

Committee: FULL COUNCIL

Date: 21 June 2022

Title: Finance budget

Purpose of Report

For members to note the financial position after 2 months of the financial year 2022-2023

Recommendation:

Members to note the budget 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 19A** 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 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 19A** 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 16.6% 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 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. As a result of this we expect to bring quarterly budget reports to the Full Council meetings.

Report

6. As has already been identified the linear expenditure at this point would be 16.6% of budget. Overall **Income** is **£183,376** with expenditure of **£46,045**. This represents **12%** of budgeted expenditure.
7. There has been an expenditure of **£872** in the **Neighbourhood Plan (NP)** budget. This means that we will require approval from members for money to be allocated from General Reserves into the Neighbourhood Plan budget at some point in the near future. The NP Steering group that this would all have been completed in the last financial year but this has not transpired. It did mean that no funds were allocated to the Neighbourhood Plan budget.
8. As the RFO is on annual leave at this point I would suggest that an item is added to the Resources Committee meeting for them to request that Full Council authorises a transfer from General Reserves to cover any costs associated with the Neighbourhood Plan. It will also allow additional time to establish if there is any additional grant funding available to assist with the balance of the costs that are likely to be incurred.
9. Expenditure on staffing is currently within that budgeted although it should be noted that there will be additional staffing costs incurred once we have recruited an additional Grounds person. This is in the process of being carried out.
10. Staffing expenses are above the **16.6%** point with expenditure so far of **£140.40** or **28%**. This can be attributed to two members of staff recently having attended training courses.
11. Budget heading **361/1 Office Expenses** shows that an overspend, **£1,301**, has already occurred. These overspend can be attributed to costs associated with the commission of the old Magistrates Court. We have had work carried out to paint the inside and for damp proofing to be carried out. We will look to

separate out the costs linked to the Magistrates Court commissions and bring this to a future meeting.

12. There has been an invoice wrongly entered onto **Budget 361/2** with respect to the Office 365 licences and this will be recoded to **361/3 Software purchase/Subscriptions**.
13. It is notable that we are already seeing the increase in fuel costs having an effect on the budget figures. Heading **559 Fuel** already shows that we are **5%** over the budgeted figure. It is reasonable to assume that this will continue to increase over the coming twelve months and members should be aware of the probable need to vire funds across from General Reserves to cover this at some point.
14. We have traditionally seen equipment servicing take place ahead of the summer activities and this would explain why **563/4 Servicing/Maintenance** is at **45%**.
15. Members are asked to refer to officers any questions they have about the budget to them by **Monday 20 June** so that any queries can be researched adequately and a response can then be brought to all members should one be required.
16. Members are asked to note the budget report.

Mark Tredwin
Town clerk
June 2022