

# THE CHARTER TRUSTEES OF POOLE



Report subject	<b>Budget Update Report</b>
Meeting date	28 October 2020
Status	Public Report
Executive summary	<p>The Charter Trustees of Poole achieved a favourable outturn position for the 2019/20 financial year, carrying forward reserves of £37,658 against a budget of £18,950.</p> <p>The forecast for the 2020/21 financial year is that the Charter Trustees of Poole will underspend significantly against the budget due to reduced activity caused by the Covid-19 restrictions. The forecast is that £52,479 of reserves could be achieved in-year against a budget of £19,272.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <ul style="list-style-type: none"><li><b>(a) The Charter Trustees note the budget outturn position for 2019/20.</b></li><li><b>(b) The Charter Trustees note the in-year budget position for 2020/21.</b></li><li><b>(c) The Charter Trustees nominate members to form a budget workshop in November to discuss the draft budget for 2021/22.</b></li></ul>
Reason for recommendations	To inform the Charter Trustees of the budget position for the previous and current financial years and also to inform the budget setting process for 2021/22.

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Classification	For Recommendation

## Background

1. At its meeting of the 26 August 2020 the Charter Trustees of Poole approved the accounting statements for the financial year 2019/20. The statutory format of these accounting statements presented income and expenditure at a summary level and it was agreed at the meeting that a more detailed budget statement would be presented to this meeting.
2. The Charter Trustees also considered the Internal Audit report at their August meeting which recommended that the Charter Trustees are more involved in the budget monitoring process. This report provides a summary of the projected year end budget position for the current 2020/21 financial year.
3. In preparation for setting the Charter Trustee's budget and precept for 2021/22 in January 2021 it is recommended that a budget workshop is held in November 2020.

## Budget outturn position 2019/20

4. The Charter Trustees of Poole approved the 2019/20 budget at their meeting of 9 October 2019. Total expenditure of £124,000 was approved which included a £18,950 contribution to reserves.
5. At the meeting of 26 August 2020 the Charter Trustees approved the accounting statements for 2019/20 with a summary financial position of £124,000 expenditure, including a £37,658 contribution to reserves.
6. Appendix A provides the detail of the expenditure incurred during 2019/20 against the detailed budget headings. The overall favourable position was achieved largely through savings against hospitality and civic events budgets, offset by additional VAT incurred on salaries and supplies.

## Budget forecast position 2020/21

7. The Charter Trustees of Poole approved the 2020/21 budget at their meeting of 29 January 2020. Total expenditure of £125,222 was approved which included a £19,272 contribution to reserves. Appendix A provides the detail of expenditure incurred during 2020/21 against the detailed budget headings. The current forecast is that budgets will be significantly underspent at the year-end as a result of reduced activity due to Covid-19 restrictions.
8. The forecast underspends against hospitality, civic regalia and civic events budgets will allow for an increased contribution to reserves in 2020/21, currently forecast at £52,479.
9. If this position is maintained through the remainder of the financial year then the Charter Trustees of Poole will have total reserves of £90,137 as at 31 March 2021, or 72% of the annual precept.

## **Budget workshop**

10. In January 2021 the Charter Trustees will meet to set the 2021/22 budget and agree the precept required to fund it.
11. In order to facilitate the budget setting process for next year it is recommended that a budget workshop is held in November 2020. The workshop would potentially provide clarity and direction for the following budget areas:
  - a. Update on the in-year budget position to inform the levels of budget required for 2021/22;
  - b. The Charter Trustee's ambitions with regards to precept levels and therefore implications for council tax;
  - c. Review of the tax base for the Charter Trustees of Poole, including the impact of Covid-19.
  - d. Review of recharges made to the Charter Trustees. This would include more closely aligning the level of accountancy recharges to reflect the level of support required by the Charter Trustees.
  - e. An appropriate level of reserves for the Charter Trustees to maintain.
12. The Charter Trustees of Poole are asked to nominate representatives to attend the budget workshop, but to include the authorised budget signatories.

## **Summary of financial implications**

13. As detailed in the report.

## **Summary of legal implications**

14. None.

## **Summary of human resources implications**

15. None.

## **Summary of sustainability impact**

16. None.

## **Summary of public health implications**

17. None.

## **Summary of equality implications**

18. None.

## **Summary of risk assessment**

19. The monitoring of the in-year budget position and early engagement on the 2021/22 budget setting process minimise the risks that budgets are insufficient to meet expenditure or that in-year overspends occur.

## **Background papers**

Statement of Accounts 2019/20 – Published works, Charter Trustees of Poole meeting 26 August 2020.

Internal Audit Report 2019/20 – Published works, Charter Trustees of Poole meeting 26 August 2020.

Charter Trustee Budget 2019/20 – Published works, Charter Trustees of Poole meeting 9 October 2019.

Charter Trustee Budget 2020/21 – Published works, Charter Trustees of Poole meeting 29 January 2020.

## **Appendices**

Appendix A – Budget monitoring position 2019/20 and 2020/21