2021/22 End of Year Finance Report

As last year (FY 20/21), this financial year (FY 21/22) has been impacted by the effects of Covid, however as a Parish Council who primarily rely on income from Precept, we saw minimal negative impact.

This year should have been an easier year for finance reporting / comparing as the cost centres and nominal codes introduced in FY 20/21, now all cross related to FY 21/22 and allowed for direct comparisons year on year. However, when it was discovered that we needed to be VAT registered, it became apparent that we would need to have an accounts package which would enable us to conform to "Make Tax Digital" regulations.

When we registered for VAT, we were informed our Tax year would start in February and the first Tax Return would cover February 2022, March 2022, April 2022 & May 2022. As this return covered 2 months of the FY 21/22 this meant we had to input all of FY21/22 data into Scribe (the new accounts package) so that the VAT data required for Feb & March were available, which has meant only 1 year's data in available to compare within the new package.

Reserves:

At the end of FY21/22 Corfe Castle Parish Council had a total reserves budget of £42,172.12. This was made up of:

Playground Equipment	£0
Office Equipment	£955.01
Parish Council Elections	£5,026.00
Pavement Refurb	£5,000.00
Special Projects	£3,899.60
Community Maintenance	£2,300.00
Defibrillator	£648.40
Environment Group	£3,835.50
General Contingency	£10,607.50
Car Park / Toilets	£3,182.00
Gods Acre	£6,718.11

From the new FY 22/23 a total of £7,653.56 has been added / reduced, as previously agreed for Gods Acre / West Street Car Park / Toilet or as agreed during the budget setting:

Playground Equipment	£3,727.96*
Parish Council Elections	£1,172.04**
General Contingency	£2,500.00
Car Park / Toilets	-£421.16***
Gods Acre	£674.72****

* It was agreed to add £2,500 to this fund plus the £2,400 originally allocated to the Election Fund if not required. Since the budget setting meeting, we have learnt how much we have to pay for the election and £1,172.04 is required from the original £2,400 to ensure there is enough money in the election reserves fund for at least 1 election, with the rest being diverted to the playground fund. When we have received the VAT refund the VAT paid to A Frost design for the playground will be added back into this fund.

** As detailed above £1,172.04 added to this fund so once we receive the invoice for Cllr Roberts election, we will have enough left in the fund to cover 1 more election at similar costs. It will be suggested next FY we leave the £2,400 addition to this fund, to bring this fund closer to the cost of 2 elections.

*** Due to the car park resurfacing works, and extra covid cleaning required on the toilet block, the expenditure for FY21/22 was greater than the income for FY 21/22 by £421.16 therefore the reserves were reduced by £421.16 to cover this shortfall.

**** The Income for Gods Acre was greater than the expenditure for FY 21/22 and therefore the excess income of £674.72 was moved into reserves.

CCPC start FY 22/23 with a reserves balance of £49,825.68

Fixed Assets

Over the course of the FY the Clerk has been working on the Asset Register, assessing what assets were still current and adjusting where necessary the purchase values. as it was discovered some of the old assets purchase price included VAT & delivery, when they shouldn't. There is still a lot of work required to complete the details, but the values are now at least all correct. Total Asset value stands at £123,390

Audit Details:

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 FY 20/21 and FY 21/22 the variances and explanations are:

Box 1 - Balance brought Forward – No explanation necessary

Box 2 – Precept or Rates and Levies - 2% increase, no explanation necessary

Box 3 – Total other receipts (not including Precept and Rates) - 88% increase.

There has been an increase in other receipts totally £20,306 due to:

1. £1,050 donation to the Parish Council Environment Group from a local group & resident
2. £1,494.40 donation from local landlord to help pay for repairs to damaged fingerposts.
3. £16,601.53 released from old Gods Acre Cemetery Trustee account when running of Cemetery handed over to Parish Council.
4. £1,160.07 in general cost savings and sundries

Box 4 – Staff Costs - 16% increase

There has been an increase of £2,462 due to:

1. Extra hours required to run the recently acquired Gods Acre Cemetery.

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

Box 6 – All other payments (not including staff costs) – 126% increase

There has been an increase of £46,336 due to:

1. £4,025.81 due to taking on a self-employed Parish Caretaker for general repairs around the Parish.
2. £4,820.28 due to taking on the Cemetery and bringing the facilities up to date in line with regulation
3. £32,206.97 due to installation of new playground equipment
4. £1,999.19 due to the re-start of the Youth Club after Covid
5. £2,499.50 due to extra cleaner of the Toilet block and playground due to Covid.
6. £784.25 due to sundries such as increase in insurance premium.

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 – No explanation necessary

There has been an increase of £17,252 due to:

1. -£18,862, for the removal of old playground equipment
2. £29,396 for the addition of new playground equipment
3. £5,720 when adding old assets missed off register
4. £998 for new office equipment and sundries

Box 10 – Total borrowings – No explanation necessary

Paul Reynolds our Internal Auditor having carried our final year's internal audit and was happy I had the finance records correct and balanced to the penny. He has signed off the Annual Governance and Accountability Return 2021/22 Part 3 (AGAR) page 3.

Author: Michelle Harrington, RFO

The Finance and personnel group considered the following referral from the January 22 Council meeting. Extract from January 2022 minutes

> "Q: Cllr N Dragon stated he did ask last month, but hadn't heard back but would like an answer from the finance committee, if they could investigate the question and come back with an answer as to why our admin charges over the last 3 – 4 years have doubled? Cllr N Dragon stated that CCPC admin had gone from £11,000 to £20,000 and would like to be able to explain to people when they ask why it's costing us double now to operate our council compared to 4 years ago. Cllr N Dragon stated they see they get nothing back for that, it's not like the playground. Plus, not all the charges have risen for example telephone and internet charges have gone down, not all the charges have risen but the total has risen.
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> A: Cllr Clarke agreed to refer this to the finance working group and to come back with a full answer. However, he wished to state, when the previous Clerk was in post, we did a major re-grading exercise as we were paying the previous Clerk about £8-9 per hour which is barely above minimum wage. It was looked at and agreed by all councillors that the scale LC1 was inappropriate, and it was agreed as a council to move the clerk on to the scale of LC2 which put the Clerk up to about £13 per hour. The increase also reflects an increase in hours from 72 hours which we had with the previous Clerk to now 80 hours plus a contingency of 15. The previous Clerk had stated she could just do the job in 72 hours but could not do any projects, and since then we have taken on the Toilets / Car Park & Gods Acre, along with a few large projects which have been done, like the playground, so you are getting something for it. "

The group members discussed the issue and agreed with the answer from the Chairman at the time. The Council is doing substantially more than the previous Council. The expectations on Councils with regard to procedures and policies had increased substantially. The agreed grading is in line with similar Councils and it was noted that a smaller neighbouring Council (Langton Matravers PC) paid a substantially higher rate.

The group took the view that we were very fortunate to have the Clerk we had and the Council received good value for money from our clerking role.