

Committee: FULL COUNCIL

Date: 18 July 2023

Title: Quarterly Income and Expenditure Report

Purpose of Report

For Members to be informed of the income and expenditure against budgets from April to June 2023.

Recommendation:

1. Members to note the information in the report.
2. Members resolve to agree to move funds, from Earmarked Reserves for the tennis courts, to cover the expenditure of two benches.

Background:

1. This is the first quarterly report for financial year 2023/24 as required by 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 first quarter of the financial year 2023-2024. If one was to consider a linear budget, we would expect expenditure at this point to be **25%** 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.
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 17 July 2023** at the latest.

Report:

6. The report attached at **Appendix 11A** shows the income and expenditure from 1st April to 30th June 2023.
7. For 2023/24, 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. Therefore, **£387,390** has already been received in the first quarter which is **96%** of the budget.
8. As agreed at Town Council in March 2023 Minute No. 2022-0249-TC, funds held in the Natwest Reserve Account were then transferred to two new savings accounts and to the existing CCLA Public Sector Deposit Fund. The Town Council are now benefitting from the raised interest rates that have been increasing over recent months. As the two new accounts were opened in mid May, the total of interest received in the first quarter was **£3,147.77**. It is expected to be higher in the second quarter of the year.
9. Members are asked to note that the interest from the CCLA Public Sector Deposit Fund and the Cambridge and Counties Account are automatically transferred to the Natwest Current Account at the end of each month. Having made enquiries regarding the Unity Account, the RFO has learned that the interest will remain in the savings account. This is not considered a problem as withdrawals will be made from the Unity Account as required.
10. Natwest refunded **£299.88** to the Town Council for overcharged bank fees dating back to January 2019 which is recorded under budget heading 232/2.
11. For 2023/24, budgeted expenditure is **£403,240**. In the first quarter, **£90,484** has been spent which equates to **22%** of the budgeted figure. A total of **£10,958** of the expenditure was covered by Earmarked Reserves which are shown at **Appendix 11B** and are explained in the following paragraphs.
12. On 21 March 2023, Town Council agreed to £15,000 to be allocated from General Reserves in the 2023-24 budget to ensure that the required changes to the Neighbourhood Plan are implemented. An Earmarked Reserve was made in April, and the first invoice paid **£1,003**.
13. At the same Town Council meeting, Members unanimously approved the purchase of a Ferris 400 to replace the Stiga Pro at a cost of **£7,023** which was funded from remaining funds in an Earmarked Reserve for Open Spaces Purchases.
14. Earmarked Reserves as of April of £20,000 were held for the maintenance of the tennis courts. Invoices were paid for repairing the fencing **£2,500** and the purchase of gravel for the French drains around the courts cost **£432**.

15. Budget heading 352 Health & Safety appears to be overspent. However, at the Town Council meeting on 27 September 2022, Members agreed to a contract for Legionella Testing at the Old Magistrates Court, the public conveniences and the Warden's Building which is currently **£100** per month, and this will be funded from the Earmarked Reserve Office Purchases and Maintenance.
16. For expenditure from general reserves, salaries and associated costs appear to be in line with the budget at **23%** of the budget. However, these figures do not include the national pay agreement that is due to be agreed for 2023/24 in the coming months and this may result in an overspend depending on the outcome.
17. The expenditure under budget heading 361/2 Computers shows an overspend, however, it includes an invoice for adhoc IT support from January to May 2023.
18. The last of the invoices for the Coronation weekend under budget heading 391 have been paid with some expenditure occurring in the last financial year. Therefore, this will remain as an underspend for 2023/24.
19. The annual play inspection reports have been received and paid for under budget heading 556. There will be a post-installation inspection once the Winterhay play park is installed, but this will be funded by the S106 grant awarded to the Town Council in June 2023.
20. The seats budget (budget heading 560/4) is overspent by **£263.54** as it includes the purchase of two benches to be placed in the two tennis courts once they have been refurbished. There is funding available in the Open Spaces Maintenance heading that was moved into Earmarked Reserves for exactly this purpose. However, in order to keep track of expenditure on the refurbishment of the tennis courts, officers would prefer that Members resolve to move the funds from the tennis courts maintenance budget.
21. As part of the refurbishments, two sets of nets and posts are included as part of the LTA funding, it may be necessary to purchase two more nets and possibly posts as well. This will be taken to a future Open Spaces meeting to request funding from the tennis court maintenance budget.
22. An overspend on budget heading 560/16 Materials Purchases includes expenditure of **£367** for a number of fence posts to replace the broken and rotted ones on the recreation ground ready for the community service volunteers to paint and refresh and grass seed **£106** to fill in bare areas on the recreation ground and at the cemetery.
23. The ground staff uniform has been delivered and paid under budget heading 560/20 as agreed at Open Spaces Minute No. 23-0011-OS.
24. There is expenditure under budget heading 563/4 for the second year of a service contract for hand driers in the public conveniences costing £1,330 and the cost of a replacement tap in the disabled toilet of **£216**.

25. Members are asked to note the report and resolve to agree to move funds from Earmarked Reserves for the tennis courts maintenance, to cover the expenditure of two benches.

**Julie Earp
Deputy Town Clerk
July 2023**