



## **Quarterly Financial Report - Q1 2024-25**

### **Introduction**

This report provides an overview of Minehead Town Council's financial performance for the first quarter of the 2024-25 fiscal year (April, May & June). It highlights areas of overspending and underspending, along with explanations for these variances from the budget. This report is to be accompanied by Month number 3, Detailed Income & Expenditure by Budget Heading.

### **Overspent Areas**

#### **1. Interest received (55.7%) - Governance & Administration**

Reason: This is actually increased income due to higher interest rates than expected. We expect rates to decrease due to recent Bank of England rate reductions.

#### **2. Subscriptions (63.3% spent) - Governance & Administration**

Reason: Most subscriptions are annual contracts due at the beginning of the financial year.

#### **3. Insurance (93% spent) - Governance & Administration**

Reason: Paid annually in April. Budget was estimated with a +/- 10% margin of error.

#### **4. Computer Equipment/Licences (33.3% spent) - Governance & Administration**

Reason: Email licence number increased to 19. Likely overspend of £350-£400 expected by financial year end.

#### **5. Rent for Town Council Offices (86.7% spent) - Town Council Offices**

Reason: Paid in one lump sum in April. Rent was fixed at the previous year's price.

#### **6. Rates for Town Council Offices (85.5% spent) - Town Council Offices**

Reason: Payable to SC in one lump sum in May.

#### **7. Electricity for Town Council Offices (67.2% spent) - Town Council Offices**

Reason: Smart meter issue, currently under investigation.

#### **8. Summerland Room (53.2% spent) - Town Council Offices**

Reason: Budget set too low. Predicted cost for this year is £500-£540.

**9. Purchase of Graves (38.3%) – Cemetery and Churchyard**

Reason: Increase in interments requiring new plots. Reading as an overspend but is income.

**10. Rates for Cemetery (92.2% spent) – Cemetery and Churchyard**

Reason: Payable to SC in one lump sum in May.

**11. Electricity (30.4% spent) - Cemetery**

Reason: Includes cold weather months of March, April & May.

**12. Allotment Deposits (175.0%) - Allotments**

Reason: Increase in new allotment tenancies.

**13. Allotment Deposit refund (50.0% spent) - Allotments**

Reason: Greater turnaround of plots, especially among new tenants.

**14. Rates (90.1% spent) - Depots & Compound**

Reason: Payable to SC in one lump sum in May.

**15. Water (33.2% spent) - Depots & Compound**

Reason: Includes remainder of water cooler contract. Expected to remain in budget.

**16. Electricity (32.6% spent) - Depots & Compound**

Reason: Includes cold weather months of March, April & May.

**17. Fuel (41.0% spent) - Vehicles, Plant & Equipment**

Reason: Includes red diesel alternative for ride on mowers and Foam Stream. Purchased twice a year, expected to remain in budget.

**18. Rates (87.3% spent) - Community Centre**

Reason: Payable to SC in one lump sum in May.

**19. Water (33.3% spent) - Community Centre**

Reason: Includes April & part of May when football season is still on.

**20. Electricity (32.7% spent) - Community Centre**

Reason: Includes cold and dark months of March, April & May.

**21. Water (73% spent) - Open Spaces & Recreation**

Reason: Covers water for floral displays. Budget set low at £500.

**22. Electricity (32.7% spent) - Open Spaces & Recreation**

Reason: Used by Alcombe Rovers football club at King George Playing Field.

**23. Equipment (58.8% spent) - Public Toilets**

Reason: Incorrect coding, transferred to Equipment Rental in July 2024. Cost centre reset.

### **Underspent Areas**

#### **1. Staff Training/Conferences (6% spent) - Governance & Administration**

Reason: Training programme currently being created. Budget expected to be spent proportionately.

#### **2. Advertising/Recruitment (6.6% spent) - Governance & Administration**

Reason: Budgeted for potential staff changes and councillor by-elections.

#### **3. Legal and Professional Fees (0% spent) - Governance & Administration**

Reason: A provision has been made for the external review processes related to our 2022/23 accounts. The associated costs are currently undetermined and may impact this budget line item.

#### **4. New Office Provision (0% spent) - EMR Town Council Offices**

Reason: Awaiting surveyors report on existing office.

#### **5. Cemetery Extension (0% spent) - EMR Cemetery**

Reason: EMR being built up for future land purchase.

#### **6. Vehicle Replacement (0% spent) - EMR Vehicles, Plant & Equipment**

Reason: New vehicle required in next two years to replace Vauxhall van.

#### **7. Building Maintenance for Community Centre (7% spent) - Community Centre**

Reason: Budget set for potential repairs and cleaning issues.

#### **8. Playgrounds Maintenance (7.8% spent) - Open Spaces & Recreation**

Reason: Funds available for issues flagged in July 2024 inspections.

#### **9. Tree Works (0% spent) - Open Spaces & Recreation**

Reason: Works at Marsh Common ongoing. 44% of budget expected to be used through this work.

#### **10. Weed Removal (7.1% spent) - Open Spaces & Recreation**

Reason: Continuing to explore alternative weed removal options. Foam Stream on six-month trial.

#### **11. Devolution (0.2% spent) - Community Services & Support**

Reason: Budget set for unknown factors associated with devolution from Somerset Council. Various expenses incurred thus far, including wall repairs, Blenheim gate

locking, and flower bedding displays. Budget line will also support the legal costs of registering devolved assets.

## **12. Public Toilet Improvements (0% spent) - EMR Public Toilets**

Reason: Further investigation required for Blenheim Gardens toilets refurbishment. Major work unlikely this financial year.

## **Conclusion**

Overall, Minehead Town Council is on course to come in on budget for the 2024-25 fiscal year. While there are some areas of overspending, these are largely due to timing for annual payments or unforeseen circumstances. These overspends are expected to be offset by underspending in other areas.

Many of the underspent areas are due to projects or expenses that are planned for later in the year, such as staff training, playground maintenance, and tree works. Others, like the EMR funds for new office provision and cemetery extension, are long-term projects that are still in the planning stages.

Consistent oversight of staffing expenditures, conducted in tandem with councillor budget reviews through the Finance and General Purposes Committee, has established a consistent framework for financial control. It's worth noting that certain budgets, such as those allocated for the devolution of services from Somerset Council, were initially set to address uncertainties. As devolution discussions continue, it may be prudent to consider earmarking a portion of this budget, given that the process is likely to extend beyond the current financial year. It is essential the council remains committed to closely monitoring such areas and will continue to make well-informed decisions that balance fiscal responsibility with community needs.

Another important consideration is the pending external review process for our 2022/23 accounts. The costs associated with this process are yet to be determined, and their eventual resolution could have a notable impact on our overall financial position at year-end. We are closely monitoring this situation and will adjust our financial strategies as necessary to accommodate any unforeseen expenses that may arise from this review.

As we move forward, we will maintain our focus on efficient budget management and transparent reporting to ensure the best use of public funds.

Jo Chapman  
Deputy Clerk & RFO  
August 2024