

THURSTON PARISH COUNCIL

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Paper submitted by the Clerk to the Council at the meeting of 06.08.25

A briefing paper for Councillors on the Budget Monitoring Exercise
Quarter 1 for 2025 - 2026

Introduction

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.

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
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Quarter 1 – period ending 30th June 2025

Budget reports within Rialtas produces 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 reports are presented to council to promote informed decision-making and enhanced financial transparency.

Council is advised to refer to Paper 8 for numerical details of the actual to budget monitoring process.

Expenditure:

As of 30th June 2025, marking the end of the first financial quarter of the 2025-26 budget year, Thurston Parish Council's spending is £66,559 against a quarterly budget of £75,033.

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.

Material variances explained:

Office administration: currently demonstrating a 34% underspend variation to budget.

Generally this budget is underspent given the limited calls on the budget in terms of administration; training; room hire; office equipment and maintenance and computer/IT maintenance.

Audit fees for the year ending 31st March 2025 were allocated in the year in which they were allocated and will be accrued at the end of the financial year 2025-2026.

The telephone and internet budget is 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.

The Clerk has also renegotiated the mobile phone contract and the pavilion broadband contract resulting in lower tariffs effective during the second quarter of the year.

Income:

The quarterly budget income for the period ending 30th June 2025, comprises a precept of £100,749 and an additional income of £250 resulting in a total income budget for the period of £100,999.

By the end of the 1st quarter, the current income stands at £102,524.

The surplus of £1,182 bank interest as opposed to the budgeted £250 is attributed to the council's strategy of diversifying accounts to maximise reserve returns while ensuring sufficient liquidity.

The surplus of £593 allotment income includes rent (£193) for eight of the nine allocated allotments acquired by the council in January 2025 on the Thurston Park estate and rental deposit so applied (£400.00).

Summary at period ending 30th June 2025

Variances during this quarterly reporting period are expected due to the routine patterns of expenditure spread over the financial year, resulting in some budget headings being outside the specified tolerances. However, it is important to note that these variances are neither unexpected nor cause for concern.

The budget is overperforming for this time of the year. There are no concerns that the council should be aware of at this time.

Recommendation at period ending 30th June 2025

The Committee is asked to receive the report and approve the following recommendations for action:

1. Transfer of £13,782 from CIL Reserve 2023-24 to offset CIL expenditure incurred to the end of June 2025.
2. Creation of a CIL Reserves for 2025-26 and transfer of CIL monies received £197,551 into the newly created CIL reserve.
3. Transfer of £1,859 from CIL Reserve 2023-24 to offset Villager Ranger costs incurred to the end of June 2025.
4. Transfer of £699 from CIL Reserves 2023-24 to offset Allotment Funded Works incurred to the end of June 2025.
5. Transfer of £400 into a newly created Earmarked Reserve entitles Allotment Deposits.