

Committee: FULL COUNCIL

Date: 20 September 2022

Title: Income and Expenditure Report

Purpose of Report

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

Recommendation:

1. Members resolve to move the budget headings for Ilminster Information Centre from 'Council' to 'Resources'.
2. Members resolve to note the income and expenditure report as of 31st August 2022.

Background:

3. 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.

4. 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.
5. The report provided shows under each budget heading, what was budgeted at the start by the council in the December Full Council meeting, 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.
6. As can be seen **Appendix 11A** covers the first five months of the financial year 2022-2023. If one was to consider a linear budget, we would expect expenditure at this point to be 41.6% 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.

7. 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. As a result of this we expect to bring quarterly budget reports to the Full Council meetings.

Report

8. As has already been identified the linear expenditure at this point would be 41.6% of budget. Overall **income** is stands at **£218,556** which is **56%** of what was expected with **expenditure** of **£124,658** which represents **32%** of budgeted expenditure.
9. The Town Council have now taken over the funds and the running of the Ilminster Information Centre. Two new budget headings have been created, for income **2000** which shows the funds transferred **£2,359.75**. This will be held as an Earmarked Reserve. The expenditure budget heading is 2001 should there be any expenditure recorded from Earmarked Reserves.
10. Members may resolve to move the budget headings for Ilminster Information Centre from 'Council' to 'Resources'.
11. Budget heading **352 Health & Safety** shows an overspend which is attributed to expenditure of **£600.00** for Legionella risk assessments being completed for all of Town Council properties ie. Old Magistrates Court, Public Toilets, Warden's Buildings, and Cemetery Lodge. This expenditure has been funded from Earmarked Reserves for the move to the Old Magistrates Court.
12. There is also expenditure of **£240.00** for three visits by a pest controller to attend to wasp nests in the cemetery, West Crescent and the recreation ground.
13. Office Accommodation Rent **358/1 £6,726.98** covers the costs of the North Street Council Offices in 2021/22. This cost was higher than previous invoices due to the installation of a new gas boiler and a new water heater in the kitchen. The Town Council paid 45% of the total running costs of the building.
14. Under budget heading **361/1 Office maintenance £6,737.19** is the expenditure of painting, plumbing, electrical work, carpet cleaning and damp proofing of the Old Magistrates Court prior to moving in. Once all invoices have been paid, this will be covered by funds from Earmarked Reserves.
15. The expenditure under **368/1** refers to the repairs to Councillor training. As it is currently underspent, Members are encouraged to take advantage of the training available.

16. Budget heading **371/3** is the cost of purchasing a solar panel for the Speed Indicator Device at **£670.00** and has been covered by Earmarked Reserves.
17. The Market House electricity **958/2** shows an overspend however, this reflects the change from payment by BACS every quarter to Direct Debit of £21.90 per month. The electricity accounts for all Town Council buildings with the exception of Cemetery Lodge are on a fixed rate contract until July 2023.
18. The play park inspection fees under budget heading 556 cover the independent annual inspection **£375.00**, and the first two quarters invoices from SSDC **£705.64**.
19. Although fuel costs, budget heading **559**, have been high since April **£2,274.55**, less is used over the autumn/winter period which may level the expenditure out against the budget by the end of the financial year.
20. Building maintenance **561/14 £1000.50** covers the costs of installing the pipework, 3 water meters, an external tap and the bottle refilling station at the tuck shop on the recreation ground. The Town Council had received a grant of £800.00 from Wessex Water in 2020, but were unable to instruct a contractor until July.
21. Members are asked to refer to officers any questions they have about the budget to them by **Monday 26 September** so that any queries can be researched adequately and a response can then be brought to all members should one be required.
22. Members are asked to note the budget report.

Julie Earp
Deputy Town Clerk
September 2022