Paper 7 – Quarter 1 Budget Monitoring

Thurston Parish Council

Paper: Paper 8 – Budget Monitoring for Quarter 1 – April - June
Reason: To receive the budget versus actual budget monitoring paper for the quarter ending 30th June 2026
Period covered: 1st April 2026 to 30th June 2027
Presented to Council: Full Council Meeting 05.08.26
Date: 28.07.2026
Author: Responsible Financial Officer (RFO)

Summary
The budget is a key part of the council's plans and must tie in with its policies.

Budget monitoring - reasoning
In accordance with council's own adopted Financial Regulation clause 4.9, the agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against that which was planned for the year under review.

As outlined in the Practitioners' Guide 2026, and to be able to respond in the Affirmative to Assertion 1 of the Annual Governance and Accountability Return (Financial management and preparation of accounts), council is reminded that it needs to not only prepare and approve a budget, but it also needs to ensure that it monitors actual performance throughout the year, taking corrective action where necessary.

It is the duty of the Responsible Financial Officer (RFO), appointed by the council as a statutory officer, to administer the council's financial affairs in accordance with all Acts, Regulations and proper practices and to ensure the accounting control systems are observed and financial management information is provided to council.

Quarterly reports are provided to council with the aim of:

- Monitoring financial performance, helping to identify potential issues or inefficiencies throughout the year
- Refining budgeting and forecasting processes over time
- Gaining an informed understanding of financial performance as affected by various factors
- Creating more accurate and flexible budgets that better anticipate council's future needs and adapt to different circumstances
- Streamlining variance reporting required for Year-End

Financial Summary
Budget reports within Rialtas produce a budget monitoring exercise based on the annual budget.

These are then further analysed according to routine payments and planned activity throughout the year, producing an accurate comparison between budgeted and actual expenditure per quarter. The analytical reports are presented to council to promote informed decision-making and enhanced financial transparency.

Council is advised to refer to Appendix A for numerical details of the actual to budget monitoring process.

Income
The three-monthly budget income for the period ending 30th June 2026, comprises overall income in the sum of £431,245.

The precept receipt of £115,243 was received in April as expected, whilst a surplus of interest £2,207 for the first quarter against an annual budget of £4,500 is attributed to the council's strategy of diversifying accounts to maximise reserve returns while ensuring sufficient liquidity.

Unbudgeted income is in relation to a refund for bird boxes not supplied and a donation towards the Biodiversity Day.

The recycling credits (£3,058) is the transitional sum of monies received for the period February 2026 through to January 2028 following the introduction of kerbside recycling. Given the cessation of the agreement with New Green Community Trust for the running of the centre (31st July), there is an expectation that a portion of the monies received (covering February – July 2026 – 6 months or 25%) will be assigned to the New Green Community Trust and the remainder used for transitional costs.

Expenditure

As of 30th June 2026, marking the end of the first financial quarter of the 2026-2027 budget year, Thurston Parish Council's spending is £87,163 against an annual budget of £297,500 representing 29.3% of expenditure – an overspend of 4.3%.

In accordance with guidelines issued by Proper Practices, reports on variances in income and expenditure exceeding 15% of the budget (except variances of less than £200) will be reported to council.

Whilst there is no need to explain the overall variation for the total budget, council is advised to review the following variances notified per category.

Material variances explained:

Staffing: currently demonstrating a 2.3% variance to budget, mainly in the senior official posts.

Office administration: currently demonstrating that in excess of 34.9% of the budget has been allocated. Generally, this budget is overspent given the calls on the budget in terms of staff training and telephone and internet costs. The telephone and internet budget continues to show over budget given the amendments to the office phone and broadband contract to ensure that the system was ready for the digital switchover. The new system had resulted in a new fixed contract which was higher than the original agreed amount. This account has now been renegotiated and whilst it will continue to demonstrate an overspend, the contact negotiated has managed to fix the price for the next three years. The change of host for the 365 packages operated by staff and councillors as well as the hosting of the website and councillor provided emails (. gov.uk) is also factored into this increase.

Council Activity: currently demonstrating that 30% of the annual budget has been spent in the first quarter. Generally, this budget is within target noting that the six-monthly costs for the fully funded PCSO were received in the first quarter as opposed to the second quarter. Significant underspends to be noted in tree maintenance and play equipment repairs

Newsletter Account

The account for the period ending 30th June 2026 shows an in balance between funds received and expenditure incurred. This is in the main due to accrued payments for annual advertising which has increased the balances held at the beginning of the year. At year-end, the CIL reserves account will be used to fund the overall difference between the income and expenditure balance for this account.

Commentary: Council might wish to consider, as part of future budgeting processes, ensuring that the revenue budget is adjusted to take account of the increased circulation thereby reducing the reliance on CIL funds and ensuring the account remains realistic and is aligned with the council's strategic objectives.

Financial Summary at period ending 30th June 2026

Variances during this quarterly reporting period, allowing for the inclusion of CIL monies, are expected due to the routine patterns of expenditure spread over the financial year. This will result in some budget headings being outside the specified tolerances.

At the start of the financial year, parish councils typically have a large inflow of precept funds from the billing authority, plus any existing reserves, before significant spending occurs. This combination of advance funding, reserve policy, and seasonal cash flow explains why accounts are often much higher at the beginning of the year than later in the year.

However, it is important to note that these variances are neither unexpected nor cause for concern and whilst the budget appears to be underperforming for this time of the year, there are no concerns that the council should be aware of at this time.

Recommendations at period ending 30th June 2026

In accordance with Council's adopted Financial Regulation 4.10 (any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council), Council is asked to resolve to accept the report and approve the following recommendations for action:

1. Transfer of £2,382.15 from CIL Reserve 2024-25 to offset Villager Ranger employment costs incurred from April to June 2026.
2. Transfer of £545.80 from CIL Reserves 2024-25 to offset Allotment Funded Works incurred from April to June 2026.
3. Transfer of £2,461.160 from CIL Reserves 2024-25t o offset CIL Expenditure incurred to 30th June 2026.
4. Transfer of £111.11 from CIL Reserves 2023-24 to offset CIL approved expenditure incurred to 30th June 2026 (this now exhaust the monies for this year).
5. Transfer of £302,636.72 from the revenue account into an Earmarked Reserve for 26-27 until funds are called upon within the revenue budget.

Detailed Income & Expenditure by Budget Heading 30/06/2026

Cost Centre Report

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
100	Income							
1076	Precept	115,243	230,485	115,243	230,485		150.0%	
1080	Bank Interest Received	2,207	4,500	2,293	4,500		149.1%	
1095	Unbudgeted Income	1,158	1,080	(78)	1,080		207.2%	
1150	Cleansing Grant	0	5,500	5,500	5,500		100.0%	
	Income :- Income	**118,608**	**241,565**	**122,957**			**49.1%**	**0**
	Net Income	**118,608**	**241,565**	**122,957**				
110	Salaries/Contract							
4000	Clerk's Salary	9,887	34,040	24,153		24,153	29.0%	
4005	RFO	8,080	25,130	17,051		17,051	32.2%	
4010	Deputy Clerk	7,670	30,385	22,716		22,716	25.2%	
4025	Newsletter Editor	1,279	5,415	4,136		4,136	23.6%	
4040	NI Employer's	3,503	11,790	8,287		8,287	29.7%	148
4050	Pension Employer's	3,893	17,910	14,017		14,017	21.7%	
4065	Litter Picker Salary	1,220	5,900	4,680		4,680	20.7%	
4070	Village Ranger	2,235	7,740	5,505		5,505	28.9%	2,235
	Salaries/Contract :- Indirect Expenditure	**37,765**	**138,310**	**100,545**	**0**	**100,545**	**27.3%**	**2,382**
	Net Expenditure	**(37,765)**	**(138,310)**	**(100,545)**				
6000	plus Transfer from EMR	2,382	0	(2,382)				
	Movement to/(from) Gen Reserve	**(35,383)**	**(138,310)**	**(102,927)**				
120	Office Administration							
4110	Admin Expenses	987	3,000	2,013		2,013	32.9%	
4111	Bank Charges	48	0	(48)		(48)	0.0%	
4120	Cllr Expenses	0	650	650		650	0.0%	
4130	Cllr Training	129	1,000	872		872	12.8%	
4140	Officer Training	882	1,000	118		118	88.2%	
4145	Accounting Software	602	590	(12)		(12)	102.0%	
4150	Room Hire	32	500	468		468	6.4%	
4160	Insurance	1,685	4,500	2,815		2,815	37.4%	
4170	Audit	600	2,280	1,680		1,680	26.3%	
4180	Office Equipment	430	1,000	570		570	43.0%	
4185	Office Maintenance	168	2,500	2,332		2,332	6.7%	
4190	Rent	1,489	6,020	4,531		4,531	24.7%	
4210	Computer Maintenance	0	1,500	1,500		1,500	0.0%	
4220	Telephone and Internet	1,366	2,150	784		784	63.5%	
4230	Website	307	1,080	773		773	28.5%	

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Detailed Income & Expenditure by Budget Heading 30/06/2026

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4310 Subcriptions	1,167	1,360	193		193	85.8%	
4320 Membership Fees	609	1,000	391		391	60.9%	
Office Administration :- Indirect Expenditure	**10,501**	**30,130**	**19,629**	**0**	**19,629**	**34.9%**	**0**
Net Expenditure	**(10,501)**	**(30,130)**	**(19,629)**				
130 CIL Funded Projects							
4330 Libray (CIL)	0	2,700	2,700		2,700	0.0%	
4340 Donations (CIL)	0	10,000	10,000		10,000	0.0%	
4350 Pavilion Refurbishment	122	0	(122)		(122)	0.0%	
CIL Funded Projects :- Indirect Expenditure	**122**	**12,700**	**12,578**	**0**	**12,578**	**1.0%**	**0**
Net Expenditure	**(122)**	**(12,700)**	**(12,578)**				
140 Council Activity							
4420 Servicing Litter Bins	0	2,055	2,055		2,055	0.0%	
4440 Emergency Plan	0	995	995		995	0.0%	
4450 Play Equipment - Repair	0	5,000	5,000		5,000	0.0%	
4460 Play Area Inspections	360	1,755	1,395		1,395	20.5%	
4470 Tree Maintenance	240	5,000	4,760		4,760	4.8%	
4475 Grounds Maintenance	2,509	12,000	9,491		9,491	20.9%	
4490 Village Maintenance	(174)	10,000	10,174		10,174	(1.7%)	
4495 Litter Picking Equipment	0	500	500		500	0.0%	
4515 CCTV	218	0	(218)		(218)	0.0%	
4520 PCSO Funding	26,165	55,000	28,835		28,835	47.6%	
4530 PCSO Car Lease	2,500	5,000	2,500		2,500	50.0%	
4540 Defibrillator	330	0	(330)		(330)	0.0%	
4640 Village Projects	10	10,000	9,990		9,990	0.1%	
Council Activity :- Indirect Expenditure	**32,158**	**107,305**	**75,147**	**0**	**75,147**	**30.0%**	**0**
Net Expenditure	**(32,158)**	**(107,305)**	**(75,147)**				
145 Refuse							
1275 Refuse Cross Charges	0	1,000	1,000	1,000		100.0%	
Refuse :- Income	**0**	**1,000**	**1,000**			**0.0%**	**0**
4485 Refuse Costs	287	2,000	1,713		1,713	14.4%	
Refuse :- Indirect Expenditure	**287**	**2,000**	**1,713**	**0**	**1,713**	**14.4%**	**0**
Net Income over Expenditure	**(287)**	**(1,000)**	**(713)**				

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Detailed Income & Expenditure by Budget Heading 30/06/2026

Cost Centre Report

Code	Description	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
150	Street Lighting							
4550	SCC Maintenance Contract	0	6,000	6,000		6,000	0.0%	
	Street Lighting :- Indirect Expenditure	**0**	**6,000**	**6,000**	**0**	**6,000**	**0.0%**	**0**
	Net Expenditure	**0**	**(6,000)**	**(6,000)**				
160	Heath Road							
4580	Heath Road Rental	0	55	55		55	0.0%	
	Heath Road :- Indirect Expenditure	**0**	**55**	**55**	**0**	**55**	**0.0%**	**0**
	Net Expenditure	**0**	**(55)**	**(55)**				
165	Allotments							
1260	Allotment Income	0	235	235	235		100.0%	
	Allotments :- Income	**0**	**235**	**235**			**0.0%**	**0**
4505	Allotment Funded Works	546	0	(546)		(546)	0.0%	546
4506	Allotment expenses	48	1,000	952		952	4.8%	
	Allotments :- Indirect Expenditure	**594**	**1,000**	**406**	**0**	**406**	**59.4%**	**546**
	Net Income over Expenditure	**(594)**	**(765)**	**(171)**				
6000	plus Transfer from EMR	546	0	(546)				
	Movement to/(from) Gen Reserve	**(48)**	**(765)**	**(717)**				
180	Newsletter							
1250	Newsletter Income	6,658	0	(6,658)			0.0%	
	Newsletter :- Income	**6,658**	**0**	**(6,658)**				**0**
4700	Newsletter Expenditure	2,808	0	(2,808)		(2,808)	0.0%	
	Newsletter :- Indirect Expenditure	**2,808**	**0**	**(2,808)**	**0**	**(2,808)**		**0**
	Net Income over Expenditure	**3,850**	**0**	**(3,850)**				
185	Recycling							
1270	Recycling Credits	3,058	1,000	(2,058)	1,000		405.8%	
	Recycling :- Income	**3,058**	**1,000**	**(2,058)**			**305.8%**	**0**
	Net Income	**3,058**	**1,000**	**(2,058)**				

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Detailed Income & Expenditure by Budget Heading 30/06/2026

Cost Centre Report

		Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
190	CIL							
1205	CIL Receipts	302,637	0	(302,637)			0.0%	302,637
	CIL :- Income	**302,637**	**0**	**(302,637)**				**302,637**
4500	CIL Expenditure	2,572	0	(2,572)		(2,572)	0.0%	2,572
	CIL :- Indirect Expenditure	**2,572**	**0**	**(2,572)**	**0**	**(2,572)**		**2,572**
	Net Income over Expenditure	**300,064**	**0**	**(300,064)**				
6000	plus Transfer from EMR	2,572	0	(2,572)				
6001	less Transfer to EMR	302,637	0	(302,637)				
	Movement to/(from) Gen Reserve	**0**	**0**	**0**				
195	Transfer to other accounts							
1090	Miscellaneous Income	285	0	(285)			0.0%	
	Transfer to other accounts :- Income	**285**	**0**	**(285)**				**0**
4600	Transfer to other Accounts	285	0	(285)		(285)	0.0%	
4601	Pavilion Costs	71	0	(71)		(71)	0.0%	
	Transfer to other accounts :- Indirect Expenditure	**356**	**0**	**(356)**	**0**	**(356)**		**0**
	Net Income over Expenditure	**(71)**	**0**	**71**				
	Grand Totals:- Income	**431,245**	**243,800**	**(187,445)**			**176.9%**	
	Expenditure	**87,163**	**297,500**	**210,337**	**0**	**210,337**	**29.3%**	
	Net Income over Expenditure	**344,082**	**(53,700)**	**(397,782)**				
	plus Transfer from EMR	**5,500**	0	(5,500)				
	less Transfer to EMR	**302,637**	0	(302,637)				
	Movement to/(from) Gen Reserve	**46,946**	**(53,700)**	**(100,646)**				