

Committee: FULL COUNCIL

Date: 25 April 2023

Title: Income and Expenditure Report

Purpose of Report

For Members to be informed of the income and expenditure from 1st April 2022 to 31st March 2023.

Recommendation:

Members resolve to note the income and expenditure report as of 31st March 2023.

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 13A** 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 13A** covers the financial year 2022-2023.
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. Overall, **income** stands at **£457,819.50** which is **117%** of what was expected to be received, with **expenditure** of **£375,498.35** which represents **94.5%** of budgeted expenditure. Part of the expenditure figure includes Earmarked Reserves of **£40,406.38**.

7. The increase in income over the year is due to a number of factors explained below.
8. Interest rates on savings and investments continue to improve. The total received from the bank account and from the CCLA Public Sector Deposit Fund came to **£4,083.09** which has exceeded the expected budgeted income of **£450.00**.
9. The Town Council received two grants from the Welcome Back Fund and the Market Town Investment Group of **£21,569.76**.
10. An insurance claim was made for the replacement bus shelter roof and the repairs to the Cemetery Lodge roof of **£2,870.00**.
11. The Town Council employed a Kickstart trainee and received funds of **£6,162.56** from the Department of Work & Pensions towards salary and training costs.
12. The responsibility of the Ilminster Information Centre moved to the Town Council along with the existing funds of **£2,752.65**.
13. An agreement for the use of a parcel of land by Jurassic Fibre resulted in a payment to the Town Council of **£15,000.00**.
14. Cemetery fees received of **£10,911.10** have exceeded the budgeted figure of **£10,105.00**.
15. There is an underspend in expenditure over the year due to a number of factors which are explained below.
16. As noted in February's report, the salary budget **£235,000.00** was only exceeded by **£642.91**, and this would have arisen from an employee who joined the pension scheme in July.
17. The new contract for Legionella Testing has increased expenditure under budget heading 352 Health & Safety, however, this was funded by Earmarked Reserves of **£2,403.00**.
18. As the youth provision was withdrawn by the third party, the budget heading 353/4 remains unspent with a budgeted figure of **£15,700.00** in addition to the Earmarked Reserves of **£5,038.98**.
19. The Town Council awarded grants of **£7,810.00** to local organisations and the library, leaving an underspend of **£3,090.00**.
20. The operational costs of running the offices at the Old Magistrates Court and North Street under budget heading 358 are underspent at **£11,041.74** compared to the budget of **£13,520.00**.

21. The maintenance of the offices under budget heading 361, which included works carried out at the Old Magistrates Court before moving offices, remains underspent at **£2,426.01** as the Town Council had agreed to fund those extra costs related to the office move of **£8,241.41** from earmarked reserves.
22. Legal Fees budget heading 370 is underspent at **£5,800.00** compared to the revised budgeted figure **£18,012.00**.
23. Expenditure on subscriptions and memberships under budget headings 366 and 375 are overspent and total **£4,016.52** compared to the budgeted total of **£2,600.00** which is primarily due to the subscription for Office 365 email addresses introduced at the start of the financial year.
24. Funds for Community Resilience are underspent at **£1,590.21** compared to the budgeted figure of **£10,624.00**. The Town Council provided a monthly donation of cleaning products to the food bank and restocked the resilience stores.
25. The Town Council recently purchased two replacement mobile phones for the grounds staff under budget heading 4102 bringing an overspend of **£240.23** against a budget of **£520.00**.
26. Under budget heading 560, it includes the purchase of the replacement for the tractor at £7,200.00 which was funded by earmarked reserves. The total open spaces purchases have remained underspent at **£4,668.86** against a budgeted figure of **£8,268.00**.
27. The open spaces maintenance expenditure under budget heading 561 is **£8,571.61** which is underspent against the budget **£14,040.00**.
28. Vandalism to the public conveniences on the recreation ground has totalled **£12,854.62** this year due to having to replace 5 doors. The Town Council agreed to fund this from reserves.
29. The expenditure for the cemetery has remained underspent by **£1,219.12** from a budget of **£2,576.00**.
30. The balances on the accounts as of 31st March 2023:

Current account:	£100.00
Reserve account:	£515,343.04
CCLA Public Sector Deposit Fund:	£75,000.00
Petty Cash	£62.22
Total Funds:	£590,505.26
31. Members are to note the income and expenditure report as of 28th February 2023.

Julie Earp
Deputy Town Clerk
April 2023