



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