

THE CHARTER TRUSTEES FOR BOURNEMOUTH



Report subject	Budget Outturn Report 2020/21
Meeting date	24 June 2021
Status	Public Report
Executive summary	Due to effects of the pandemic, the Charter Trustees of Bournemouth underspent against their approved budgets by £27,671 for 2020/21. This underspend plus the budgeted contribution to reserves of £4,400 has been added to the opening reserves position of £7,994 to give total reserves carried forward of £40,065 as at 31 March 2021.
Recommendations	It is RECOMMENDED that: The Charter Trustees note the budget outturn position for 2020/21.
Reason for recommendations	To inform the Charter Trustees of the budget outturn position for the 2020/21 financial year.
Report Authors	Dan Povey, Responsible Financial Officer
Wards	Council-wide
Classification	For Recommendation

Background

1. In accordance with the Accounts and Audit Regulations 2015, the Charter Trustees are required to approve the Annual Governance and Accountability Return (AGAR) 2020/21 by 30 June 2021. The AGAR contains a summarised accounting statement that complies with statutory requirements. This report provides the Charter Trustees with a detailed analysis of the budget outturn position in order to facilitate the approval of the AGAR that is on the agenda elsewhere today.

Budget outturn position 2020/21

2. The Charter Trustees of Bournemouth approved the 2020/21 budget at their meeting of 30 January 2020. Total expenditure of £137,250 was approved which included a £4,400 contribution to reserves.
3. Budget monitoring reports during the 2020/21 financial year informed the Charter Trustees that the budget would be significantly underspent across civic budget headings due to the effect of covid-19 and the associated restrictions on activity during the year. The position reported in January 2021 was a forecast underspend of £32,269, resulting in a contribution to reserves of £36,669.
4. The final outturn position for the financial year is an underspend of £27,671, resulting in a total contribution to reserves of £32,071.
5. Appendix A provides the detail of the expenditure incurred during 2020/21 against the detailed budget headings. The total spend, excluding the contribution to reserves, of £105,179 shown in this detailed expenditure analysis reconciles to the statutory summary accounting statements that the Charter Trustees are asked to approve elsewhere on the agenda today. The summary accounting statements form part of the Annual Governance and Accountability Return 2020/21.
6. In the main the Charter Trustees have only incurred expenditure relating to staff and premises recharges plus support service recharges from BCP Council. The final outturn expenditure is £4,500 higher than forecast in January, mainly due to the purchase of the past mayor's badge under the civic regalia budget heading.

Reserves

7. As a result of the in-year underspend, the Charter Trustees will carry forward reserves of £40,065 into the 2021/22 financial year. The reserves position is summarised in Figure 1 below.

Figure 1: Reserves Position 31 March 2021

	2020/21 Actual £	2021/22 Budget £
Opening Balance 1 April	7,994	40,065
Movement In Year	32,071	(7,994)
Closing Balance 31 March	40,065	32,071
Percentage of 2021/22 Precept	27%	22%

8. The Charter Trustees reserve level will therefore represent 22% of the 2021/22 precept (£147,956) at 31 March 2022, once the budgeted £7,994 contribution to the revenue budget is accounted for in 2021/22.
9. The 2021/22 budget report recommended reserve levels of 20% of the precept, which would equate to £30,000. This level is thought prudent to cover unforeseen expenditure because of the nature of the Charter Trustee budget where 76% of expenditure is on an agreed recharge basis with BCP Council and so not subject to volatility (for example salary costs and premises costs).
10. Therefore there is the opportunity for the Charter Trustees to determine whether they wish to utilise any of the reserves above the prudent level to support one off initiatives or expenditure.

Summary of financial implications

11. As detailed in the report.

Summary of legal implications

12. None.

Summary of human resources implications

13. None.

Summary of sustainability impact

14. None.

Summary of public health implications

15. None.

Summary of equality implications

16. None.

Summary of risk assessment

17. The report sets out the level of reserves at the disposal of the Charter Trustees and defines the minimum prudent balance to cover unforeseen expenditure.

Background papers

Charter Trustee Budget 2020/21 – Published works, Charter Trustees of Bournemouth meeting 30 January 2020.

Appendices

Appendix A – Budget outturn position 2020/21