

## RFO's Report on the 23-24 Budget and Reserves for June 2023

Although we have not yet reached the first quarter for the more detailed budget report following the 30<sup>th</sup> June, an interim report has been deemed necessary. Electricity Costs and Staffing Costs are currently two areas with cause for concern.

### Electricity Costs

Over the months of April and May, the Council is nearly at 90% of budget for Street Lighting Electricity. Although this will be discussed further in a separate agenda item, even if corrected, it is likely that a forecast of electricity usage for the year would still be estimated as £1159 over budget.

Services	22-23 Budget	22-23 Actual	23/24 Budget	Apr	May	TOTAL
Street Lighting Electricity	550	1122.49	900	371.33	416.78	788.11

Electricity costs for the Hub have also increased, and based on forecast expenditure that is also over budget, it is recommended that another contingency provision is made in the reserves for £1528.

### Staffing Costs

Due to increase in rates of pay and hours for all members of staff, the forecast expenditure for the year is £1689 over budget and no provision for overtime is now included in the budget. Staffing costs will be examined more closely in a separate agenda item.

### Reserves

The estimated level of unrestricted reserves for the Parish Council as a whole is currently too low. Provisions for expenditure not included in the budget should now include Legal Fees, Staffing overbudget, Streetlighting Electricity and Maintenance provisions and contingency for Hub Electricity. The Reserves spent to date are currently £1900.

At 1<sup>st</sup> June 2023, the Parish Council's Unrestricted Reserves were estimated as follows:

<b>Reserves</b>	<b>£17,367</b>
200 Club Funds*	£2,748.75
Hub Surplus/PWLB Cont.*	£3,571
Legal Fees*	£2,500
Staffing Overbudget*	£2,330
Street Lighting Provision*	£1,159
Hub Electricity Contingency*	£1,528
<b>Unrestricted Reserve</b>	<b>£3530</b>

\* Ringfenced Funds

### Recommendation

The Council need to urgently consider some cost saving measures or reallocate funds to ensure more money is available for essential or unexpected expenditure not in the budget, and to enable staff overtime to be paid if deemed necessary. While the Council currently have plenty of funds in the bank, it is important to note that most of those funds are committed to be spent in line with the Council's approved budget and forward planning is always necessary.