

Agenda item: RF 74/20

WOUGHTON COMMUNITY COUNCIL

Finance and Resources Committee

Monday 2nd November 2020

PURPOSE OF REPORT:

To update the committee on the half yearly financial position of the council.

RECOMMENDATION:

That the Committee notes the report.

MAIN ISSUES AND CONSIDERATIONS:

You will see from the attached spreadsheet; you have three variance columns. These variances each prelude to each amended budget which has occurred due to the unknown affects and ever-changing circumstances of COVID 19. The red column depicts how far we are from the **original** budget, which was input into our accounting system, the blue dictates variances according to the first amendment in June 2020 3 months after COVID had taken effect. The **black** column relates to a secondary amendment I made in September 2020, as per half yearly spend and income, and for the purpose of this report, this is the column I will be focusing on – however it seemed prudent to give you a visual of the changes made since April 2020 (this is where the red, and blue columns assist)

FINANCIAL IMPLICATIONS:

To look firstly, at our overall financial position for the end of year 2020/21. The September revision shows an anticipated spend of **£963,516.92**, a -£15,000 difference from the suggestion in April. Our anticipated income is showing to be circa **£932,317** (around -£67,000 less than originally hoped). It should be noted that the total expenditure includes £62,000 sales ledger rectification (which is a historical issue which has needed fixing for some years) so it should be noted that our spend is around £47,000 lesser than originally budgeted, however the incorporation of the Sales Ledger amendment means it actually reflects at -£15,000. It is crucial to stress the savings and spend restrictions made in order to ensure as healthy financial outcome as possible, to ensure we can best move forward as assist our residents next year, with the after effects of Covid even with potential losses we are facing income wise re: LCTRS and hall hire income.

Our income has been severely hit, the closure of community centres and further restrictions held on capacities and events means we are still having some difficulty in this area, we have around 80% to make up before the end of the year to ensure our revised target of £10,000, down from £65,000 forecasted for a normal functioning business year. I am confident we can make these figures up, with the easing of certain restrictions hoping to come early next year. September figures only gave us around a month of 'new normal' functioning and therefore I am sure we can hit the

set target with the re-introduction of our nursery provisions etc. (albeit on a part-time basis at the moment) Additional income has been amended from £50,000 to £40,000 however we are showing at 50% for this which is the standard expected for mid-point through the year. Bank and investment is down by 95% and this will need to be reflected in next year's financial budget as the target set is not realistic and was changed from £6000 to £500.

For the year currently based on the September revision we are circa - £29,000 off target for revised income, therefore we *need* to hit all of our income targets to balance this figure.

Our expenditure is at **48.57%** so there are no concerns in regard to our cost savings and current spend. We are showing on target for our organisational spend which includes all of our liabilities such as PWLB and staffing etc.

I am suggesting we are ultimately facing around -£32,000 deficit at the end of this financial year. Taking into account the Sales Ledger rectification, that alone based on the budget set out in April should have left us with a deficit of -£43,000 looking at this and taking into account we have had severe losses on our income streams (minimum of £66,000 on our hall hire, and additional income), we have managed to constantly revise the budget to ensure a safer financial position, therefore rather than what could have been losses of around £100,000 will look closer to £32,000.

STAFFING IMPLICATIONS:

None Perceived.

OTHER IMPLICATIONS:

None perceived.

BACKGROUND PAPERS:

Half Year Budget Worksheet.

AUTHOR

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RFO

Agenda item: RF 76/20

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PURPOSE OF REPORT:

To update the Committee on Q1 and Q2 VAT submission.

RECOMMENDATION:

That the Committee notes the report.

MAIN ISSUES AND CONSIDERATIONS:

See attached report for VAT return Q1 (£7021.46) and Q2 (£4306.75) a total of £11,328.21 to be expected from HMRC, this is less than reported in previous years due to restricted spend due to COVID.

We are unable to utilise digital tax system on RBS currently and therefore RFO has posted L26 forms directly to HMRC as per usual practise.

FINANCIAL IMPLICATIONS:

£11,328.21 due.

STAFFING IMPLICATIONS:

None Perceived.

OTHER IMPLICATIONS:

None perceived.

BACKGROUND PAPERS:

Quarter one & Quarter two VAT Return.

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PURPOSE OF REPORT:

To update the committee on the interim internal auditors report.

RECOMMENDATION:

That the Committee notes the report

MAIN ISSUES AND CONSIDERATIONS:

Please see attached the internal auditors report from October 2020. I am pleased to report there are no recommendations other than, the use of rubber stamp on invoices, this had become proper practise since the last audit however due to COVID we have been unable to implement effectively due to working from home restrictions.

FINANCIAL IMPLICATIONS:

None Perceived.

STAFFING IMPLICATIONS:

None Perceived.

OTHER IMPLICATIONS:

None perceived.

BACKGROUND PAPERS:

Interim Audit Report.

AUTHOR

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