

Committee: FULL COUNCIL

Date: 18 October 2022

Title: Income and Expenditure Report

**Purpose of Report**

For members to be informed of the income and expenditure to the end of September 2022

**Recommendation:**

Members resolve to note the income and expenditure report as of 30<sup>th</sup> September 2022.

**Background:**

1. In the Financial Regulations that were adopted by the Town Council at the May 2022 meeting, regulation 4.8 states;  
  
*The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of 15% of the budget.*
2. As part of the process for fulfilling this requirement we have been looking at the way in which the accountancy software that the council uses can produce reports that will assist members in the best way. Whilst there are some standard reports these are not always easy to interpret and as such **Appendix 11A** has been created to assist. This is an evolving process but it is hoped that we will be able to keep members informed better.
3. The report provided shows under each budget heading, what was budgeted at the start by the council in the December Full Council meeting, any Revised Budgets made during the year, any reserve movements that have taken place, what income/expenditure has occurred during the period under consideration, the balance of the budget and finally the percentage of budget at this point.
4. As can be seen, **Appendix 11A** covers the first half of the financial year 2022-2023. If one was to consider a linear budget, we would expect expenditure at this point to be 50% of annual budget. However, linear expenditure and income rarely occurs, but it will as the year progresses, help

officers and members to see where there may be issues of budgets that are likely to be exceeded. This will allow for members to be updated and plans made on how to deal with any potential occurrences.

5. At present each committee has its own delegated budget areas, however it is still incumbent on the Full Council to be aware of the full budget position of the council. It does mean that Income and expenditure at this point is operated in the report into committee.

### **Report**

6. As has already been identified the linear expenditure at this point would be **50% of budget**. Overall **income** stands at **£234,165** which is **60%** of what was expected with **expenditure** of **£168,614** which represents **43%** of budgeted expenditure.
7. Under Income, the Town Council have now received the Welcome Back Funding from South Somerset District Council of **£12,569.06** which covered the expenditure for new benches, bins, goalposts, table tennis table, cycle racks and hanging baskets, partly in this financial year and the last financial year.
8. The Town Council have also received the last payment from DWP for the Kickstart employee bringing the total to **£6,162.56** which should be balanced against the salary expenditure budget headings to reflect actual staff costs.
9. By deducting the DWP income from the expenditure for salaries, the total stands at **£98,976.45** which is currently less than budgeted at **42.1%** of the budget. However, the National Pay Agreement for April 2022 is still outstanding, and this could change the situation later in the financial year.
10. The expenditure for staff training is only **5.9%** of the budget, however a plan is in place for the Recreation Manager to take a play park inspection course. This investment would see a potential reduction in future fees charged for quarterly inspections. A tractor training course has also been scheduled for 16<sup>th</sup> March 2023 and officers have invited grounds workers from Chard Town Council to take part and therefore share the training costs.
11. There is a budget of **£15,700.00** which had been for the Youth Worker SLA which had been cancelled by the supplier earlier in the financial year. Suitable alternative providers have yet to be found, therefore, it is expected that there may be no expenditure recorded for this financial year.
12. The expenditure against the Town Council grants budget is only **4.8%** even though this has been publicized to encourage applications from local groups.

An additional request will be placed in the local paper and on social media to encourage applications for the remaining funds.

13. The purchase of the Speed Indicator Device (SID) solar panel **£670.00** has been funded from Earmarked Reserves held back from the last financial year.
14. The External Auditor fees have now been paid, which shows an underspend **£1,400.00** against the budget heading 365. Please note that an Interim Audit by the Internal Auditor is due to take place on 14<sup>th</sup> November 2022.
15. The **£25,000.00** agreed at Town Council for costs associated with maintenance and moving office are held under Earmarked Reserves and not shown under Revised Budget. Therefore, any remaining funds can be transferred back to General Reserves by the end of the financial year. There are no further costs expected over the Reserves already spent of **£5,622.42**.
16. Play equipment inspections are currently over budget at **69%** and the third and fourth quarter payments are expected to be an additional expense of **£705.64**.

**Julie Earp**  
**Deputy Town Clerk**  
**October 2022**