

## **Appendix G – Performance against budget review – July 2022**

### **CONTENTS**

- 1. Introduction**
- 2. Performance against budget April – Jun 2022**
- 3. Recommendations**

### **1. Introduction**

Wool Parish Council's Financial Regulations state:

*4.8. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose "material" shall be in excess of £500 or 25% of the budget.*

This is the first of four reviews for the financial year and arguably the least useful. It shows the expenditure (and income) for the year to date (at 30<sup>th</sup> June 2022), compares it to exactly one quarter of the total budget and highlights any differences of £500 or 25%.

The report works well for monthly expenditure such as salary, pension, library rent and bin collection. The report works less well for non-monthly regular expenditure such as Business Insurance (once a year), PWLB payments (twice a year) and Youth Club payments (three times a year) but it still has value at certain points in the year. The report works least well for expenditure with no identifiable pattern such as Training and Parish Maintenance, but it increases in value towards the end of the financial year.

Despite the report's limitations, it is best practice and is an integral part of budget management.

## **2. Performance against budget April – Jun 2022**

### **How to read the report**

The total annual budget is shown in the 'Annual Budget' column. Negative values are expected income.

The total income or expenditure at 30<sup>th</sup> June is shown in the 'Actual YTD (Year To Date)' column.

The 'Actual variance' column shows difference between Actual YTD and a quarter of the annual budget. This is highlighted in red if exceeds £500 (positively or negatively).

The '% variance' column shows the difference as a percentage of a quarter of the annual budget. This is highlighted in red if exceeds 25% (positively or negatively).

The reason for columns being highlighted is shown in the 'Reason column.

Performance against budget review – 30th June 2022

"-ve " -ve  
values are values are  
income" income"

Code	Category	Annual Budget	Actual YTD	Actual variance	% variance	Reason
4020	Wifi contribution	-£240	-£60	£0	0%	
4030	bin contribution	-£240	-£60	£0	0%	
4040	football contribution	-£500	£0	-£125	-100%	Not expected until August
4500	Precept	-£94,240	-£47,120	£23,560	100%	Received in 2 instalments
	Earmarked reserves	-£7,833	-£7,833	£5,875	300%	Money is already in bank account
4510	VAT refund	-£4,000	-£4,045	£3,045	305%	VAT from last year claimed in full already
4520	CIL income	-£500	-£563	£438	350%	Payment are received twice a year and cannot be predicted
4530	Banking interest	-£3	£1	-£1	-172%	small margin for error
4540	NP remaining funds	-£4,000	-£4,383	£3,383	338%	Total year's funds are already in account
4550	Skatepark remaining funds	-£8,000		-£2,000	-100%	Total year's funds are already in account
4900	Other income	-£16	-£400	£396	9900%	These are unanticipated payments and can't be predicted
7000	Employee Wages and Salaries	£21,945	£5,486	£0	0%	
7005	Caretaker salary	£800	£210	-£10	5%	Will vary throughout the year
7010	Youth Club salaries	£11,571	£3,934	-£1,041	36%	payments are three times a year
7020	Employers NI	£1,933	£483	£0	0%	
7030	Employer's Pension	£4,008	£1,207	-£205	20%	
7101	Youth club bookings	£2,300	£790	-£215	37%	Will vary throughout the year. No bookings over summer holidays
7102	Parish Council bookings	£600	£188	-£38	25%	Will vary throughout the year
7103	Library rent	£1,700	£141	£284	-67%	2 months behind on rent
7104	Cologne Road play area rent	£28	£14	-£7	100%	payments are twice a year
7200	Electricity	£2,000	£268	£232	-46%	
7300	Parish maintenance	£3,000	£20	£730	-97%	Will vary throughout the year

7310	Play area maintenance	£6,419	£1,144	£461	-29%	Will vary throughout the year
7320	Grass cutting	£6,000	£1,703	-£203	14%	
7330	Bin collection	£1,369	£390	-£48	14%	
7340	Parish enhancement	£25,000	£4,076	£2,174	-35%	Spend can be managed
7350	Play area enhancement	£1,000	£0	£250	-100%	Spend can be managed
7510	Postage and Carriage	£20	£1	£4	-80%	Will vary throughout the year
7520	Office Stationery	£200	£80	-£30	60%	Will vary throughout the year
7530	Telephone & Internet charges	£900	£198	£27	-12%	
7550	Computer & Software	£1,500	£672	-£297	79%	Annual £350 cost of emails is taken early in year
7610	Accountancy Fees	£1,200	£0	£300	-100%	First payment of £550 will be in July
7630	Business Insurance	£1,900	£1,993	-£1,518	320%	Total payment now made but it is early in the year
7810	CCTV	£300	£0	£75	-100%	Will vary throughout the year
8210	Subscriptions	£1,200	£956	-£656	219%	Will vary throughout the year
8230	Training Costs	£400	£75	£25	-25%	Will vary throughout the year
8240	PWLB repayments	£7,479	£3,739	-£1,869	100%	payments are twice a year
8290	Skate park expenditure	£8,000	£4,605	-£2,605	130%	Will vary throughout the year
8300	NP expenditure	£4,000	£0	£1,000	-100%	Will vary throughout the year
8310	Grants awarded	£2,000	£25	£475	-95%	Main awards expected in November

### **3. Recommendations**

The library rent is 2 months behind but this is being rectified in the July 2022 BACS run. This was deliberate as The Co-operative Bank's website was randomly reinstating a standing order for the library rent which resulted in double payment. This issue is apparently now fixed.

Ironically the main issue which needs addressing is not highlighted in red. The Employers Pensions contributions are out by £68 per month. This should be addressed in the next budget review otherwise the category will be £816 per annum overspent.

The next review should be at the end of September 2022.

Steve Smith  
Responsible Finance Officer for Wool Parish Council  
July 2022