

Committee: Resources

Date: 6 September 2022

Title: Financial Monitoring Report

Purpose of Report

To receive information about the Resources Committee budget, income and expenditure from 1st April 2022 to 31st July 2022.

Recommendation:

- a) Members to note the report.
- b) Members to recommend to Full Council a transfer from General Reserves to cover expenditure for the Neighbourhood Plan

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 7A** 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 at 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.

4. As can be seen **Appendix 7A** covers the first four months of the financial year 2022-2023. If one was to consider a linear budget, we would expect expenditure at this point to be 33.3% 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 the Resources Committee has its own delegated budget areas.

Report

6. As has already been identified the linear expenditure at this point would be **33.3%** of budget. Overall **Income** received is **£209,199** with expenditure of **£84,560**. This represents **25%** of budgeted expenditure.

7. Expenditure on staffing is currently within that budgeted although it should be noted that this includes the Kickstart employee whose salary has been mostly funded under income budget heading 233/1. Also, there will be additional staffing costs incurred once the Recreation Manager is in place.

8. Health and Safety expenditure is above the 33.3% point with expenditure so far of **£740.00** or **711%**. This can be attributed to Legionella Risk Assessments for all Town Council property costing £600.00. Further details of this is under Agenda Item 11. The other £140.00 covers the cost of two visits to remove wasp nests at the cemetery and West Crescent.

9. Under Budget heading **364/2 Stationery** is overspent for this time of the year at 51.17%, however, it includes the ID badges purchased for staff and Members costing **£263.18**.

10. Budget Heading 366 Membership/Subscription Fees expenditure has so far covered the annual memberships for ICCM, Parish Online and South West Councils. Further fees due can also be covered by budget heading 375 Subscriptions.

11. Under the Council reports, Members are asked to note the addition of the budget heading 2000 under Income and 2001 Expenditure for Ilminster Information Centre. Funds have recently been paid into the Town Council's bank account, and will become Earmarked Reserves for any future expenditure required for the Information Centre. This will be shown once the August bank reconciliation has been completed.

12. For the Neighbourhood Plan which is listed under Council, Members are asked to recommend to Full Council a transfer from General Reserves to cover the expenditure incurred at the beginning of this financial year of £872.80.

13. Members are asked to refer to officers any questions they have about the budget to them by **Monday 5 September** so that any queries can be researched adequately, and a response can then be brought to all Members should one be required.

14. Members are asked to note the budget report.

Julie Earp
Deputy Town Clerk
30 August 2022