

Stoke by Clare Parish Council

Agenda item 6i

Report title:	2022/23 Financial Overview as at the Half Year Stage
Date of meeting:	17 October 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 half year stage 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 half year stage of the 2022/23 financial year.

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	Total at Q2	Year-end forecast	Variance
£19,690	£52,708	£53,000	£33,310
Expenditure			
Budget	Total at Q2	Year-end forecast	Variance
£20,674	£49.544	£49.554	£30,729

- 4.2 The Council has an arrangement whereby it settles invoices for building work and other projects on behalf of the Village Hall Committee. The net sum is reimbursed by the Village Hall Committee and the remaining VAT reclaimed by the Council. This year has seen relatively high levels of expenditure on the Village Hall and, with the payment/reimbursement arrangements described, this is producing a distorted view of the Council's financial activity (although the net effect is cost neutral). Advice is being sought from SALC on the best way to rectify this, but in the meantime a budget statement will be prepared for circulation to Councillors with income and expenditure relating to Village Hall projects removed.

4.3 Allowing for the above, Members' attention is drawn to the following predicted overspends at year end:

- Grass/trees - £3388.40
West Suffolk Council has submitted its 2022/23 invoice for Grounds Maintenance in the sum of £4902.48 (gross). The invoice for the 2021/22 was paid in May, resulting in two payments in the same financial year.
- Overspend of £94 arising from a greater than expected increase in Waste Management costs.

4.4 The position regarding staff salaries remains unclear as the pay claim for the current year remains unsettled. Employers have made a final offer which has yet to be accepted by two of the three Trades Unions. The outcome is likely to affect the final outturn on the two budget lines concerned.

Reserves

4.5 The Council's total reserves stand at £27,319, comprising the General Reserve (£26,019) and Restricted Funds for the Play Area (£900.22) and Bus Shelter Maintenance (£400). Funds are committed from the General Reserve for completion of the separation of the water supply at The Barn.

This level of reserves is consistent with the Council's Reserve Policy, which specifies that the level of the General Reserve is set at twelve months of predicted expenditure.

VAT

4.6 A total of £7,118 is currently eligible for reclaim from HMRC. This figure is expected to increase as the year progresses and is higher than usual due to increased expenditure on Village Hall building projects.

Budget 2023/24

4.7 the Finance Committee is due to meet towards the end of November to consider the draft budget for 2023/24 for presentation to the Council's December meeting.