

LAVERSTOCK & FORD PARISH COUNCIL

Report for Agenda Item 24.139 (1&2) Half-Year Expenditure and Income

Subject: Report on Half-Year (Q1 & Q2) Expenditure and Income and Forecast for Full Year.
Date: 19th October 2024
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1. Report Summary.

- 1.1 This report and the accompanying spreadsheet (Annex 1) compare the budget set in December 2023 with expenditure and income after the first six months of the current financial year. Revenue Expenditure is approximately £10,500 over budget at the end of the 6-month period. Income is up by £14500 for the same period. The reasons are discussed below.
- 1.2 The report also recommends that a new Earmarked Reserve be established in order to support capital expenditure on a new parish office.

2. Administration Expenditure

- 2.1 **Professional Fees.** The budget of £2,940 allowed for Audit fees and Payroll with an additional £1,000 contingency for Legal Fees. Legal fees, mostly for the tenancy dispute, are now £9,370. There are additional architect and survey fees of £2,556 that were not budgeted.
- 2.2 **Community Buildings.** The budget of £10,000 was a contingency figure based on the level of the previous year's support. £5,000 has been used to support the manager's salary at Old Sarum. Over £7,000 has been used for emergency drainage work at Laverstock.

3. Environment Expenditure

- 3.1 **Grass Cutting and POS Maintenance.** Although expenditure appears to be on track there has been a lot of extra tidying and shrub cutting especially at Bishopdown Farm, which has no maintenance funding. It is estimated that this budget might be up to £5k overspent.
- 3.2 **Trees.** Over 90% of the Tree budget will have been spent by the end of October. The work recommended by Barrells at Bishopdown and the discovery of more Ash Dieback indicates that this budget might be overspent by up to £10k. This does not include the pollarding at Bishopdown that is being funded by CIL.
- 3.3 **Community Farm Support.** This budget will remain unspent due to the current tenancy dispute. This reduces the overspend on Revenue Expenditure for the Environment to only £5k.

4. **Income**

- 4.1 **Interest and Dividends.** Interest on deposit accounts and investment dividends on the Public Sector Deposit Fund are both earned and reported monthly. The exception is one 273-day fixed term deposit which will mature at the end of the financial year. At the end of 6 months this income is £14,655 over budget. It is estimated that the percentage yield will fall by up to 20% in the remaining 6 months.

5. **Forecast for 2024-25 Financial Year.**

- 5.1 **Revenue Expenditure.** It is estimated that total revenue expenditure will be £25k over budget by 31st March 2025. This includes Project Management expenditure of £9k on the Hampton Park Pavilion and allows for a £6.5k underspend on several other budget lines.
- 5.2 **Income.** It is estimated that total income will be £33.8k over budget by 31st March 2025. This includes interest of £7,435 that will be paid on maturity of a fixed term deposit on 25th March 2025.

6. **Recommendations.**

- 6.1 The forecast overspend on Revenue Expenditure would normally be accompanied by recommendations to halt or restrict unnecessary spending but in view of the current levels of yield on investments I do not think this is required.
- 6.2 A previous unpublished report (Report FGP.24.021 'Funding for Hampton Park Pavilion Parish Office Conversion' 20 Aug 2024) indicated that the General Reserve might contribute £82k towards the overall cost of the conversion. It is recommended that the Council resolves now to earmark these funds for the new Parish Office project. This new Reserve will reduce the impact of the project on Revenue Expenditure.

Annex 1 to Report on Half-Year Expenditure and Income

HALF-YEAR ANALYSIS OF BUDGET EXPENDITURE & INCOME					
			Q1-Q2	Balance	
Note	ADMINISTRATION	Budget	Total	(or over)	Comment & Forecast
1	Salaries Gross	180000	82273	97727	Excludes Pay award (£3300 under)
2	Mileage	2850	955	1895	Under
3	Office Sundries & Exp.	5300	2328	2972	On budget ✓
4	Equipment inc IT	2500	887	1613	Pending new printer
5	Professional Fees	2940	14231	(11291)	Over (Farm, Audit, Architect)
6	Subscriptions	2000	1891	109	Over- extra SLCC
7	Insurance	7104	6227	877	Under - LTA discount
8	Grants	10000	9300	700	Over but £2360 in Grant reserve
9	Newsletter	7700	4062	3638	Slightly over
10	Community Engagement	2000	514	1486	Under
11	Training	1500	0	1500	Under
12	Clr Exp. & Chair All.	500	18	482	Under
13	Business Support	5100	2685	2415	On budget ✓
14	Youth Support	5000	276	4724	Under - Wiltshire grant
15	Community Buildings	10000	12005	(2005)	Over: OSCC salary grant. LVH drains
	Total Administration	244494	137652	106842	Over by £20k
	ENVIRONMENT				
16	Bins & Litter	12500	6175	6325	On budget ✓
17	Grass Cut. & POS Maint.	35000	17156	17844	Over by up to £5k
18	Trees	15000	10575	4425	Over by up to £10k
19	Infrastructure	6000	543	5457	Under. Inc. £5k for new office.
20	Play Parks-Maint. & Insp.	10500	2546	7954	On budget ✓
21	Highways & SIDs	5000	2602	2398	On budget ✓
22	Salisbury City Cemetery	5000	4967	33	On budget ✓
23	Community Farm Support	10000	0	10000	Under. Offset for Prof Fees
	Total Environment	99000	44564	54436	Over by £5k
			Q1 Q2	YTD	
	INCOME	Budget	Total	Balance	Forecast
	Precept	321204	321204	0	
	Lease Rentals	5790	2915	(2875)	On ✓
	Insurance Rent	3383	3140	(243)	On ✓
	Newsletter Advertising	5000	3013	(1987)	On ✓
	Interest & Dividends	50000	39655	(10345)	Over by £33k
		385377	369927	(15450)	Over by £33k