

Old Basing & Lychpit Parish Council

Summary of financial results for the year ended 31st March 2022

OVERALL:

The budget for the year anticipated a small **surplus of £2.5k**, however by the end of the financial year the position was a **deficit of £3.7k**.

This deficit would have been far greater had it not been for the following income:

Sale of leased machinery	£24,500
Sale of small items of machinery/equipment	£11,800
COVID-19 grants (Pavilion & Lychpit Hall)	<u>£21,334</u>
TOTAL:	<u>£57,634</u>

Without this additional income the end of year deficit would have been far worse, dramatically impacting the overall reserves.

INCOME

The following areas exceeded budget:

Lychpit Hall by £12k. However this includes COVID-19 grants of £10k, so the true surplus based on normal activity would have been £1.5k.

Burial fees by £8k.

Cottage rental by £3k.

EXPENDITURE

Budgeted expenditure (revenue and capital items) **was £279k,**

Actual spend was £367k - an **overspend of £88k** – made up as follows:

There was no budget set for **capital expenditure**.

The major expense was resurfacing the tennis courts (£34k) covered by earmarked reserves.

Other capital projects were:

- refurbishment of seating and picnic tables around the recreation ground
- construction of an internal doorway between the old office and the tea room

Facilities Management revenue expenditure was £33k over budget.

The following were the main overspend items:

- an early lease termination payment on the Iseki Mower of £17k (partly offset by the sale proceeds of £8.5k).
- essential repairs to play equipment following a play inspection report
- work necessary to restore the main recreation grass area

RESERVES

As a result of the additional unbudgeted income and despite the unexpected additional expenditure, our **total reserves are now £228k**.

The breakdown of the total reserves carried forward into 2022/2023 are as follows:

Earmarked Reserves	£153,557
Unallocated Reserves	<u>£ 74,894</u>
Total Reserves	<u>£228,451</u>

It should be noted that the size of the overall reserves has reduced by only £3,711.

The Parish Council must set aside unallocated reserves equivalent to 25% of the budgeted revenue expenditure for the new financial year 2022/23.

As it has been possible to reduce budgeted expenditure due to outsourcing grounds maintenance costs, the proportion of overall reserves that must be unallocated is reduced, thereby increasing the proportion available to set aside as ear marked reserves.

The Year Ahead

The budget for the year to March 2023 was set when inflation was around 4%.

The RPI as at the end of February was 8.2% and is predicted to reach 10% sometime this year. We have a fixed price contract for the grounds maintenance which will help keep costs under control. This contract represents around 34% of the Facilities Management budget for 2022/23.

It is clear that 2022/23 will be difficult and challenging and tight control over expenditure and maximising sources of income, will be very important.

Finance Officer.