

Item 6.2 Agenda 14 July 2022

Explanation of differences between actual spending and budgeted spending (“variances”), for the first quarter of the year, April to June 2022

An explanation is provided where there is a difference of £100 or 15% between the budget and actual spending or income.

Please refer to the accounts attached.

Grants and donations: most are made in the last month of the financial year (March 2023). The budget is therefore significantly underspent in the first quarter of the year.

Subscriptions and membership: Most are payable in the last quarter of the year therefore not yet requested.

Regular bills and fees: Budget £1,513, spend £1,002 with bank charges not levied. The council changed insurance company and obtained a lower premium for the same cover.

Staff costs: Less than 25% of the budget has been spent – the clerk works variable hours so costs may rise later in the year. Also no holiday pay has yet been claimed but this claim is included in the budget.

Purchases: £1,100 budget includes a major one-off purchase which is to be made later in the year.

Training: Budget remains unspent and available. A new edition of the essential textbook will be published in the autumn at about £140.

Contingencies for legal liabilities: A preferential rate was obtained from the council's new auditor. When the budget was prepared the auditor had not been engaged.

Professional fees: Due to the exceptional circumstances of needing legal representation for a planning appeal, the council resolved to re-allocate part of the grants budget to professional fees. A repayment of funds held on account by the council's solicitors is also awaited and will reduce the overspend. Together these measures will reduce the variance to less than 15%/£100.

Maintenance, repairs, work on assets: Grass-cutting fees will amount to about £1,300 for the year instead of £600 budgeted, due to more frequent cutting than in previous years and increased costs for the contractor. The amount of remedial work on trees is unpredictable but a professional report is being obtained.

VAT paid: Higher professional fees have resulted in more VAT paid but this is being reclaimed.