

# Newton and Biggin Parish Council

## 2022-23 Quarter 2 / Half 1 Finance Report (Q2 / H1)

Report prepared by Rebecca Barry, Clerk and Responsible Financial Officer. 23<sup>rd</sup> October 2022

### Overview

The end of Q2 brings us to the halfway point of the financial year 2022-23, so this is a good time to complete a full review of the council's finances and receipts / payments vs budget.

We have received all our anticipated income for the year, as we received the final installment of the precept in September. However, we have only spent around half (49%) of our payments budget. The result of this is a misleadingly high cash balance, and we need to be mindful that there will be no further income between now and the end of the financial year.

### Cashbook / Lloyds Balance

The cashbook starting balance on 1<sup>st</sup> April was £18,229.71

The cashbook closing balance on 30<sup>th</sup> September was £30,231.23

This closing balance has been reconciled against the Lloyds Treasurer's Account

### Reserves

The reserves are broken down as follows:

General Reserve		£12,000.00
Earmarked Reserves	Burial Committee	£750.00
	Miscellaneous Legal Costs	£83.50
	Ellis Gardens Open Space	£2,502.90
	Future Enhancements to Open Spaces	£3,500.00
<b>TOTAL RESERVES</b>		<b>£18,836.40</b>

### **Receipts Apr to Sept**

Receipts total £23,875.37 YTD.

This is made up of £21,105.58 precept, £700 grant received for Coton noticeboard, £2038.64 received from the Village Hall Committee (to reimburse the PC for the new bespoke oak door) and a small refund of £31.15 from E-on after transferring our account to NPower.

### **Payments Apr to Sept**

Payments total £11,904.39 YTD (net of VAT)

The most significant expenditure items were on salary and associated HMRC costs; Platinum Jubilee celebrations at Newton; contributions to the Coton Community fund; Honorarium payments for opening and closing of the gates at the Five Arches site and bridleway grass cutting; and Five Arches general maintenance.

### **VAT Summary**

We opened the 2022-23 financial year with a VAT balance of £153.90 to reclaim from the previous year (through the HMRC form 126 process).

The PC has paid £698.44 in VAT and has been refunded £728.98 so far. A claim has been submitted for Q2 of £123.36 which we await receipt of.

### **Summary by Cost Centre**

- **ADMIN** cost centre is predicted to be overspent by £1,227.81 by the end of the financial year, mainly driven by the salary, HMRC tax and Honorarium cost codes.

The Clerk's salary has increased by 19% following an external review of the position of the role on the NALC spinal points. In addition, the Clerk has worked an average of 40 hours a month vs the budgeted 35 hours a month.

The honorarium rate for the opening and closing of the gates at the Five Arches site was also reviewed and increased after remaining static for several years.

- **GROUNDS MAINTENANCE** cost centre is predicted to be overspent at year end by a minor £61.52 driven by increased electricity costs for street lighting and the introduction of garden centre vouchers for the sponsors of the three village planters.

However, the PC carried forward the budget balance from 2021/22 for the repair of village benches (£436.76) which we anticipate underspending on.

Five Arches General Maintenance cost code – assume we spend the full budget for 2022/23 of £2,420

- **MISCELLANEOUS** cost centre is predicted to be underspent at year end by £239.49, mainly due to the etched glass door panel for the Jubilee costing considerably less than the £750 budgeted. (The cost of this was met in 2021/22, but budgeted in 2022/23)

The General Contingency Fund cost code sits under this cost centre, and I have left this intact. £700 grant received for Coton noticeboard has been allocated to this cost code and the additional cost incurred for the new noticeboard will be met by the contingency fund.

- **OFFICE COSTS** cost centre is predicted to be underspent at year end by £140.03, driven by the lack of newsletters being produced and printed this year.
- **VILLAGE HALL** cost centre is predicted to be underspent at year end by £630.02, driven by the cost of the Roll of Honour refurbishment coming in considerably under budget.

### **Outlook**

The two cost centres with predicted overspends are almost negated by the three cost centres with predicted underspends. This leaves an end of year predicted shortfall of around £280.

### **Points to note:**

1. Pay award for 2022-23 is pending, awaiting formal sign-off by NALC and unions. Once agreed, any pay increase must be backdated to April. This cannot be reflected in the predictions for H2 as it is unknown.
2. Uncertainty around energy costs means the predicted spend on street lighting for the remainder of the year could be inaccurate.
3. Christmas celebrations could cost more than the planned budget of £200.
4. The General Contingency fund (£1,750) could end the year considerably underspent, which would change the year-end position dramatically.

**Please see the following page for full breakdown at cost code level for:**

- 2022/23 budget
- H1 actuals April to September
- Forecast by month for October to March
- Predicted 2022/23 total receipts and payments (H1 actuals and H2 forecasts)
- Variance to budget

