

Committee: Resources

Date: 10 January 2023

Title: Financial Monitoring Report

Purpose of Report

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

Recommendation:

Members to note the report.

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 two months of the financial year 2022-2023. If one was to consider a linear budget, we would expect expenditure at this point to be 75% 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 75% of budget. Overall **Income** is **£424,561** with expenditure of **£231,418**. This represents **67%** of budgeted expenditure.

7. Monthly interest rates on the Business Reserve account (budget heading 214) started the year at 0.0001% in April and gradually increased to 0.0008%. Under budget heading 220, the monthly interest rate on the Public Sector Deposit Fund has also increased over the year from 0.0005% in April to 0.0022%.

8. Budget heading **221 Donations** includes wood sales of **£176.00**, and a donation from Angel Eye Media Ltd of **£300.00** for filming on Herne Hill.

9. The Christmas Lights donations of **£3,579.51** have been received under **Budget Heading 224**.

10. The expenditure on salaries, national insurance, tax and pensions under budget heading **350** balance out at **74.6%** of the budget following the National Pay Award. However, this is expected to increase by the end of the financial year.

9. Budget heading **352 Health & Safety** shows an overspend which will continue to increase as this includes the monthly contract of £135.00 per month for Legionella Testing.

10. The annual fees for 2021/22 for the North Street offices **£6,726.98** under budget heading **358/1**. This was higher than expected as a new gas boiler had been installed.

11. A new photocopier was purchased for **£2,618.99** under budget heading **361/5**. This was covered by the earmarked reserve.

12. Memberships and subscriptions are split between two budget headings, **366 and 375** totalling **£3080.52** which is over budget by £480.52. These two budget headings will be brought together in the new financial year.

13. Members are asked to note the budget report.

Julie Earp
Deputy Town Clerk
January 2023