2022/23 End of Year Finance Report

This year has been a relatively stable financial year. The VAT owed to HMRC for the Car Parking Permits from 2019 (when we took over the running of the car park) to 2022 (when we registered for VAT) has been paid, meaning Corfe Castle Parish Council is up to date with all VAT payments owed to HMRC.

Expenditure

For the FY 22/23 Corfe Castle Parish Council raised a Precept of £53,447. This was split into £7,400 for reserves leaving £46,047 for general operational spending. The Council spent £43,485.66 on operational spending (including VAT), an underspending from budget of £2,561.34.

Year End (YE) sees Corfe Castle Parish Council having spent by Cost Centre:

Administration	£21,608.03
Grants & Subscriptions	£1,995.93
Playground & Sportsfield	£3,730.42
Others	£8,657.59
Caretaker	£3,914.23
VAT	£3,579.46 (£850.17 GA, £1,491.03 Toilet, & £1238.26 general)
VAT (back dated car park)	£6,445.94 (paid from car park reserves)
Total	**£49,931.60**

Corfe Castle Parish Council have received £4,678.17 VAT in 2022/23. (Some received for 2021/22 FY spend)

Gods Acre, Toilet / Car Park & the Environment Group Cost Centre's are not listed above as they are self-funding.

The main contributing factors (+/- 25% or greater) to the difference are:
(See Annex 1 below for +/-24% or less)

1. 5004 Expenses: Ther is a 26% (£127.90) overspend due to the increase in the expenses allowance awarded in September.
2. 5012 National Insurance: There is a 31% (£1,321.74) underspending as not all additional hours were used and therefore the pension contributions were lower than allocated.
3. 5030 T-Phone, B-band: There is a 29% (£369.73) underspending due to varying facts, 1. The expected price increase from our contractor was not as high as expected, & 2. The Clerk has started to work for another Parish and they are contributing towards Administration costs
4. 5034 Sundry Items: There is an underspending of 70% (£141.67), as only the retailer's warranty was purchased for the new printers, there was no further unplanned expenditure.
5. 5036 Admin Subscription: There is a 206% (£774.89) overspending as Scribe Cemetery was purchased along with an admin subscription being re-allocated to code 5036.
6. 5038 Training Course Costs: There is a 65% (£525.12) underspending as the Councillor have not attended as many training sessions as budgeted for.
7. 5306 Repairs and Maintenance Playground: There is 73% (£4,041.58) underspending part of this budget was for reserves to future repairs and maintenance.
8. 5402 Insurance: There is a 28% (£515.66) underspending due to the decrease in the policy price, after a new provider was used.
9. 5404 Highways Maintenance & Weeding: There is a 100% (£750) underspending as after this budget was set the policy on weed clearance changed.
10. 5408 Elections: There is a 29% (£698.04) overspending as the price finally charged by Dorset Council to hold an election was greater than expected.
11. 5412 Village Hall & Town Hall Rental. There is a 65% (£195) underspending as the usual payment for the forthcoming meetings after April would normally be paid before the end of the financial year, however this year the Village Hall announced they would be putting their prices up and therefore were not issuing invoices. Costs have now been released and booking can now be paid for.
12. 6008 Repairs and Maintenance (Gods Acre): There is a 2658% (£2,658.32) overspending due to varying items, however the 2 biggest items where the fence was repaired this FY, along with work to move the spoil pile was carried out. All costs were covered by Gods Acre Reserves

13. 6010 NNDR. There is a 28% (£70.80) underspending as there was a land survey carried out this year and a budget was set to allow for an increase.
14. 6012 Grounds Maintenance: There is a 25% (£720) overspending as there were more interments carried out this FY than budgeted for. All expenditure was covered by payments made by the families, although 3 interments were paid for last FY and interment was this FY hence the £240 variance between income and expenditure. It is worth noting the number of interments carried out this FY was significantly higher than expected and therefore overall both income and expenditure for Gods Acre is increased compared to budget.
15. 7002 Sanitary Bin Collection: There is a 34% (£170.68) underspending as an invoice expected in March has not been received.
16. 7006 Electricity: There is a 60% (£904.63) underspending as the budget was significantly increased to cover expected rises in supply costs, however with the government scheme the financial effect has not been as great as expected.
17. 7008 Car Park Maintenance: There is an 80% (£160) underspending as there have been no major repairs.
18. 5506 Caretaker Hours: There is a 36% (£2,205.77) underspending as the Caretaker has not needed the additional hours allowed within the budget.

To help set a more accurate budget and therefore Precept in future it is suggested a reserve be set up for Training Course Costs, Grants, Caretaker Additional Hours, & Caretaker Repairs and Maintenance fund, as they will therefore no longer need an allocation within the budget except for topping up the reserve if required.

Recommendation: Reserves be created for the following:
Using the VAT reclaimed and underspend:

1. Move the unused Training Course Cost budget (£525) from this FY into a new reserve for future FY's.
2. Move the unused Grant budget (£150) from this FY into a new reserve for future FY's.
3. Move the unused Caretaker Hours budget (£2,205) from this FY into a new reserve for future FY's.
4. Move the unused Caretaker Repair and Maintenance budget (£200) from this FY into a new reserve for future FY's.
5. The remaining difference being allocated to: £1,000 into Office Equipment Reserves, & £3,159.51 to playground reserves.

<u>Earmarked & General Reserves:</u>
At the start of FY22/23 Corfe Castle Parish Council had a total earmarked reserves budget of £56,632.43, however after 22/23 income and spend the reserves stand at £62,855.49. With the above recommendations reserves would be £70,095. See Annex 2 for full details.

<u>Fixed Assets</u>
This FY the Clerk has continued to work on the Asset Register and has removed several items which are no longer held by Corfe Castle Parish Council, for example Adult Fitness Equipment, and old playground equipment. There is still work required on the asset register, for example obtaining serial numbers of each item, where applicable, which is on-going but this continuing work should not affect the overall asset total.

<u>Audit Details:</u>
When we are Audited by the External Auditors, along with the AGAR, we must supply an explanation for variances greater than 15% + or - year on year for boxes 2, 3, 4, 5, 6, 8 & 9. For FY 21/22 and FY 22/23 the variances and explanations are:

Box 2 – Precept or Rates and Levies: +70% £22,070.

Over many years Corfe Castle Parish Council had used reserves to "cover" any overspend and to help keep the precept down, however for the 2022/23 budget Corfe Castle Parish Council acknowledged the recommendation from the RFO / Finance Working Group to increase the Precept so that all money required to run the Parish was collected each year from Precept and not partial from reserves. The Parish Council also acknowledged the need to increase some earmarked reserves funds so that there were reserves to replace equipment such as playground facilities and office equipment which are near the end of their usable life, along with increasing the general contingency reserve to approximately equal half average yearly precept.

Box 3 – Total other receipts (not including Precept and Rates): -13% £5,712.

There has been a decrease in other receipts, totaling £5,712 primarily as in FY21/22 Corfe Castle Parish Council took over the running of the Gods Acre bank account from the Trustee, taking on the bank account assets.

Box 4 – Staff Costs: -3% decrease £513 – No explanation necessary.

Box 5 – Loan interest / Capital repayment – No explanation necessary

Box 6 – All other payments (not including staff costs): –40% £33,201.
There has been a decrease in all other payments primarily as in FY21/22 Corfe Castle Parish Council purchased new playground equipment in total approx. £28,500, which was over and above normal activity.

Box 7 – Balances carried forward – No explanation necessary.

Box 8 – Total Value of cash and short-term investments – No explanation necessary.

Box 9 – Total fixed assets plus long-term investments and assets: –7% £9,085 - No explanation necessary. However, the decrease has come because old playground and adult fitness equipment has been removed.

Box 10 – Total borrowings – No explanation necessary

Paul Reynolds, our Internal Auditor carried out our final year's internal audit on Wednesday 12th April. He has signed the Annual Governance and Accountability Return 2022/23 Part 3 (AGAR) page 3, along with a note to confirm box amounts and variants.

Car Park / Toilet Block
Corfe Castle Parish Council since 2019 when we took on the running of the toilet block, made an agreement with Purbeck District Council that we would also take on the running of the Residents Car park to off-set the financial responsibility of the toilet block.

The toilet block is mainly used by tourists when visiting the Castle and shops within the local area. Whereas the resident's car park is used by 13 residents and 9 second homeowners, not many of which are likely to use the toilet block frequently.
By offsetting the car parking income to cover the expenditure for the toilet block, Corfe Castle Parish Council do not have the ability to put money into reserves to pay for future projects or car park maintenance such as resurfacing without raising Precept.

As RFO it is my duty to ensure that the Corfe Castle Parish Council finances are undertaken in such a way that is legally correct and morally responsible, therefore I feel it is my duty to recommend Corfe Castle Parish Council no longer use the Car Parking Permit income to offset the running of the toilet block, but instead put all income into a reserves for future maintenance, and projects, which would then enable the Parish Council to consider EV Charging points, as well as resurfacing works.

Recommendation.
1. Create two new Cost Centres titled:
    a. Residents Car Park,
    b. Toilet Block

    With all relevant Cost Codes and budgets transferred within.
2. To create three new reserves titled:
    a. Residents Car Park Reserve (Future maintenance)
    b. Toilet Block Reserve (One off maintenance)
    c. Toilet Block Working Fund Reserve (Regular cleaning)
3. To close the current Car Park / Toilet Reserves & Car Park / Toilet Working Fund Reserves, transferring all funds into the new Toilet Block Working Fund to cover contractual agreements already in place.
4. All future income from the Residents Car Parking Permits to be placed into the Car Parking Reserve.

Author: Michelle Harrington, RFO after consultation with the Finance Working Group.

Annex 1 - Variance Explanation by Cost code when +/- 5% or greater but below 24% difference

1. 5002 Clerk's Hours (Inc Additional Hours) There is a 5% (£775.91) underspending as not all additional hours allocated were needed.
2. 5008 Pension: There is a 17% (£157.14) underspending as not all additional hours were used and therefore the pension contributions were lower than allocated.
3. 5028 Audit Fees. There is a 17% (£140) overspending as the 4th Quarter invoice was paid from this year's budget rather than from the next financial year.
4. 5204 Subscriptions & Membership: There is a 9% (£59.07) underspending as one admin subscription as paid from the code 5036 instead of 5204. The budget for FY23/24 has been adjusted accordingly.
5. 5206 Contributions: There is an underspend of 13% (£225) as the council did not receive as many requests for financial help as budgeted for.
6. 5302 Rent Playground: There is a 23% (£122) underspending as CCPC have not received an invoice as expected for the playground rent.
7. 6006 Grass Cutting GA: There is a 19% (£720) underspending as the final invoice was not received until April and therefore will show in next year's budget instead of this year.
8. 7004 Water Supply: there is a 13% (£137.47) underspending as there was less water used this FY compared to previous years.
9. 7300 Car Parking Permit: There is an 18% (£1,549.51) less income than expected due to a couple of permits changing from Second Home to residents.

Annex 2

Reserves prior to recommended changes.

Fund	Nominal Codes	YS 22/23	Income to Reserves / Funds 22/23	Spend from Reserves / Funds 22/23		YE 22/23
Reserves						
Playground equipment	5302, 5304 & 5306	£0.00	£10,569.72	£4,403.92		£6,165.80
Office equipment	5032	£955.01	£67.50	£349.99		£672.52
Parish Council elections	5408	£5,026.00	£1,172.04	£3,098.04		£3,100.00
Pavement Refurbishment	5416	£5,000.00				£5,000.00
Special Projects Fund	5418	£3,899.60	£1,050.00	£600.00		£4,349.60
Community Maintenance Fund	5420	£2,300.00				£2,300.00
Defibrillator fund	5422	£648.41				£648.41
Environment Fund	5600, 5602	£3,835.50	£21.25	£614.33		£3,242.42
General Contingency Reserves	5424	£12,607.54	£2,500.00	£30.00		£15,077.54
TOTAL Reserves		**£34,272.06**	**£15,380.51**	**£9,096.28**		**£40,556.29**
Allocated Funds						
Car Park / Toilet Refurbishment		£15,642.38	£14,719.22	£19,329.79		£11,031.81
Gods Acre Reserves		£6,717.99	£14,150.17	£9,600.77		£11,267.39
TOTAL Allocated Funds		**£22,360.37**	**£28,869.39**	**£28,930.56**		**£22,299.20**
TOTAL Overall		**£56,632.43**	**£44,249.90**	**£38,026.84**		**£62,855.49**

Reserves with Recommended changes

Fund	Nominal Codes	YS 22/23	Income to Reserves / Funds 22/23	Spend from Reserves / Funds 22/23	Suggested Income		YE 22/23	Suggested YE
Reserves								
Playground equipment	5302, 5304 & 5306	£0.00	£10,569.72	£4,403.92	£3,159.51		£6,165.80	£9,325
Office equipment	5032	£955.01	£67.50	£349.99	£1,000.00		£672.52	£1,673
Parish Council elections	5408	£5,026.00	£1,172.04	£3,098.04			£3,100.00	£3,100
Pavement Refurbishment	5416	£5,000.00					£5,000.00	£5,000
Special Projects Fund	5418	£3,899.60	£1,050.00	£600.00			£4,349.60	£4,350
Community Maintenance Fund	5420	£2,300.00					£2,300.00	£2,300
Defibrillator fund	5422	£648.41					£648.41	£648
Environment Fund	5600, 5602	£3,835.50	£21.25	£614.33			£3,242.42	£3,242
General Contingency Reserves	5424	£12,607.54	£2,500.00	£30.00			£15,077.54	£15,078
Training Course Cost					£525.00			£525
Grant					£150.00			£150
Caretaker Additional Hrs					£2,205.00			£2,205
Caretaker Repairs					£200.00			£200
TOTAL Reserves		**£34,272.06**	**£15,380.51**	**£9,096.28**	**£7,239.51**		**£40,556.29**	**£47,795.80**
Allocated Funds								
Car Park / Toilet Refurbishment		£15,642.38	£14,719.22	£19,329.79			£11,031.81	£11,031.81
Gods Acre Reserves		£6,717.99	£14,150.17	£9,600.77			£11,267.39	£11,267.39
TOTAL Allocated Funds		**£22,360.37**	**£28,869.39**	**£28,930.56**			**£22,299.20**	**£22,299.20**
TOTAL Overall		**£56,632.43**	**£44,249.90**	**£38,026.84**			**£62,855.49**	**£70,095.00**

Bank Balance as of 31-03-23	
Redwood	£28,457.44
Gods Acre Lloyds	£5,027.75
Lloyds	£5,363.58
Lloyds Treasurers Account	£37,456.41
Total	£76,305.18

Annex 3 – Asset Register

Corfe Castle Parish Council

Fixed Assets and Long Term Investments

Asset Description	Date Acquired	Purchase Value
Asset Register - Building		
Shed - Gods Acre	May 21	342.00
Toilet Block - West Street	May 19	
Youth Shelter - Playground Area	Feb 01	6,838.00
		7,180.00
Asset Register - Gods Acre		
Hosepipe	09/02/2023	34.99
Stone Walling	Aug 01	5,200.00
		5,234.99
Asset Register - Land		
Gods Acre - 1925 Area	Feb 20	
Gods Acre - New Extension	Aug 98	50.00
Playground & Middle Halves playing field		
Residents Car Park - West Street	May 19	
Sports field / Pavilion		
		50.00
Asset Register - Office Equipment		
Battery Charger	12/10/2022	12.50
Guillotine	Nov 21	38.00
Laptop	May 19	550.00
Phone with Answer Phone	Mar 17	35.00
Printer	15/01/2023	324.99
Shredder	Feb 21	125.00
		1,085.49
Asset Register - Outdoor Equipment & Furniture		
Bench - Encombe RAF	Oct 07	1.00
Bench - Playing field	May 2023	1.00
Bench - Sports Field - Duffy	May 10	1.00
Bench - West Street - Holland	Apr 93	1.00
Bench - West Street - Spiller	Mar 96	1.00
Bins - Dog BIns		1,157.00
Bins - General Waste	Jun 17 & Aug 18	8,279.00

Bus Shelter - Stone - East Street (Halves)		3,837.00
Bus Shelter - West Street Kingston		3,489.00
Combination Locks	Mar, Jun & Nov 21	100.00
Community Speed Watch Device	Dec 21	72.00
Coronation stone seats and bus bench		2,485.00
Defibrilators	Nov 17	3,049.00
Diamond Jubilee Marker Stones	Nov 14	3,530.00
Fingerposts	Sept 21	3.00
GA Walling - NE North	Feb 01	4,350.00
Noticeboards - Various	Jul 04	2,072.00
Planter	Apr 21	203.00
Shelter - West Street (School use only)	Nov 08	4,149.00
SID, Pole & Solar Panel	Jun 20	2,846.00
Street LIghts	Nov 14	
Water Dispenser West Street Toilet Block	Mar 20	430.00
		40,056.00

Asset Register - Playground & Playing Field Area

Basketball & Goal Structure	May 00	3,495.00
Climbing Frame (Blue & Yellow)	Mar 08	8,205.00
Fence - Chain Link - Play Equipment East & South	Feb 22	240.00
Fence - Chain Link - Playing field West & South		
Fence - Wooden - Play Equipment West & North	Nov 11 & Dec 12	3,109.00
Main Swings & Surfacing	Sept 07	6,345.00
Out of The Ruins (Wooden Structure West Side)	Jan 22	21,055.00
Picnic Benches	Feb 15	1,140.00
Rocking Horse		2,410.00
Rocking Sheep		
Roundabout		1,200.00
Safety Floor (Out of the ruins)	Jan 22	6,600.00
See-Saw	Apr 95	541.00
Single Wooden Swing Unit	Sept 07	6,283.00
		60,623.00

Others

"National Events" Box & Bits	Feb & Mar 22	77.00
		77.00

Grand Total:		**114,306.48**

Bank Reconciliation

Corfe Castle Parish Council

Prepared by: Michelle Harrington - Clerk / RFO   Date: 15 May 2023

Name and Role (Clerk/RFO etc)

Approved by: Full Council   Date: 15 May 2023

Name and Role (RFO/Chair of Finance etc)

	Bank Reconciliation at 31/03/2023			
	Cash in Hand 01/04/2022			52,172.12
	ADD Receipts 01/04/2022 - 31/03/2023			92,440.34
				144,612.46
	SUBTRACT Payments 01/04/2022 - 31/03/2023			68,484.65
A	**Cash in Hand 31/03/2023** (per Cash Book)			**76,127.81**
	Cash in hand per Bank Statements			
	Petty Cash	31/03/2023	0.00	
	FairFX	31/03/2023	136.18	
	Redwood Bank - Notice Account - ٤	31/03/2023	28,457.44	
	Lloyds - Gods Acre - 00060859	31/03/2023	5,027.75	
	Lloyds - Business Account - 00162:	31/03/2023	5,363.58	
	Lloyds - Treasurers Account - 002٤	31/03/2023	37,456.41	
				76,441.36
	Less unpresented payments			313.55
				76,127.81
	Plus unpresented receipts			
B	**Adjusted Bank Balance**			**76,127.81**
	A = B Checks out OK			