

Committee: FULL COUNCIL

Date: 15 November 2022

Title: Income and Expenditure Report

Purpose of Report

For members to be informed of the income and expenditure to the end of October 2022

Recommendation:

Members to note the income and expenditure report as of 31st October 2022.

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 12A** 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 12A** covers the first half of the financial year 2022-2023. If one was to consider a linear budget, we would expect expenditure at this point to be 58% 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.

Report

6. As has already been identified the linear expenditure at this point would be **58% of budget**. Overall **income** stands at **£421,697** which is **108%** of what was expected with **expenditure** of **£196,777** which represents **50%** of budgeted expenditure.
7. Under Income, the second part of the precept was received, **£180,615**. The Town Council are now benefiting from increases in monthly dividend payments, **£107.82**, which have increased over the past few months.
8. A donation of **£3,579.51** has been received for Christmas lights which covers the recent expenditure on Christmas lights.
9. The Clubs have been invoiced for 2022/23 fees. Ilminster Youth Football Club promptly paid their invoice **£559.95** and the other Clubs payments are expected in November.
10. The Ricoh photocopier was sold via Facebook Marketplace for **£50.00** which is under the budget heading 221 Donations.
11. There were three grant payments made in October. The grant for Ilminster Sports Club Ltd **£500.00** was paid from Earmarked Reserves as it had been reserved from last year's budget. The grants paid out for the Chamber of Commerce **£500.00** and the Christmas Lights **£500.00** leaves **£9,400.00** in the budget for grants.
12. The legal fees **£5,800.00** related to the IEF and cricket club leases from August 2019 to the beginning of September 2022 were paid.
13. The electricity figure under budget heading 558/3 is skewed by the supplier overcharging during the last financial year and reimbursing the Town Council in April. The electricity contracts for the Warden's Building, the public conveniences and the Market House are on a fixed rate contract that started in July 2021 and will end in June 2024, and so are not experiencing any increases in charges.

AGENDA ITEM 12

14. The electricity contract for the Old Magistrates Court will finish in August 2023 and the contract held for Cemetery Lodge is on a monthly variable rate. Officers will investigate new contracts for these two buildings in the coming months.
15. The fuel budget heading 559 **£2,665.57** is only slightly over the linear percentage which reflects how the price of fuel has changed over the last few months. With less fuel required during the winter months, it is still forecast to come within budget.
16. Members are to note the income and expenditure report as of 31st October 2022.

Julie Earp
Deputy Town Clerk
November 2022