

**THURSTON PARISH COUNCIL**

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Paper submitted by the Clerk to the Council at the meeting of 14.01.26

## **A briefing paper for Councillors on the Budget Monitoring Exercise**

### **Quarter 3 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.

As outlined in the Practitioners' Guide 2025, 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

#### **Quarter 3 – period ending 31<sup>st</sup> December 2025**

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 reports are presented to council to promote informed decision-making and enhanced financial transparency. Council is advised to refer to Paper 7 for numerical details of the actual to budget monitoring process.

### **Expenditure:**

As of 31<sup>st</sup> December 2025, marking the end of the third financial quarter of the 2025-26 budget year, Thurston Parish Council's spending is £234,696 against a nine-monthly budget of £187,785. With the inclusion of the CIL funding for agreed projects this represents a variance of £1,846 (underspend) or -1%.

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:**

**Office administration:** currently demonstrating a 15% underspend variation to budget.

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

As noted previously, 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.

As outlined in the September report, the insurance renewal premium, renewed in October 2025 resulted in increased premiums due to the additions to the asset register.

Computer / IT Maintenance is currently underbudget, but this position is expected to regularise over the coming months with the change of host for the 365 packages operated by staff; hosting of the website and councillor provided emails (. gov.uk).

**Services:** currently demonstrating a 37% underspend variation to budget.

Generally, this budget is showing an underspend if Recommendations 2 and 5 below are implemented as both are previously agreed funding from parish operated CIL.

Significant underspends to be noted in tree maintenance and play equipment repairs are offset by overspends on street lighting repairs and overspends (late notification of the overall budget) in the PCSO costs.

*It should be noted that the miscellaneous costs associated with the pavilion will be a nil balance at year-end once funds transfer have been carried out (balance to be cleared amounts to around £400).*

**Heath Road Playing Field:** currently demonstrating a 70% underspend variation to budget.

Generally, this budget is on hold until there is clarity on the future of this land. Matters relating to play equipment requiring urgent attention are still being actioned. The annual rent for the land has been processed and paid over to the Thurston Relief in Need Charity.

**Other Funding Agreements:** this relates to the pavilion refurbishment project. The final account is still to be agreed and there is an expectation that the CIL funding agreed (£10,000) will be required to finalise the account.

***Point to note:***

**Staffing:** currently demonstrating a £383 (0%) overspend variation to budget. This has been calculated on the assumption that Recommendation 1 below is actioned as the Village Ranger costs for 2025-2027 are to be funded from CIL. The slight overspend is in the Employers National Insurance costs.

**Income:**

The nine-monthly budget income for the period ending 31<sup>st</sup> December 2025, comprises a precept of £201,497 and an additional income of £5,675 resulting in a total income budget for the period of £207,172.

By the end of the 3<sup>rd</sup> quarter, the current income stands at £250,164 representing a 21% variance in excess income received.

Income received includes the precept and the grants received from Mid Suffolk District Council for the Pavilion Refurbishment Project – Community Development Grant £20,000 and s106 monies held by Mid Suffolk District Council for Community Projects £16,612.

The surplus of £3,822 bank interest as opposed to the budgeted £750 is attributed to the council's strategy of diversifying accounts to maximise reserve returns while ensuring sufficient liquidity.

The cleansing grant of £5,397 as opposed to the budgeted £4,175 was calculated by Mid Suffolk District Council and covers an allowance for work also carried out by the Village Ranger.

The surplus of £2,836 income includes rent (£208) on the Thurston Park estate and rental deposit so applied (£450); and refuse cross charges (£449) as settled by New Green Community Trust; recycling credits (£963) as transferred to New Green Community Trust for the operation of the recycling centre; reimbursement of remembrance wreaths (£69); reimbursement of overpaid solicitor fees (£44); cashback (£31) on the council operated credit card; VAT (£512) reclaimed on behalf of the Recreation Ground Trust Charity (and since transferred) and reimbursement of cleansing products (£110) for items purchased on behalf of Recreation Ground Trust Charity.

The invoice for the 3<sup>rd</sup> quarter for refuse cross charges is still to be raised to New Green Community Trust.

**Summary at period ending 31<sup>st</sup> December 2025**

Variances during this quarterly reporting period, allowing for the inclusion of grant funded projects, 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.

### **Recommendations at period ending 31<sup>st</sup> December 2025**

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 £2,403 from CIL Reserve 2023-24 to offset Villager Ranger employment costs incurred from October to December 2025.**
- 2. Transfer of £1,111 from CIL Reserves 2023-24 to offset Allotment Funded Works incurred from October to December 2025.**
- 3. Transfer of £2,700 from CIL Reserves 2023-24 to offset CIL Library funded donation for increased hours and access for meetings for year 2025-26.**
- 4. Transfer of £2,200 from Cil Reserves 2023-24 to offset CIL approved donations to local organisations / charities providing benefit to the community for the year 2025-26.**
- 5. Transfer of £25,520 from CIL Reserves 2024-25 to offset expenditure incurred for the funding of the PCSO for the village of Thurston (55% of total) for year 2025-26.**
- 6. Transfer of £7,455 from CIL Reserve 2024-25 as part of the contribution from CIL Reserves for the Pavilion Refurbishment Project (final account still to be agreed).**