BRAMPTON BIERLOW PARISH COUNCIL

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Report To: The Chair and Members of the Council **11th December 2019, Item 9**

Management Accounts: November 2019

Introduction / Background:

This report provides information on the parish council's financial position against its budget. Attached to this report are:

- The budget monitoring summary to 30th November 2019
- The reserves and bank reconciliation at 30th November 2019
- The petty cash summary at 30th November 2019.

In line with the parish council's approved financial procedures, regular copies of bank statements are provided to the Chairman and Vice-Chair to enable them to confirm that (a) only proper transactions are made by the parish council and (b) the figures used in the bank reconciliation are the true bank figures. These are important elements of internal control.

Headlines:

At the beginning of the year the parish council had a general reserve of £34,824 (excluding £3,500 relating to commitments made in March 2019 and paid in 2019/20 for BMX Track improvements and the cropping of trees at the allotment site).

The gross expenditure budget for 2019/20 was set at £103,590 and the gross income budget was £26,640, leaving a net budget for 2019/20 of £76,950, with this being met by the parish precept.

In the year the parish council has approved two significant schemes which were not provided for within the original budget. These were improvements to Holly Bush Park (£9,225 net after contributions from Rotherham Council) and Traffic Management measures at the parish hall car park (£4,000) After taking into account these additional costs, offset by savings identified in other budget lines, **at 30th November there is an expected overspend of £2,000 for the year**.

This is a positive improvement of £2,200 from last month's figure. The two main revisions leading to this improvement are a further downward adjustment of energy costs by £1,400, and a lowering of expected tax, NI and pensions costs by £500.

Any final overspend at the year-end is expected to be funded through the £5,926 underspend brought forward from 2018/19.

Energy Costs:

The reduction in energy costs, primarily brought about by the Parish Hall improvement project in Autumn 2018, is a real success. Total payments made for gas and electricity in 2017/18 were £7,642. The budget for 2019/20 was originally set at £6,800 with an expectation of the positive impact of the parish hall project on energy costs. In the event,

actual energy costs for 2019/20 are now highly likely to be less than £5,000; a reduction of one-third compared with the 2017/18 costs.

Current expected variances from budget:

Notable variations at this point in the year are as follows:

- Higher than budgeted loan repayment costs (£2,000 higher than budget) because of the decision at the end of 2018/19 to not make an early repayment of one loan because this proved not to be advantageous at the time
- Higher cost of traffic management measures (£1,000 extra cost)
- Costs of Holly Bush Park maintenance following the retirement of volunteers from January 2020 (estimated at £300 for the remainder of the year)
- The loss of football pitch income (£1,360), although this is more than offset by a corresponding reduction in grounds maintenance costs (£1,700) and so has a postive effect on the overall budget position
- Wages, tax, pensions and NI (£2,800 less than original budget)
- Savings against the environment scheme budget (£1,960), with, in effect, this being used towards the Holly Bush Park and car park schemes
- Administration and insurance costs, which are projected to be £1,400 less than original budget
- Parish Hall maintenance and equipment costs (£1,100 less than budget)
- Savings against the parish hall energy budget (£2,400)
- Strong lettings of the parish hall (projected income for the year is now £2,000 higher)
- Higher VAT refunds due main to the change in approach (approximately £3,000 more refunds now expected).

Conclusions:

Overall, the position is a satisfactory position at this stage of the year. Two significant new schemes are being accommodated through in-year savings and use of the 2018/19 underspend. Lower energy costs continue to be very positive.

Proposals / Recommendations:

Members are asked to note the current budget monitoring position set out in the report

Colin Earl
Clerk to the Council