



Quarter 2 Budget Monitoring

Thurston Parish Council

Paper: Paper 7 – Budget Monitoring for Quarter 2 – July – September

Reason: To receive the budget versus actual budget monitoring paper for the quarter ending 30 September 2026

Period covered: 1st April 2026 to 30th June 2027

Presented to Council: Full Council Meeting 07.10.26

Date: 01.10.26

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.

Members need to ensure that they understand how the budget is put together and how it is used in the running of the authority. The key stages in the budgetary process are:

- decide the form and level of detail of the budget;
- review the current year budget and spending;
- determine the cost of spending plans;
- assess levels of income;
- bring together spending and income plans;
- provide for contingencies and consider the need for general and earmarked reserves;
- approve the budget;
- confirm and submit the precept or rates and special levies;
- review progress against the budget regularly throughout the year - at least quarterly in all but exempt authorities - including a year-end projection and a clear minuted commentary of likely significant variances from the budget;
- virements (transfers between budget lines) are permitted but not required - they should be used to clarify the situation of the authority alongside budget variances arising from unforeseen circumstances.

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 six-monthly budget income for the period ending 30 September 2026, comprises overall income in the sum of £559,766.

The 2nd tranche of the precept receipt of £115,243 was received in September as expected, whilst a surplus of interest £5,630 for the two quarters 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.

The cleansing grant received in the second quarter in the sum of £5,618 was marginally higher than the budget of £5,500.

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

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. Following the cessation of the agreement with New Green Community Trust for the running of the centre (31 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. Currently this is a matter still under discussion.

Allotment income reflects the renewal of six of the tenancies on Thurston Park plus associated water reimbursement, with a further two allotments being let during this past quarter (includes deposits taken). There is currently one allotment vacant, and steps are being taken to advertise the vacancy.

Expenditure

As of 30 September 2026, marking the end of the second financial quarter of the 2026-2027 budget year, Thurston Parish Council's spending is £166,047 against a six-monthly annual budget of £159,145 (revised annual budget (£302,344) plus CIL Reserves (£15,947) representing 54.9% of expenditure – a variance of 5% (rounded).

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 7.2% variance to budget in the senior officer posts. Council is reminded that whilst the Local Government Pay Award for 2026 has been fully applied to all staffing levels in the September payroll, agreement was forthcoming from the August meeting to fund the shortfall in the budget due to senior office post alignment from General Reserves in the sum of £4,857.00. The remaining overspend is attributable to overtime incurred in the Clerk role and measures are in hand to ensure the workload is appropriately balanced moving forward.

Office administration: currently demonstrating that in excess of 63.8% of the budget has been allocated. Generally, this budget is overspent given the calls on the budget in terms of Officer 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. As previously explain, 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 40.2% of the annual budget has been spent in the first and second quarters of the year. 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 should be noted in tree and village maintenance and play equipment repairs. The second six-monthly costs for the fully funded PCSO are due to be received later in October.

Newsletter Account

The account for the period ending 30 September 2026 shows an imbalance between funds received (£10,330) and expenditure incurred (£9,036). 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: As has been outlined previously, council is advised to consider, as part of future budgeting processes, 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 September 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 this point of the financial year, the parish council, having received its second inflow of precept funds from the billing authority, which, coupled with low significant spending is demonstrating a significantly healthy set of accounts. This combination of advance funding, reserve policy, and seasonal cash flow explains why accounts are often much higher at the mid-point of 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 performing at 55.8% of the annual budget, there are no concerns that the council should be aware of at this time.

Recommendations at period ending 30 September 2026

1. Council is asked to receive the budget versus actual for the period ending 30 September noting the financial summary outlined above.
2. 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:
 - **Transfer of £1,973 (rounded) from CIL Reserve 2024-25 to offset Villager Ranger employment costs incurred from July to September 2026.**
 - **Transfer of £78 (rounded) from CIL Reserves 2024-25 to offset Allotment Funded Works incurred from July to September 2026.**
 - **Transfer of £2,350 from CIL Reserves 2024-25 to offset Donations given to date**
 - **Transfer of £5,649 from CIL Reserves 2024-25 to offset CIL Expenditure incurred to 30 September 2026.**

Thurston Parish Council Current Year

Detailed Income & Expenditure by Budget Heading 01/10/2026

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	230,485	230,485	0	230,485		200.0%	
1080 Bank Interest Received	5,630	4,500	(1,130)	4,500		225.1%	
1095 Unbudgeted Income	1,158	1,080	(78)	1,080		207.2%	
1150 Cleansing Grant	5,618	5,500	(118)	5,500		202.1%	
Income :- Income	242,890	241,565	(1,325)			100.5%	0
Net Income	242,890	241,565	(1,325)				
110 Salaries/Contract							
4000 Employee 09	20,030	32,400	12,370		12,370	61.8%	
4005 Employee 02	20,022	29,472	9,450		9,450	67.9%	
4010 Employee 07	15,850	31,493	15,643		15,643	50.3%	
4025 Employee 06	2,614	5,252	2,638		2,638	49.8%	
4040 NI Employer's	7,616	12,324	4,708		4,708	61.8%	241
4050 Pension Employer's	8,953	18,673	9,720		9,720	47.9%	
4060 Employee 04	30	0	(30)		(30)	0.0%	
4065 Employee 03	2,668	5,807	3,139		3,139	45.9%	
4070 Employee 08	4,114	7,733	3,619		3,619	53.2%	4,114
Salaries/Contract :- Indirect Expenditure	81,896	143,154	61,258	0	61,258	57.2%	4,355
Net Expenditure	(81,896)	(143,154)	(61,258)				
6000 plus Transfer from EMR	4,355	0	(4,355)				
Movement to/(from) Gen Reserve	(77,541)	(143,154)	(65,613)				
120 Office Administration							
4110 Admin Expenses	1,605	3,000	1,395		1,395	53.5%	
4111 Bank Charges	98	0	(98)		(98)	0.0%	
4120 Cllr Expenses	0	650	650		650	0.0%	
4130 Cllr Training	129	1,000	872		872	12.8%	
4140 Officer Training	1,022	1,000	(22)		(22)	102.2%	
4145 Accounting Software	602	590	(12)		(12)	102.0%	
4150 Room Hire	32	500	468		468	6.4%	
4160 Insurance	4,013	4,500	487		487	89.2%	
4170 Audit	2,280	2,280	0		0	100.0%	
4180 Office Equipment	1,158	1,000	(158)		(158)	115.8%	
4185 Office Maintenance	546	2,500	1,954		1,954	21.8%	
4190 Rent	2,977	6,020	3,043		3,043	49.5%	
4210 Computer Maintenance	100	1,500	1,400		1,400	6.7%	
4220 Telephone and Internet	1,925	2,150	225		225	89.5%	

Detailed Income & Expenditure by Budget Heading 01/10/2026

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4230 Website	307	1,080	773		773	28.5%	
4310 Subscriptions	1,357	1,360	3		3	99.8%	
4320 Membership Fees	1,069	1,000	(69)		(69)	106.9%	
Office Administration :- Indirect Expenditure	<u>19,221</u>	<u>30,130</u>	<u>10,909</u>	<u>0</u>	<u>10,909</u>	<u>63.8%</u>	<u>0</u>
Net Expenditure	<u>(19,221)</u>	<u>(30,130)</u>	<u>(10,909)</u>				
130 CIL Funded Projects							
4330 Library (CIL)	0	2,700	2,700		2,700	0.0%	
4340 Donations (CIL)	2,350	10,000	7,650		7,650	23.5%	2,350
4350 Pavilion Refurbishment	507	0	(507)		(507)	0.0%	507
CIL Funded Projects :- Indirect Expenditure	<u>2,857</u>	<u>12,700</u>	<u>9,843</u>	<u>0</u>	<u>9,843</u>	<u>22.5%</u>	<u>2,857</u>
Net Expenditure	<u>(2,857)</u>	<u>(12,700)</u>	<u>(9,843)</u>				
6000 plus Transfer from EMR	<u>2,857</u>	<u>0</u>	<u>(2,857)</u>				
Movement to/(from) Gen Reserve	<u>0</u>	<u>(12,700)</u>	<u>(12,700)</u>				
140 Council Activity							
4420 Servicing Litter Bins	1,494	2,055	562		562	72.7%	
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	1,048	1,755	707		707	59.7%	
4470 Tree Maintenance	535	5,000	4,465		4,465	10.7%	
4475 Grounds Maintenance	6,274	12,000	5,727		5,727	52.3%	
4490 Village Maintenance	2,767	10,000	7,233		7,233	27.7%	
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	495	0	(495)		(495)	0.0%	
4640 Village Projects	1,632	10,000	8,368		8,368	16.3%	
Council Activity :- Indirect Expenditure	<u>43,125</u>	<u>107,305</u>	<u>64,180</u>	<u>0</u>	<u>64,180</u>	<u>40.2%</u>	<u>0</u>
Net Expenditure	<u>(43,125)</u>	<u>(107,305)</u>	<u>(64,180)</u>				
145 Refuse							
1275 Refuse Cross Charges	214	1,000	786	1,000		121.4%	
Refuse :- Income	<u>214</u>	<u>1,000</u>	<u>786</u>			<u>21.4%</u>	<u>0</u>
4485 Refuse Costs	703	2,000	1,297		1,297	35.1%	
Refuse :- Indirect Expenditure	<u>703</u>	<u>2,000</u>	<u>1,297</u>	<u>0</u>	<u>1,297</u>	<u>35.1%</u>	<u>0</u>
Net Income over Expenditure	<u>(489)</u>	<u>(1,000)</u>	<u>(511)</u>				

Detailed Income & Expenditure by Budget Heading 01/10/2026

Cost Centre Report

	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	260	235	(25)	235		210.6%	
1265 Allotment Deposit	50	0	(50)			0.0%	
Allotments :- Income	310	235	(75)			131.8%	0
4505 Allotment Funded Works	624	0	(624)		(624)	0.0%	624
4506 Allotment expenses	118	1,000	882		882	11.8%	
Allotments :- Indirect Expenditure	742	1,000	258	0	258	74.2%	624
Net Income over Expenditure	(432)	(765)	(333)				
6000 plus Transfer from EMR	624	0	(624)				
Movement to/(from) Gen Reserve	191	(765)	(956)				
180 Newsletter							
1250 Newsletter Income	10,330	0	(10,330)			0.0%	
Newsletter :- Income	10,330	0	(10,330)				0
4700 Newsletter Expenditure	9,036	0	(9,036)		(9,036)	0.0%	
Newsletter :- Indirect Expenditure	9,036	0	(9,036)	0	(9,036)		0
Net Income over Expenditure	1,294	0	(1,294)				
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)				

Detailed Income & Expenditure by Budget Heading 01/10/2026

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>190 CIL</u>							
1205 CIL Receipts	302,637	0	(302,637)			0.0%	302,637
CIL :- Income	<u>302,637</u>	<u>0</u>	<u>(302,637)</u>				<u>302,637</u>
4500 CIL Expenditure	8,111	0	(8,111)		(8,111)	0.0%	8,111
CIL :- Indirect Expenditure	<u>8,111</u>	<u>0</u>	<u>(8,111)</u>	<u>0</u>	<u>(8,111)</u>		<u>8,111</u>
Net Income over Expenditure	<u>294,526</u>	<u>0</u>	<u>(294,526)</u>				
6000 plus Transfer from EMR	8,111	0	(8,111)				
6001 less Transfer to EMR	302,637	0	(302,637)				
Movement to/(from) Gen Reserve	<u>(0)</u>	<u>0</u>	<u>0</u>				
<u>195 Transfer to other accounts</u>							
1090 Miscellaneous Income	328	0	(328)			0.0%	
Transfer to other accounts :- Income	<u>328</u>	<u>0</u>	<u>(328)</u>				<u>0</u>
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	<u>356</u>	<u>0</u>	<u>(356)</u>	<u>0</u>	<u>(356)</u>		<u>0</u>
Net Income over Expenditure	<u>(28)</u>	<u>0</u>	<u>28</u>				
Grand Totals:- Income	559,766	243,800	(315,966)			229.6%	
Expenditure	166,047	302,344	136,297	0	136,297	54.9%	
Net Income over Expenditure	<u>393,720</u>	<u>(58,544)</u>	<u>(452,264)</u>				
plus Transfer from EMR	15,947	0	(15,947)				
less Transfer to EMR	302,637	0	(302,637)				
Movement to/(from) Gen Reserve	<u>107,030</u>	<u>(58,544)</u>	<u>(165,574)</u>				