

Sandgate Parish Council

Quarterly Finance Report – April to June 2024

The first quarter of the financial year has passed at some speed and we have already started putting together information for next year's budget forecast.

At this early point in the annual cycle, it is very difficult, to start making conclusions about trends and possible outturn for the year. My concern about our level of general reserves remains very much in mind and we need to be very careful about unanticipated/unnecessary expenditure.

We have had some good financial news with the annual grounds maintenance contract renewal cost coming in below what we had forecast and we have the same news with the CCTV maintenance arrangements. We will also benefit from two payments of £350 from FHDC for using the library for elections.

The not so good news has seen some CCTV expenses that were unanticipated around lamppost weight testing (£950) and licencing (£50). These should have dealt with last year but KCC omitted to issue reminders. The upshot is that we have had a year for free but it means there are costs that aren't provided for in the budget. The weight testing will have to be paid again in 2027 and we now have our own diary reminder in place to make sure it happens when due and is included in that year's budget. The other major area of higher-than-expected expenditure is around the water bills for The Boat House. A combination of the water company cancelling our direct debit payment and several estimated bills (we are going to start taking regular readings) has caused arrears (around £1,600) to build up which need to be dealt with this year and this impacts on what had been forecast in the budget.

We have some other areas that need tweaking to tidy up the budget amounts which also helps with the reporting seen on Scribe. These are all summarised below.

I am recommending that we adopt a different approach this year with us looking even more frequently at how the budget is working and look at making minor adjustments during the financial year. This may also change our budget approach for next year. As an example, The Sea Festival. Currently we budget for the net cost of the event to us of £3,500. We know that we receive both income, which doesn't have a budget figure and expenditure, which is much more than the net costs and the budget figure we use. We should build in both an income and expenditure budget which give a net budget figure for the event in line with our level of support. This will greatly assist in how the Sea Festival gets reported on Scribe and making payments/receipts easier to monitor and process.

I have been keeping a list of budget items that will now have a surplus that can be allocated into budgets that need increasing or, in some cases, actually having a budget such as CCTV Lamppost Weight Testing. In some cases, such as the Bin replacement budget, I am proposing a significant reduction. This is being driven by the need for funds to balance the budget but also because of the Harmers "fix" to the locking device issues which had caused

us to have to replace some bins in the past + Tim has mentioned that FHDC may have some funds allocated towards bin replacement. We didn't spend any of this budget in the prior financial year so feel comfortable with this approach.

Some of the budget amendments will be one off for this year and others are likely to feature going forward. This will be considered as part of the annual budget process later this year.

Overall, the following proposed changes to the budget are cost neutral, but deal with both surplus and deficits within budget codes and will improve our financial reporting during, what we know, will be a challenging year with the budget.

Code	Description	Budget	Required	Surplus
37	General Maintenance Annual Contract	£12,000	£10,750	£1,250
54	CCTV Maintenance Annual Contract	£2,200	£1,750	£450
22	Office Equipment (Including Clerk PC)	£1,200	£1000	£200
80	Library Mobile Phone for Clerk	£320	Nil	£320
TBA	Donations (Gayes Bench)	New	£576	£576
101	Library Being Used as a Polling Station	New	£700	£700
95	Replacement Waste Bins	£2,200	£940	£1,260
Total Surplus				£4,756

Code	Description	Budget	Required	Shortfall
TBA	CCTV Lamppost Weight Tests (3 yearly)	Nil	£950	£950
TBA	CCTV KCC Annual Licence	Nil	£50	£50
76	Business Rates	£4,000	£4,570	£570
27	Street Furniture	£200	£480	£280
104	Library Insurance Costs from FHDC	Nil	£280	£280
TBA	Replacement Benches	New	£576	£576
TBA	Library Alarm Call Outs	New	£200	£200
TBA	Staff Refreshments	New	£200	£200
43	Granville Water Rates	£1,100	£2,750	£1,650
Total shortfall				£4,756

Net shortfall £ Nil

Please feel free to contact me ahead of our Finance meeting on Monday evening if you have any questions.

The approach outlined carries my recommendation for control/reporting reasons and continues our balanced budget.

My recommendation will need to be supported by Finance and approved by full council.

Simon Horton

12th July 2024