

NORTHIAM PARISH COUNCIL
FINANCE REPORT – JANUARY 2022

The attached Finance report shows the current position, together with a forecast position to year end.

Income

Members will note that the income received so far is in excess of the budget, and the forecast to year end is that income will exceed budget by £9.6k. This forecast assumes that there are no void periods in any of the rented property.

Expenditure

It can be seen that the expenditure budget for the year (£171,880) exceeds the income budget (£154,913), resulting in an unbalanced budget. This is because the Council has added additional items into the budget during the year, such as £5k housing needs survey and £18k kickstart fund without a corresponding transfer from other budget areas (virement) or a transfer from the general reserve.

The current position shows that the Council has spent £110k year to date, and has forecast expenditure of a further £56k before year end (a further PWLB loan repayment is due in March for £37k). This therefore is an anticipated expenditure of £167k against anticipated income of £164.5k, which is a deficit position of approx. £4k (net of VAT) as shown in the attached report.

Reserves

At year end 2021, the Council had £200,650 in its reserve funds. This was made up of the following:-

SFF reserve fund	£100,000
Sewer fund	£80,000
General reserve	£20,650

The SFF reserve is now at £80,000 as £20,000 was transferred towards the loan repayment. As the Council is aware, it should hold a prudent amount of general reserve (3-9 months of its expenditure).

Cashflow

The Council has £67,223 in hand at the Co-operative bank current account as of 31 December 2021.

Action needed

The Council needs to ensure its budget is balanced and therefore I recommend the following:-

1. That the sum of £10,000 be taken from reserves, and that the Council identify the reserve that this is to come from
2. That the Council advise the CIC that no money can be spent from the Kickstart budget for the remainder of the financial year
3. That all non-essential expenditure be stopped for the remainder of the financial year