVICES: Public Space Management

Code	Title	Bal. B/Fwd.	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
			Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
72	Public Seat Maintenance	10616	1000	7416	5975	3310	2331	1000	1000	331	Includes allocation from reserves
73	Bus Shelter Maintenance	0	2000	1520	1361	1600	-961	250	250	-1461	
74	Bins - litter/grit	2760	1600	3560	4600		-240	400	400	-1040	
75	War Memorials: maintainence	0	80	0	0		80	80		0	
76	Grass Cutting	1650	5000	1700	1650		5000	3300	1650	50	
98	Public Seat Insurance	0	1300	1300	551		749			749	New deal has decreased insurance costs
99	Bus Shelter Insurance	0	1100	1100	343		757			757	New deal has decreased insurance costs
100	Public Realm Works	1548	1000	2048	2773	261	-486	250	250	-986	
101	Dog Fouling (WOOFS)	0	2000	1300	349	350	1301	700		601	
103	Floral Displays [materials]	4600	6200	5100	3931	299	6570	1200	4500	870	Budget may be decreased to cover labour costs
104	Floral Displays [labour]	0	2700	2700	2946		-246	650		-896	Budget increase needed
189	Public Toilet costs	0	2000	2000	2000		0			0	
Total										-3322	

12. COUNCIL SERVICES: Handy Person Service

	Budget	Payments		Current Balance	Future Expenditure		under/ over spend	Notes
		Actual	Com- mitted		Q3	Q4		
	Annual	Q1 + Q2						
194	Staff	25,584	25,584	25584			0	
195	Training	1,250	1,250	1250			0	anticipated refund of 250
196	Transport	6,050	6,050	6050			0	anticipated refund of 2494
197	Equipment & consumeables	3,500	3,500	3500			0	anticipated refund of 3400
Total							0	

13. COUNCIL SERVICES: Allotments

Payments Current
Balance Future
Expenditure

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<u>Code</u>	<u>Title</u>	Budget		Actual	Com- mitted	Q3	Q4	under/ over spend	Notes
		Annual	Q1 + Q2						
52	Repairs [owned]	500	1000	94	406			406	Budget increase needed – costs under-estimated?
113	Water [owned]	100	50	0	720		50	-670	Budget increase needed – costs under-estimated?
114	Repairs [leased]	500	250	0	500	125	125	250	
135	NAS Subscription	55		0	55	55		0	
							Total	-14	

20. PARKS & PLAY AREAS: Projects

<u>Code</u>	<u>Title</u>	<u>Bal. B/Fwd.</u>	Budget		Actual	Com- mitted	Current Balance	Future Expenditure		under/ over spend	Notes	
			Annual	Q1 + Q2				Q2	Q3	Q4		
155	Equipment Replacement	80000	0	0	0	83214	-3214				-3214	Includes allocation from reserves
										Total	-3214	

21. PARKS & PLAY AREAS: Splash Park

<u>Code</u>	<u>Title</u>	Budget		Actual	Com- mitted	Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2				Q3	Q4		
78	SSP Electricity	240	150	139		101	60	30	11	
80	SSP Equipment Maintainence	500	440	703		-203	30	30	-263	
81	Inspections	850	850	0		850	200		650	
82	Insurance	800	800	351		449			449	New deal has decreased insurance costs
85	SLA routine maintainence	7500	7500	7801		-301			-301	
								Total	545	

22. PARKS & PLAY AREAS: Highcliffe

<u>Code</u>	<u>Title</u>	Budget		Actual	Com- mitted	Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2				Q3	Q4		

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	Annual	Q1 + Q2							
83	Equipment Maintenance	500	250	0		500	125	125	250
109	SLA Routine Maintenance	520	520	0	520	0			0
110	Inspections	700	700	0		700	200		500
111	Insurance	240	240	105		135			135
190	Grass Cutting	0	0	0		0	300		-300
		1960						Total	585

23. PARKS & PLAY AREAS: Newfields

<u>Code</u>	<u>Title</u>	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
191	Equipment Maintenance	1,000	500	333		667	300	300	67	
	SLA Routine Maintenance	520	520	0	520	0			0	
	Insurance	260	260	105		155			155	New deal has decreased insurance costs
	Inspections	700	700			700	200		500	
	Grass Cutting	0				0	300		-300	
		2,480						Total	422	

25. PARKS & PLAY AREAS: Flagstaff Park

<u>Code</u>	<u>Title</u>	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
193	Equipment Maintenance	1,000	500	261		739	350	350	39	
	SLA Routine Maintenance	520	520	0	520	0			0	
	Insurance	260	260	105		155			155	New deal has decreased insurance costs
	Inspections	700	700			700	200		500	
	Grass Cutting	0				0	300		-300	
		2,480						Total	394	

24. PARKS & PLAY AREAS: Grove Gardens

<u>Code</u>	<u>Title</u>	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
192	Equipment Maintenance	1,000	500	204		796	350	350	96	

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SLA Routine Maintenance	520	520	0	520	0				
Insurance	260	260	105		155			155	New deal has decreased insurance costs
Inspections	700	700			700	200		500	
Grass Cutting	0					300		-300	
	2,480						Total	451	

25. PARKS & PLAY AREAS: Additional Play Areas

<u>Code</u>	<u>Title</u>	Budget		Payments		Current Balance	Future Expenditure		under/over spend	Notes
		Annual	Q1 + Q2	Actual	Committed		Q3	Q4		
151	SLA Site Maintenance	3120	3120	0	3120	0			0	
152	Equipment Maintenance	6000	3000	0		6000	3000	3000	0	
153	Inspections	4200	4200	0		4200	1200		3000	
154	Insurance	1560	1560	924		636			636	New deal has decreased insurance costs
	Grass Cutting	0	0	0		0	1800		-1800	
		14,880					Total	1836		

30. PROMOTION: Marketing

<u>Code</u>	<u>Title</u>	<u>Bal. B/Fwd.</u>	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
			Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
69	Visit Berwick & Events Leaflet	2348	0	0	2348		0			0	
116	Visit Berwick Website & staff	0	4200	2400	2360		1840	900	900	40	
138	Other Marketing	0	10800	0	9263	4170	-2633		3500	-6133	
			15000						Total	-6093	

31. PROMOTION: Berwick Autumn Festivals

<u>Code</u>	<u>Title</u>	Budget	Payments		Current Balance	Future Expenditure		under/ over spend	Notes
			Annual	Q1 + Q2		Actual	Com- mitted		
117	Banners	900	7	7	893	600		293	
118	Promotion	1200	1200	1485	-285	0		-285	
		2100					Total	8	

**32. PROMOTION: Festive
Lighting**

<u>Code</u>	<u>Title</u>	Budget	Payments		Current Balance	Future Expenditure		under/ over spend	Notes
			Annual	Q1 + Q2		Actual	Com- mitted		
43	Maintenance & installation	9000	0	0	9000		7000	2000	
44	Lights & Fittings	20500	0	0	21536	-1036	250	-1286	
45	Other costs	200	0	0	200		100	100	0
115	Christmas Trees	1000	0	0	1000		700	300	
156	NCC Labour Costs	600	0	0	600		600	0	
							Total	1014	

39. GRANTS

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<u>Code</u>	<u>Title</u>	Budget		Payments		Com- mitted	Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Actual			Q3	Q4		
39	Other Events Grants	0	6000	3500	3370		2630			2630	
41	Community Projects	4973	2000	1718	718	4665	1590	500	500	590	
77	BEES	0	2000	1000	0	1000	1000	500	500	0	
124	Tweedmouth Feast	0	1000	1000	1150		-150			-150	
125	Spittal Seaside Festival	0	1000	1000	4000		-3000			-3000	
127	Berwick in Bloom [annual]	0	700	510	403		297			297	
									Total	367	

40. COUNCIL PROJECTS

<u>Code</u>	<u>Title</u>	Budget		Payments		Com- mitted	Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Actual			Q3	Q4		
131	Town Improvement Projects	15000	3000	16500	15894		2106	750	750	606	9
132	Hoppa Bus	8572	12000	6000	10644	2000	7928	1500	1500	4928	
									Total	5534	

80. CIVIC EXPENDITURE: Mayoral/Civic Costs

<u>Code</u>	<u>Title</u>	Budget		Payments		Com- mitted	Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Actual			Q3	Q4		
53	Salaries: Mayoral staff	4800	2060	3398			1402	1320	1420	-1338	10
54	Mayor personal & official expenses	2500	1250	248			2253	625	625	1003	
55	Civic expenses	2000	900	366			1634	400	700	534	
56	Civic regalia insurance	4400	4400	2051			2349			2349	
									Total	2548	

81. CIVIC EXPENDITURE: Freedom Admissions

Payments	Current Balance	Future Expenditure
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<u>Code</u>	<u>Title</u>	Budget	Actual	Com- mitted		Q3	Q4	under/ over spend	Notes
		Annual	Q1 + Q2						
59	Salaries: Freedom Admissions	3000	990	1000	2000	495	495	1010	
60	Costs	200	50	0	200	100	50	50	
							Total	1060	

82. CIVIC EXPENDITURE: Civic Events

<u>Code</u>	<u>Title</u>	Budget	Actual	Com- mitted	Current Balance	Future Expenditure Q3	Q4	under/ over spend	Notes
		Annual	Q1 + Q2						
38	Remembrance Day	0	1200	0	0	1200		0	
91	Bounds Riding	1000	2700	200	1195	2505	2500	5	
93	Other	0	200	200	1057	-857		-857	
							Total	-851	

41. Neighbourhood Plan

<u>Code</u>	<u>Title</u>	Budget	Actual	Com- mitted	Current Balance	Future Expenditure Q3	Q4	under/ over spend	Notes
		Annual	Q1 + Q2						
177	Planning Advice	3500	1200	1109	2391	1300	1091		Funded from Grant
181	Stationary & Equipment	300	150	141	159	150		9	Funded from Grant
185	Publicity	0	0	0	0			0	
							Total	9	

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42. Barracks Reawakening Project

<u>Code</u>	<u>Title</u>	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
183	Consultancy	3000		615	3250	-865			-865	Funded from Partner donations
184	other	0	0	0		0			0	
							Total		-865	

43. Investors Conference

<u>Code</u>	<u>Title</u>	Budget		Payments		Current Balance	Future Expenditure		under/ over spend	Notes
		Annual	Q1 + Q2	Actual	Com- mitted		Q3	Q4		
186	Equipment	0	0	0		0			0	
187	Expenses	240	0	915	38	-713			-713	
							Total		-713	