

Date of Meeting: 18 March 2021

Budget Review

1. Purpose of Report

To note the review of this year's accounts as at 28 February 2021.

2. Introduction

The report includes as appendices:

Appendix 1 – Last years (2019/20) budget and actual spend, agreed budget for this current year, expenditure incurred to 28 February 2021 (Actual year to date), probable expenditure for the current year (Projected actual) and agreed budget 2021/22.

Appendix 2 – February 2021 Bank / Cash Reconciliation.

(Note: Figures within the Appendices are as at 28 February 2021).

3. Current Year's Estimates

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.

As we approach the end of the financial year it would be prudent to review all cost centres where there is likely to be an overspend:

101 Administration – a predicted overspend of £3,429. This is due in the main to an increase in salaries for 2020/21 of 2.75%, whereas only a 2% increase was included within the budget.

602 Markets – A predicted overspend of £21,933. Whilst this appears to be a significant overspend, it is in the main due to the change in accounting methods in 2020/21 from 2019/20 for salaries. When reviewing the total employee costs for 2019/20 of £112,888 and comparing the predicted total employee costs for 2020/21 of £119,300 there is only a difference of £6,412 and this figure is due to the 2.75% pay award.

603 Public Toilets – a predicted overspend of £11,331. Again, as with the markets overspend this is due to a change in accounting methods in 2020/21 for salaries.

Income

Whilst the above codes show a predicted overspend, in some cases the overspend can be offset from income received. During 2020/21 due to the pandemic in many cases the budgeted income has not been received. The following cost centres show a predicted reduction in income compared to the budget set:

201 Brookfield Hall – a predicted decrease in income of £9947. This is due to a loss in room hire income.

601 Civic Hall – A predicted decrease of £262,452. This is due to lockdown and the loss of income from events, room hire and bar sales.

602 Market – A predicted decrease of £92,286. This is due to lockdown and no essential traders unable to trade.

There are other smaller losses of income in other services areas detailed within the attached spreadsheet.

The one area the town council has benefited is the receipt of grants through the Government Job Retention Scheme and Cheshire East Council's business continuity grants, with a total of £156,576 received up to 28 February 2021. Had it not been for the receipt of these grants the town council would be in a very difficult financial position at year end. As you can see from the figures detailed above showing the loss in expected income, the grants do not cover this loss of income.

4. Decisions Required

Members are asked to consider the report and:

4.1 Note and approve the review of income and expenditure and the bank reconciliation as at 28 February 2021.