

**Committee: FULL COUNCIL**

**Date: 17 October 2023**

**Title: Mid-Year Income and Expenditure Report**

**Purpose of Report**

For Members to receive information of the income and expenditure to 30 September 2023

**Recommendation:**

- a. Members resolve to agree a donation of £X to the Royal British Legion Poppy Appeal.
- b. Members resolve to agree a donation of £X to the Arts Centre on behalf of the Ilminster Information Centre.
- c. Members to note the balance of the report.

**Background:**

1. Financial Regulations paragraph 4.8 and 4.9 which state:

‘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.

4.9. Changes in earmarked reserves shall be approved by council as part of the budgetary control process.’

2. 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.
3. As can be seen, **Appendix 11A** covers the five months of the financial year 2023-2024. If one were to consider a linear budget, we would expect expenditure at this point to be **50%** of the 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.
4. 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.

5. If Members have any specific questions on this report, it would be helpful if they would contact the Deputy Town Clerk **by Monday 16 October 2023** at the latest.

**Report:**

6. The report attached at **Appendix 11A** shows the income and expenditure from 1 April to 30 September 2023.
7. The budgeted **income** is £403,240, with the majority being received in April which was the full year's precept of £379,231 for financial year 2023/24. At the end of September, **£409,478.59** has been received which is **101.5%** of the budget.
8. The interest received for the first six months totals **£9,223.77**. It is forecast that £15,353 may be received by the end of the financial year.
9. The annual rent invoices for the Tony Rice Bar and the Archie Gooch Pavilion will be raised once the quarterly RPI has been received.
10. The Ilminster Cricket Club Ltd, Herne View CofE Primary School and the fair have paid their invoices. The Ilminster Youth Football Club and the Ilminster Town Football Club are due to pay their invoices this month (October). Ilminster Sports Club Ltd have paid a **£500.00** deposit for their bonfire event on 5 November.
11. As reported to the Resources Committee Meeting on 5<sup>th</sup> September, the Friends of Ilminster Library donated their funds of **£2,022.65**. Members resolved, in accordance with its powers under Section 137 of the Local Government Act 1972, to incur the expenditure to purchase the sofa and footstool for Ilminster Library at a cost of **£1,075.00 (ex.VAT)** in accordance with their request. The VAT cannot be reclaimed in this instance, and the remaining funds will be held in Earmarked Reserves to make future purchases for the library for the benefit of the community.
12. The Market income is on track to reach the expected budgeted amount of **£3,500.00** this year due to having more regular market traders, and the additional usage of the Market House throughout the year.
13. Budgeted **expenditure** is £403,240, and the total expenditure at 30 September 2023 is **£186,000.73** which is **41.12%** of the budget.
14. The expenditure on salaries is forecast to just come in on budget. This will include the National Pay Award which has yet to be resolved in the coming months and will be backdated to 1<sup>st</sup> April 2023.

15. Expenditure on Health & Safety includes Legionella testing, and a new fire safety contract for the Old Magistrates Court. These items of expenditure continue to be funded by an earmarked reserve for Office maintenance.
16. Town Council grants are underspent even though this facility has been published both in the newspaper and on social media. Members are encouraged to advertise the availability of grants to organisations and groups they are in contact with.
17. Overall, utilities for all of the Town Council buildings are underspent as the current 3-year fixed tariff contracts continue until June 2024. Any underspend this year will be carried forward to the next year to cover the expected increases with new contracts. It is also worth noting that the contract for electricity and gas for the offices in the Old Magistrates Court has now been switched to a one-year fixed tariff contract with EDF.
18. As previously reported to the Resources Committee Meeting on 5 September, the RFO put in a complaint to the Energy Ombudsman on behalf of Ilminster Town Council against the utility company who supplied electricity to Cemetery Lodge. The Ombudsman's decision included three resolutions as follows:
  - a) The utility company to provide a written apology to Ilminster Town Council.
  - b) The utility company to pay £150.00 as compensation for their lack of customer service to Ilminster Town Council.
  - c) The utility company to provide an up-to-date invoice for outstanding charges as the last invoice was dated 24 July 2023.

The company have until 8<sup>th</sup> November to agree with the Ombudsman's Decision. The RFO has now been able to switch supplier to EDF Energy.

19. Although the expenditure is currently underspent, there are still some larger expenditure items that will be due over the coming months. These include the expenditure of **£74,000** on Winterhay play park which will be balanced out by receipt of the S106 funds. The expenditure needed to complete the Neighbourhood Plan which has **£13,996.08** left in Earmarked Reserves.
20. As of 30 September 2023, expenditure from Earmarked Reserves stands at **£20,302.57** and the total of Earmarked Reserves held for projects on the accounts at 30 September 2023 is **£342,849.08**.
21. The forecast of income at the end of March 2024 is expected to be in the region of **£518,000** and the forecast of expenditure at the end of the financial year is likely to be in the region of **£470,000**.
22. The mid-year Internal Audit will be undertaken on **Monday 30 October 2023**. So members are asked not to contact on that date.
23. Members are being asked to consider a suitable donation to this year's Royal British Legion's Poppy Appeal. The office already has 4 wreaths for the

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Market House, and two for the cemetery which are in good condition and being reused from previous years. The office will need to order 14 wooden crosses for the Polish War Graves in the cemetery, and a wreath for the Mayor. In previous years, a donation of £100.00 was agreed by Members.

24. Members are also asked to consider a suitable donation from the Earmarked Reserves held for the Ilminster Information Centre for the use of space in the Arts Centre. Last year, Members agreed a donation up to £500. A donation of £300.00 was made.
25. Members to note the report.

**Julie Earp**  
**Deputy Town Clerk/RFO**  
**October 2023**