

Stoke by Clare Parish Council

Agenda item 5 (i)

Report title:	2022/23 Financial Overview as at the First Quarter Stage
Date of meeting:	25 July 2022
Report by:	Judith Dignum, Parish Clerk and RFO

1. Purpose of report

- 1.1 To set out the current forecast financial position of the Parish Council as at the first quarter of the 2022/23 financial year and highlight any issues of interest or concern.

2. Recommendations

- 2.1 To note the forecast financial position of the Council's budget as at the first quarter stage of the 2022/23 financial year.
- 2.2 To approve the creation of an additional 'Office Expenses' budget heading within 'Admin', as set out in paragraph 4.5 below.

3. Background

- 3.1 The Council's budget for 2022/23 was agreed at the Parish Council meeting on 6 December 2021. The Appendix to this report sets out the current position and forecast outturn for each budget heading.

4. Commentary

Summary of Income and Expenditure

- 4.1 Total forecast expenditure and income at year end compared with the budgeted figures are set out below

Income			
Budget	Q1	Year-end forecast	Variance
£19,690	£28,913	£29,520	£9,300
Expenditure			
Budget	Q1	Year-end forecast	Variance
£20,674	£20,544	£30,079	£9,405

- 4.2 Income appears likely to be greater than forecast due to arrangements in place for settling invoices for building work and other projects on behalf of the Village Hall. The net sum is reimbursed by The Village Hall Committee and the remaining VAT reclaimed by the Council, resulting in a net neutral effect. The position at year end therefore is likely to be in line with expectations.
- 4.3 A predicted overspend at year end is associated mainly with Village Hall building projects, which have a net neutral impact, as explained in paragraph

4.2 above. There has also been a greater than expected increase in Waste Management costs, resulting in a £96 overspend.

- 4.4 The introduction of a fee for playground inspections was flagged by the provider in 2021/22 but has not yet been notified, resulting in a potential saving of £250. There has been a further saving of £122 in relation to insurance, for which £1,500 was budgeted. Actual expenditure was £1377.67, which covers the period 2022-25 rather than a single year as originally anticipated. However, some adjustment may be required upon completion of ongoing building works at the Village Hall if this has a positive effect on the building's value.
- 4.5 Expenses associated with the Council's office costs are usually incurred by the Parish Clerk and reimbursed accordingly. Currently, these are accounted for under 'Clerk's Expenses' as there is no dedicated code. As this could create a misleading impression, the Council's approval is sought to create an addition budget heading within 'Admin' entitled 'Office Expenses'.

Reserves

- 4.6 The Council has total reserves of £30,819, comprising the General Reserve (£29,519) and Restricted Funds for the Play Area (£900.22) and Bus Shelter Maintenance (£400). A maximum sum of £7,000 was committed in the previous financial year to support Village Hall building projects, subject to detailed proposals, and additional expenditure relating to the Village Hall water supply is anticipated during the next Quarter.

VAT

- 4.7 A total of £2,970 is currently eligible for reclaim from HMRC. This figure is expected to increase as the year progresses and is expected to be higher than usual at year end due to increased expenditure on Village Hall building projects.