

Date of Meeting: 28th January 2021

Budget Review – Income and Expenditure

1. Purpose of Report

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

2. Introduction

The report includes as appendices:

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

Appendix 2 – December 2020 Bank / Cash Reconciliation.

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

3. Background

The Town Council has received regular monthly reports on income and expenditure for 2020/21. Given the current pandemic members have agreed to continue to act with caution and refrain from unnecessary expenditure.

There have been two months pass since the committee considered the current financial position due to the Christmas period.

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.

The spreadsheet shows that expenditure as of 31 December 2020 was £726,938 a difference of £160,954 from 30 October 2020, suggesting an average monthly spend of £80,477. In comparing the spend for the same period for last year of £1049,785 with careful management the town council has been able to save **£322,847**.

The main areas of savings to date have come from the following cost centres:

Town Centre Management – A budget of £68,723 with a current spend of £16,554.

Grants – A budget of £13,200 with a current spend of £700

Contributions – A budget of £73,450 with a current spend of £12,369.

Civic & Elections – A budget of £22,100 with a current spend of £2,813.

Events – A budget of £70,038 with a current spend of £29,090

Civic Hall – A budget of £377,593 with a current spend of £219,399

There has however, been an overspend within cost centre “All Departments” due to the VAT invoice from HMRC for £24,209 which council has been advised off in previous reports, as a result of historical errors in the use of VAT for shows and events at the Civic Hall.

Income

Overall, the total amount of income received as of 31 December 2020 is £903,647 with most of this coming from the precept of £673,005. In addition, there has been £97,963 received through the Government Job Retention Scheme, £31,500 business support grants through Cheshire East, £7,597 from room hire at the Civic Hall, £13,312 from allotment rents and £61,631 from market rents. In the same period last year, a total of £1,228,785 had been received including the precept, a difference of **£325,138**.

5. Considerations

Based on the income and expenditure reported above the town council has been able to make savings on expenditure equal to the loss of income compared to the same period last year, as highlighted in yellow in the above figures.

The Current Job Retention Scheme ended on 31st October, but due to the most recent government restrictions has now been extended until March 2021 with up to 80% of employees’ salaries covered by the scheme for the hours not worked.

Members are reminded to note that during January 2021 a significant invoice will be paid for the Cherry Picker of £65,407.80 including VAT, which will increase the expenditure for that month and affect the balances held.

In October members considered a request from NHS England to hire the main hall at the Civic for several months at a reduced fee. Members delegated authority to the Clerk to negotiate a suitable fee. Since 13th December the NHS has entered into a hire agreement with the Town Council initially until 31st March 2021 with a view to extending the agreement if required. The Clerk will share with members the agreed fee during the meeting due to the sensitive financial information of the NHS.

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 December 2020.

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

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