

Date of Meeting: 10 September 2020

Budget Review – Income and Expenditure

1. Purpose of Report

To note the review of this year's accounts as of 31 August 2020.

2. Introduction

The report includes as appendices:

Appendix 1 – Expenditure and income incurred to 31 August 2020 (Actual year to date) and agreed budget 2020/21.

Appendix 2 – August 2020 Bank / Cash Reconciliation.

(Note: Figures within the Appendices are as of 31 August 2020).

3. Background

The Town Council considered the first quarter end figures for 2020/21 at its last meeting of 16 July 2020, where members agreed to continue to act with caution and refrain from unnecessary expenditure. Due to the recess Council has not received an update on income and expenditure from 1 July 2020 onwards, where there has been a number of changes since this period including the return to work at a reduced level of all staff.

4. Current quarter actuals

Expenditure

As advised previously each of the cost centres listed within the attached report provide a summary of total income and expenditure under that cost centre. Within each cost centre are cost codes which hold individual budget headings within the overall budget of the cost centre.

In the last finance report on 16 July 2020 members were able to consider the first quarter outcome which enabled them to make some assumptions for subsequent quarters based on regular month expenditure, including direct debits, salaries and utility costs.

The spreadsheet shows that expenditure as of 31 August 2020 was £381,201 a difference of £112,926 from 30 June 2020. These figures suggested an average monthly spend of £66,000 during July and August. This is a reduction of the monthly spend previously reported. This is possibly due to the costs of National Non-Domestic Rates being costed for the year during the first quarter. In comparing the spend for the same period for last year £602,531.

Income

Overall, the total amount of income received as of 31 August 2020 is £438,705, with the majority of this coming from the first installment of the precept (£336,503). In the same period last year, a total of £674,734 had been received including the precept.

Since the return of the market traders there has been income received of £16,753 received from indoor and outdoor stalls. However, at the same period last year £69,598 had been received resulting in an estimated loss of £52,845 whilst the market was closed compared to last year.

The Town Council has also benefited from the Governments' Job Retention Scheme grant where to date £58,456 has been received. From 13 July all staff returned to work on reduced hours and the Town Council has continued to benefit from the new Job Retention Scheme for employees working part time hours. It is anticipated that staff will return to work on a full-time basis once the scheme comes to an end on 31 October.

Following approval, the transfer of £283,000 for historic capital expenditure and £62,356 for the purchase of a cherry picker in 2020 has been made from the CCLA accounts. The attached reconciliations show the impact on the bank balances this has had.

It is also worth noting that although this report is based on balances as of 31 August 2020, the second installment of the precept was received on 1 September 2020 increasing the trading account balance to £536,878 as of 1 September 2020.

5. Considerations

Based on the income and expenditure reported and the current balances held if the Town Council remains cautious then there will be sufficient funds to the end of the financial year.

Based in current Government guidance it is not currently financially viable to re-introduce events to the Civic Hall which will have an impact in income particularly over the Christmas period. It is unlikely that there will be any events until 2021, which is common with many theatres around the country. The Civic Hall is now operating the tabletops on a weekly basis and the building is available for meetings etc.

In an attempt to advertise the availability of the Civic Hall, and what it has to offer the Marketing Manager is currently looking into having a promotional video developed which would be placed on social media, you tube etc. There will also be a separate promotional video developed for the town and market hall.

It is recommended that the Town Council continue to act with caution, and refrain from unnecessary expenditure including grants, unless a strong case for supporting a grant request can be justified.

6. Decisions Required

Members are asked to consider the report and:

6.1 Note and approve the review of income and expenditure and the bank reconciliation as of 31 August 2020.

6.2 Approve the recommendation to act with caution and refrain from unnecessary expenditure.

6.3 Support the development of promotional videos for the town, market and Civic Hall.