

Date of Meeting: 24 March 2022

## Budget Review

### 1. Purpose of Report

To note the review of this year's accounts as of 28 February 2022.

### 2. Introduction

The report includes as appendices:

Appendix 1 – Last years (2020/21) budget and actual spend, agreed budget for this current year, expenditure incurred to 28 February 2022 (Actual year to date), probable expenditure for the current year (Projected actual) and agreed budget 2022/23.

Appendix 2 – January and February 2022 Bank / Cash Reconciliation.

Appendix 3 – Phased Budget – Current month actual compared to current month budget

Appendix 4 – Summary Income & Expenditure report

(Note: Figures within the Appendices are as of 28 February 2022).

### 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 with a material variance in excess of 15% of the budget in line with financial regulations.

**103 Administration (Subscriptions)** – a projected overspend of £727. This is due to the increase in the SLCC subscription from one member to two members for the Clerk and Deputy Clerk.

No other cost centre has a material overspend variance more than 15%, in fact of the twenty-one cost centres, fifteen of the cost centres are likely to be underspent at year end.

There is however, a number of cost codes within the cost centres that have an overspend more than 15%:

## **102 All departments:**

**4030 – Stationery** – An overspend of £794. This is due to the requirement to replace all the market receipt books to record the level of VAT charged for each trader in line with the internal audit recommendations.

**4032 – Photocopying** – An overspend of £475. Due to an increase of usage. The photocopier contract is being reviewed which will result in a replacement new copier on lease and subsequent lower copier costs, giving an overall reduction in costs based on the same level of use.

**4040 – Insurance** – An overspend of £2169, to cover insurance for the Cherry Picker and new electric van, for which was not budgeted.

**4043 – Phones** – An overspend of £1,381. This budget covers land line and mobile phone charges. The contract for mobile phones has been reviewed and changed as of December 2021 which will show a saving moving forward into the new year.

## **104 Town Centre Management:**

**4251 – Banners, flags and signs** – An overspend of £246. Additional costs have been accrued due to the purchase of special commonwealth game flags and bunting to celebrate the Queen's Platinum Jubilee.

## **201 Brookfield Hall:**

**4202 Water & Sewerage** – An overspend of £280. Charges based on usage. Utility costs can be unpredictable. Collectively across all sites the water and sewerage budget are projected to be underspent by £2,000.

**4212 Repairs and Maintenance** – An overspend of £1000. This is due to the unexpected requirement to conduct a Fire Risk assessment of the building and subsequent actions from the assessment.

## **220 Civic & Elections Expenditure**

**4353 – Civic Regalia** – An overspend of £450. This is due to the purchase of a fabric collar for the Mayoral chain.

## **601 Civic Hall:**

**4201 – Electricity** – An overspend of £3483. Charges based on usage. Utility costs can be unpredictable. Collectively across all sites the Electricity costs are projected to be within £1000 of the budget.

**4206 – Chubb Security** – An overspend of £1,193. Due to maintenance work carried out on the CCTV system costing £1200.

**4212 – Repairs & Maintenance** – An overspend of £2,177. There was a requirement to repair the evacuation chair when it failed testing to the value of £1,542.

**4220 – General Equipment** - An overspend of £404. There was a requirement to purchase protective tile mats, to protect the Civic Hall dance floor for an event.

**6101 – Purchase of Drink** – An overspend of £18,096. The budget for purchasing bar drinks was significantly reduced for 2021/22 due to Covid. But as events have become more regular there has been a requirement to replenish the bar stock to accommodate events. The additional cost of the drinks will be offset by the increased income, from an anticipated £50,000 income to £92,299 year to date received.

**6113 – Equip purchase light/sound** – An overspend of £619. Some of the cost of the protective tile mats were coded to this cost centre to help balance out the overspend within General equipment.

**6117 – Annual Mech Rigging inspection** – An overspend of £250. There was an underestimation on the yearly cost of the inspection.

#### **602 Market:**

**4206 – Chubb Security** – An overspend of £801. Due to maintenance work carried out on the CCTV system costing £1200 as with the Civic Hall.

**4212 – Repairs & Maintenance** – An overspend of £4,507. This is due to the purchase of new gazebos in March 2021 as there were sufficient funds in 2020/21 budget, but the invoice was received 30 March 2021 so was paid in the new financial year.

**4220 – General Equipment** – An overspend of £1,119. As above the purchase of the gazebos was costed to the two cost codes to balance out the overspend.

**6104 – Equipment service/maintenance** – An overspend of £1,235. This is due to a repair required to a market roller shutter of £1,709.

#### **606 Tourism:**

**4053 – Worldpay** – An overspend of £2,389. This is due to an increase in card processing including the introduction of card transactions for market trader rents.

#### **Income**

Whilst the above codes show a predicted overspend, in some cases the overspend can be offset from income received. During 2021/22 the Town Council reduced the level of expected income due to the ongoing pandemic. However, at year end the projected income is likely to be circa £190,000 more than budgeted. The majority of this additional income has been received through the Civic Hall, with an additional £153,900 received above the amount budgeted as of 16 March 2022.

Overall, the projected expenditure for 2021/22 is expected to be just under the budget of £1,196,515, with an increase in the projected income of

approximately £190,000 placing the Town Council finances in a more comfortable position than March 2021.

#### **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 of 28 February 2022.