

Finance & Governance Committee Draft Terms of Reference

Main Objective/Remit: To oversee the Council's governance arrangements and its management of public funds, ensuring that appropriate policies are in place and that adequate arrangements are made to manage risk.

Reports to: Full Council

Outside Representatives: None

Frequency of Meetings: Six scheduled meetings per year, otherwise as and when required.

Member Training requirements: Relevant in-house training will be offered to all councillors as part of their induction process.

Sub-Committees: Capital Projects Sub-Committee.

Working Parties/Panels: The following working parties/panels will report to the Committee (or to full Council), and can also be instructed to examine specific matters by the Committee:

- Rents & Licences Panel
- Communications Strategy Working Party

Other Matters: The Committee will be comprised of the Mayor, Deputy Mayor and the Chair of each of the Council's Standing Committees (Community Services, Environment, Personnel, Planning & Consultation and Tourism & Local Economy), together with any other Member(s) appointed by Council.

The public shall be excluded from any matter that is confidential in nature.

Delegated Matters:

- 1.1 To receive quarterly budget monitoring and variance reports, and determine any response required to address urgent concerns.
- 1.2 To monitor and review Council investments, including receipt of a minimum of semi-annual and annual reports on treasury activity.
- 1.3 To receive interim reports from the Council's internal auditor and approve or amend the actions proposed by officers to address the concerns raised.
- 1.4 To receive, once each quarter, a report demonstrating reconciliation of the Council's bank accounts.
- 1.5 To monitor and review funding arrangements for the Council's capital works programme.
- 1.6 To consider, at least annually, a report on aged debts, authorising the writing off of any such debt between £100 and £500 and agreeing actions in respect of larger sums (the write-off of which must be approved by Council).
- 1.7 To agree minor amendments and clarifications of existing Town Council policies in respect of finance and governance.
- 1.8 To appoint an appropriate person to act as the Council's internal auditor.
- 1.9 To appoint a Capital Projects Sub-Committee, agree its Terms of Reference, receive its minutes and consider any recommendations set out therein.

- 1.10 To ensure appropriate arrangements are in place for carrying out rent reviews in respect of Council-owned property, and to consider any recommendations from the Rents & Licences Panel.
- 1.11 To review from time to time the adequacy of the Council's insurance cover and receive at least once a year a report regarding claims settled and lodged since the last report.
- 1.12 To monitor and review the performance of the Council's external contracts where appropriate (e.g. public toilet cleaning).
- 1.13 To review, at least annually, a report of complaints received regarding the Council's services and consider any actions required to address the concerns raised.
- 1.14 To consider periodically reports regarding the Council's compliance with its regulatory requirements (e.g. health and safety, data protection and transparency).
- 1.15 To act in a scrutiny role in respect of Council decisions, as and when requested by full Council.

Other functions:

- 2.1 To consider the strategic direction of the Town Council and periodically review the Town Council's Corporate Plan and Governance Arrangements, making appropriate recommendations to the Council.
- 2.2 To review the Town Council's list of priorities twice yearly and monitor progress towards their achievement, making appropriate recommendations to the Council.
- 2.3 To review, at least annually, the adequacy of the Town Council's Risk Register, and recommend amendments to the Council.
- 2.4 To consider in detail recommendations made by the Council's external auditor and recommend any resulting action plan to full Council.
- 2.5 To consider draft versions of Council policy documents and make appropriate recommendations to the Council.
- 2.6 To consider the response to changes in legislation affecting the Town Council and recommend appropriate steps to the Council.
- 2.7 To consider the draft annual estimates each year (usually in December) and make a recommendation to the Council regarding their adoption, including the Council's parish precept for the forthcoming financial year.
- 2.8 To consider any proposed virement between departmental budgets overseen by different committees and make a recommendation to Council.
- 2.9 To consider any case for the Council entering into borrowing and make an appropriate recommendation to Council.
- 2.10 To consider the adoption or amendment of the Members' Allowance Scheme in light of the Independent Panel's Report, and make a recommendation to Council accordingly.
- 2.11 To consider any other matters relating to the Council's governance arrangements and financial management.

Notes of the **CAPITAL PROJECTS SUB-COMMITTEE**
held at the Town Hall at **4.30 p.m.** on **WEDNESDAY**
7th SEPTEMBER 2022

Present: -

Councillor M. Bonfield – Chair

Councillor J. Bishop

Councillor T. Foster

Councillor A. Harris

Councillor C. Tomes

Also present: -

Ms G. Percival

Mr C. Milmer

Miss C. Johnston

1. Apologies

Apologies for his inability to attend the Meeting were received from Councillor Moreton.

2. Declarations of Interest

Members were invited to declare their interests and consider any requests for Grants of Dispensations in accordance with Section 9 and Appendix B of the Council's Code of Conduct.

There were no declarations to record on this occasion.

3. Matters arising from Minutes of the previous meeting held on 8th June 2022

No matters were raised.

4. Day's Park Path

It was reported that a further meeting with football club representatives had taken place earlier today to discuss the location of the potential future pitch layouts on Journey's End and the implications of this for the construction of the new footpath. A start date and a timescale for completion is awaited from contractors. It was confirmed that works are to be funded by CIL contributions.

5. Peveril Point Road

It was noted that the invitation for specialist contractors to provide a quote for the production of a methodology and specification is due to close on 12th September 2022.

6. Sea Front Improvement Scheme

It was reported that the report on ground stabilisation options from WSP had been received with several recommendations:

- an UXO survey, which had been commissioned;
- a full drainage survey of the site, which had been commissioned;
- a topographical study for which one quote had been received and another is awaited;
- a water survey of the site for which quotes were being sought;
- an electric survey of the site for which quotes were being sought.

It was also recommended to continue to monitor ground water conditions and ground movement for a further 12 months. A quote for this had been received in

the sum of £15,300. It was noted that this summer's drought had caused issues with ground conditions at Sandpit Field and the Recreation Ground. It was agreed that professional advice be followed to monitor the site for a further 12 months.

7. Station Approach

It was reported that an interim meeting had taken place with WSP and Dorset Council and that the report and final recommendations for improvement works to Station Approach should be available imminently. This will be brought to a future meeting of the Traffic Management Advisory Committee for initial consideration.

8. Seafront Repairs – Parish Slipway/Stone Quay

It was reported that the methodology and an invitation to provide a quotation had been sent to four suitably qualified contractors with a closing date of 16th September. Due to the listed status of the Stone Quay, the conservation team at Dorset Council had been notified of the works. An application had also been made to Natural England due to the location of the works; their permission is required in order that an MMO licence can be granted. It was agreed:

That, on the grounds of urgency, Full Council be asked to delegate authority to officers to proceed with works up to the value of £60,000.

9. Godlingston Cemetery Extension

It was noted that landscape works are now proceeding well. Councillors gave thanks to Steve Harris, of Wessex Grounds Services, for his work on behalf of the Council to achieve the current standards. It was reported that comments had been received commending the look of the new area.

10. North Beach Car Park – Removal of Art's Club Building

Following discussion at previous meetings, it was agreed that removal of the building proceed using the existing electrical supply for an electrical vehicle charging point.

11. Tourist Information Centre – Beach Cleaning/Storage Areas

It was reported that there are two stores adjoining the Information Centre on Shore Road that require upgrading and improving. These works will involve repairs to the stone roof, creation of a suitable rest space, provision of hot water and improved storage facilities. Dorset Council Property Services are developing a design for this location. Plans and proposals will be provided at a future meeting.

12. Operations Department – Vehicle/Equipment

Details of proposed new vehicles and equipment were circulated. The Operations Manager set out the increased efficiency and enhanced performance and finish that the use of these vehicles would achieve. It was confirmed the fuel type would be diesel. It was proposed by Councillor Bonfield, seconded by Councillor Bishop, and RESOLVED: -

TO RECOMMEND TO FULL COUNCIL:

That a John Deere 4066m compact utility tractor MY20 (equipped and ready for a front loader attachment JD 440R Loader) and a Trimax S2 320 (mower) be purchased for the sum of £55,200.

13. Skate Park – Equipment Removal and Resurfacing

It was reported that quotes are awaited and therefore this matter will be considered at a future meeting.

14. Changing Places – North Beach Car Park

It was reported that Dorset Council had notified the Town Council that there was a shortfall of £1,250 in the funding that they had received from Government and had asked whether STC would be prepared to meet that shortfall. In addition, the installers had offered a 5-year warranty for £1,800 which covers an annual service visit, hoist inspections and break down call outs.

After discussion it was proposed by Councillor Foster, seconded by Councillor Tomes and RESOLVED UNANIMOUSLY:-

TO RECOMMEND:

That the Town Council should fund the shortfall of £1,250 in the budget for the installation of Changing Places toilet facilities at North Beach Car Park and purchase a 5-year warranty for the sum of £1,800.

15. Electric Vehicle Charging Points

Further to discussion, it was agreed that the installation of new 7v electric vehicle charging points would be most appropriate at North Beach and Main Beach Car Parks.

16. Any Other Business

a) Northbrook Cemetery Fencing – it was reported that the fence from the cemetery to the rear of the public conveniences had been vandalised on a number of occasions. The Operations Manager recommended installing a metal fence and it was agreed that prices should be sought.

b) The Recreation Ground – it was reported that the tarmac paths on the Recreation Ground had suffered cracking, most likely due to the recent drought conditions, and that the Operations Manager is seeking advice regarding the best method of repair.

17. Date of Next Meeting

The date of the next meeting to be arranged in due course.

The meeting concluded at 5.20 p.m.

Notes of the **CAPITAL PROJECTS SUB-COMMITTEE**
held at the Town Hall at **3.15 p.m.** on **WEDNESDAY**
8th JUNE 2022

Present: -
Councillor M Bonfield - Chair
Councillor T Foster
Councillor A Harris
Councillor C Tomes

Also present: -
Councillor C Moreton
Councillor M Whitwam
Dr M Ayres
Ms G Percival
Mr G Roman
Miss C Johnston

1. Election of Chair 2021/22

It was proposed by Councillor Tomes, seconded by Councillor Harris and
RESOLVED UNANIMOUSLY:

That Councillor Bonfield be appointed Chairman
of the Sub-Committee for 2022/23.

2. Apologies

Apologies for their inability to attend the Meeting were received from Councillor
Bishop and Councillor Monkhouse.

3. Declarations of Interest

Members were invited to declare their interests and consider any requests for
Grants of Dispensations in accordance with Section 9 and Appendix B of the
Council's Code of Conduct.

There were no declarations to record on this occasion.

4. Matters arising from Minutes of the previous meeting held on 9th March 2022

No matters were raised.

5. Day's Park Path

The proposed plans for the path and lighting were circulated during the meeting. A
query was raised regarding the timings on the lights and it was advised that they
could be time controlled. A 10 p.m. switch off time was suggested. The lights would
be low wattage LED light fittings fitted to Dark Skies standard. A budget of
£120,000 was recommended from CIL money, this sum to include a contingency
allowance. It was reported that Dorset Council are developing road safety
improvement works in the Ulwell area to link with this scheme, and officers were
asked to liaise to maximise synergy between these two parts of the project.

After discussion it was proposed by Councillor Foster, seconded by Councillor
Harris and **RESOLVED: -**

TO RECOMMEND TO FULL COUNCIL:

That works proceed as per the indicative drawings and
information supplied with a budget of £120,000 to be
funded via CIL contributions.

6. Beach Gardens – Tennis court 3

The Operations Manager reported that works commenced on the 6th June with the first inspection being undertaken today. Another inspection will take place when the asphalt is installed and a final one upon completion. Tennis court bookings have been suspended for 3 weeks on court 3 to enable these works to proceed.

7. Northbrook Cemetery Wall

It was reported that works will commence on 13th June pending an Ecologist Inspection to ascertain if there were any water voles present. Permits have been applied for and received from the Environment Agency.

8. Cow Lane/Panorama Road adoption

It was reported that a price for works to bring the roads to an adoptable standard by Dorset Council has been received. These are £54,520 for Panorama Road and £30,695 for Cow Lane. It was noted this is for the adoption of the area of Panorama Road from Priests Road to the junction with the east-west section of Panorama Road by the caravan park. Two pairs of pedestrian crossing points will also be installed. The current budget for these works is £65,000.

After discussion it was proposed by Councillor Bonfield, seconded by Councillor Foster, and AGREED: -

TO RECOMMEND TO FULL COUNCIL:

That the Town Council should proceed with the adoption by Dorset Council of both Panorama Road and Cow Lane.

9. Peveril Point Road

It was reported that a meeting to discuss procurement arrangements for these works had been planned to be undertaken next week.

10. Sea Front Stabilisation – Phase 2

It was reported that the consultants had carried out site visits and are on target to meet the timescale for the submission of the ground stabilisation feasibility study at the end of June. It was proposed that a fee proposal is sought for a further meeting with officers and councillors to develop a menu of options for each location within the area of study and understand the impact of any proposals on ground stabilisation requirements and budget. This would enable the development of a business case which would include outline costs and income. It was noted that public consultation on any proposals would be undertaken.

11. Station Approach

It was reported that the consultants, engaged through Dorset Council, are due to start work to produce an options appraisal. This is within the budget allocated for this work.

12. Godlingston Cemetery Extension

It was reported that there had been problems due to weather conditions with the final seeding and levelling ground works to the extension that had occurred in the autumn and that rectification work had commenced. The area is required to be treated with herbicide, the ground levelled and then re-seeded. The Operations Manager will continue to provide updates to future meetings.

13. Skate Park – installation of new half pipe

It was reported that work had commenced yesterday. The plan is to assess the existing half pipe to see if it can be relocated within the park prior to the installation of the new one. If this is not feasible it will be removed. It was noted that the completion date will be before the 6-week school holiday.

14. Football Club – access road

An application has been submitted to Natural England for works due to the undermining of the road and car park edge by badger activity. A further site visit with the conservationist took place on 4th June and a contractor visit will take place on 13th June. It was reported that damage has been caused to one of the large trees on the road due to the movement of plant and the tree will have to be removed. The Football Club have promoted holiday clubs during the summer holiday, and it was noted that it is hoped that the live dig to repair the road will commence during the middle to the end of July, although this is dependent upon the timing of the receipt of licence and contractor availability. It was noted that these works are currently unbudgeted.

15. Changing Places – North Beach car park

Further to Minute No. 87) of the Monthly Council meeting held on 19th January 2022, the Operations Manager advised that the Dorset Council bid for funding had been successful and a new Changing Places facility had been confirmed for Swanage adjoining the North Beach WCs. The current schedule for works is that they will commence no earlier than 1st September 2022 and will be completed within this financial year. It was suggested signage is to be updated following install.

16. Electric vehicle charging points

It was reported that quotes are awaited for the two extra vehicle charging points for North Beach Car Park and the Residents' Car Park. It was suggested the matter of electric vehicle charging points would be discussed at a future Environment Working Party Meeting.

17. Items of Information and Matters for Forthcoming Agendas

a) Trevor Chadwick Memorial – works to install the plinth and statue are due to commence on the 20th June and final details are awaited.

b) St Aldhelms Court – signage and road markings are proceeding and are scheduled to be completed in the next 6 weeks.

c) Stone Quay & parish slipway – the Dorset Flood & Coastal Erosion Management Team (FCERM) have confirmed they are able to provide professional advice in respect of required repairs which may include engagement of a specialist engineer to provide a report on a preferred methodology. This would be engaged via Dorset FCERM and it was agreed that a sum of up to £5,000 could be provided from the existing budget allocated for these works to undertake this report.

The date of the next meeting to be arranged in due course.

The meeting concluded at 4.00 p.m.

Capital Projects Sub-Committee Draft Terms of Reference

Main Objective/Remit: To monitor the delivery of projects included in the Council's Capital Programme and the one-off list of revenue expenditure contained in the Annual Budget Report, providing support and guidance to officers as required.

Reports to: Finance & Governance Committee

Outside Representatives: None

Frequency of Meetings: As and when required.

Member Training requirements: None

Other Matters: The Committee will be comprised of three or four Members of the Finance & Governance Committee, usually including the Chairs of the Community Services and Environment Committees.

Due to the routine discussion of contractual and procurement matters the meetings of the sub-committee will not be open to the public, although all meetings will be preceded by a period of public participation time.

Delegated Matters:

- 1.1 To support officers in prioritising the capital and revenue projects agreed by Council as part of the Estimates process each year.
- 1.2 To consider matters raised by officers in respect of the management of capital projects and provide advice and guidance accordingly.
- 1.3 To monitor progress in the delivery of projects, and receive reports from officers, contractors and external advisors, as appropriate.
- 1.4 To consider any additional matters referred by another Committee or Council.

Other functions:

- 2.1 To advise the Finance & Governance Committee on project budgets for the forthcoming financial year, as part of the Estimates setting process.
- 2.2 To consider any requirement for additional funds in respect of a specific project and make a recommendation to either the Finance & Governance Committee, or Full Council, accordingly.
- 2.3 To consider any other matters relating to the management and delivery of Council projects.

Budget Report- Income & Expenditure Account
Quarter ending 30th September 2022

Summary

At the end of the 2nd quarter the Council's position is favourable against budget, with a variance of £130k being realised. Service costs were lower than budget predominantly due to lower than budgeted total employee costs and long stay car parking income.

Service	Q2			Annual	
	Net Expenditure	Budgeted Net Expenditure	Variance Year to Date	Budgeted Net Expenditure	Forecast Out-turn
Car Parks	(480,945)	(422,417)	(58,528)	(401,375)	(441,829)
Co-op	(11,060)	(10,400)	(660)	(20,800)	(21,460)
Boat Park	(12,802)	(685)	(12,117)	(10,230)	34,577
Public Conveniences	81,689	74,563	7,126	135,625	148,385
Burl Chine Chalets	38	0	38	(155)	(117)
Cemeteries	2,357	9,080	(6,723)	(1,100)	(7,823)
Parks and Operations	323,158	307,740	15,418	643,040	673,758
CCTV	420	750	(330)	3,500	3,170
Beach Gardens	6,625	(1,400)	8,025	7,470	15,429
Downs/Misc Grounds/PAG	(5,169)	(4,202)	(967)	(8,345)	30,688
Beaches/Foreshore	70,788	65,980	4,808	86,105	88,386
Beach Chalets/Bungalows	(131,836)	(124,605)	(7,231)	(121,745)	(124,206)
Publicity/Tourism	96,885	106,810	(9,925)	215,595	212,258
Allotments	(3,217)	(3,100)	(117)	(6,340)	(6,457)
General Buildings (inc. Caravan park)	(25,676)	(32,500)	6,824	(63,005)	(51,591)
Central services to the public:	170,828	213,960	(43,132)	426,920	389,560
DRM	27,223	21,290	5,933	57,440	63,373
Corp Management	4,420	10,825	(6,405)	68,110	76,705
Net Cost of Services	113,726	211,689	(97,963)	1,010,710	1,082,806
Interest payable and similar charges	2,735	2,950	(215)	4,400	4,235
Interest and investment income	(91,729)	(83,250)	(8,479)	(140,000)	(163,500)
Net Operating expenditure	24,732	131,389	(106,657)	875,110	923,541
Other Movements on the General Fund	(12,466)	0	(12,466)	37,000	99,360
Amount to be financed:	12,266	131,389	(119,123)	912,110	1,022,901
Financed by:					
Grants/Donations	(2,500)	0	(2,500)	(3,000)	(5,500)
Community Infrastructure Levy	(8,434)	0	(8,434)	0	(118,460)
Precept on Dorset Council	(420,000)	(420,000)	0	(840,000)	(840,000)
Total Financing:	(430,934)	(420,000)	(10,934)	(843,000)	(963,960)
(Surplus)/Deficit for the Period	(418,668)	(288,611)	(130,057)	69,110	58,941
General Fund Balance Brought Forward					(896,577)
General Fund Balance Carried Forward					(837,635)

Car Parks

Car parking realised a net surplus of £481k for the period against a budgeted surplus of £422k, a positive variance of £58k.

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn – Q2
	£	£	£	£	£
Employee Costs	22,964	22,560	404	45,120	46,100
Expenditure	79,351	79,748	(397)	159,005	177,319
Income	(583,259)	(524,725)	(58,534)	(605,500)	(665,248)
Net Expenditure	(480,945)	(422,417)	(58,528)	(401,375)	(441,829)

As shown in the summary above, income has exceeded budget during the 2nd quarter by £58k. An increase in budget was provided for the 2022/23 financial year, with some prudence being applied in respect to not assuming the same outturn as the prior year, as uncertainty continues following two years of covid restrictions and we navigate towards a 'new normal'.

As can be seen in the table below, the long stay visitor car parks, particularly the Main Beach car park have exceeded budget. However, the short stay shopper's car parks are under budget year to date.

Table 1 below gives a breakdown of the income and visitor numbers to the Council's long-stay car parks, as well as the prior year monthly breakdown. The average of the results of Q2 for the three financial years 2017/18-2019/20 has also been given for comparable data.

Table 1: Net Revenue and Usage (data from ASLAN/JustPark)

	Main Beach (incl King Georges overflow)		North Beach		Broad Road		Total	
Average 3 yr 2017/18-2019/20	47,486	£197,055	4,964	£16,539	48,362	£166,436	100,812	380,030
2020/21								
April	0	£0	0	£0	0	£0	0	£0
May	528	£1,945	0	£0	591	£1,808	1,119	£3,753
June	1,648	£5,742	167	£549	3,125	£9,452	4,940	£15,743
July	9,317	£41,023	1778	£6,138	11,089	£40,793	22,184	£87,954
August	15,202	£71,371	3314	£11,741	15,444	£59,294	33,960	£142,405
September	10,556	£40,862	1089	£3,648	10,894	£36,424	22,539	£80,934
Q2 Total	37,251	£160,943	6,348	£22,077	41,143	£147,771	84,742	£330,790
2021/22								
April	4,076	£13,823	142	£414	4,947	£15,247	9,165	£29,484
May	6,813	£25,450	604	£2,115	7,208	£22,989	14,625	£50,554
June	10,976	£44,062	1249	£4,369	10,450	£35,760	22,675	£84,191
July	13,449	£62,231	1978	£7,096	12,400	£48,487	27,827	£117,814
August	18,530	£87,288	3270	£11,671	14,704	£58,627	36,504	£157,586

September	9,964	£39,573	1058	£3,418	9,462	£33,125	20,484	£76,116
Q2 Total	63,808	£272,427	8,301	£29,083	59,171	£214,235	131,280	£515,745
2022/23								
April	6,316	£23,290	337	£1,197	6,400	£21,003	13,053	£45,490
May	6,903	£27,227	558	£1,826	6,744	£23,855	14,205	£52,908
June	8,778	£34,509	880	£3,077	8,145	£28,186	17,803	£65,773
July	12,696	£58,868	2030	£7,272	11,280	£43,748	26,006	£109,888
August	18,022	£85,498	3152	£11,498	14,267	£54,894	35,441	£151,890
September	7,479	£28,592	515	£1,750	7,421	£25,645	15,415	£55,986
Q2 Total	60,194	£257,984	7,472	£26,620	54,257	£197,330	121,923	£481,935

At the end of the first half of the year it can be seen that income is higher than the 3 year average preceding covid, but lower than 2021, which was an exceptional year.

Expenditure is largely as per budget at the end of the 2nd quarter, with a few exceptions. However, we have been informed by Metric, the Council's pay & display machine supplier, that we will be required to purchase 4g modems for the machines to enable the continuation of services when 3g is switched off. A revised cost of £12,745 has been quoted for the council's machines, with an order having been placed Appendix 1 :AD4. This is included in the forecast outturn.

The purchase of an electric vehicle charging point has been deferred from 2021/22 (which will be financed from earmarked reserves (EMR) and in addition to the EVCP budgeted for in the current financial year, is now expected to be purchased in Q4 Appendix 1: BF2 given delays due to agreeing the siting of the chargers. This may result in additional costs due to the potential requirement for phase 3 electricity at some sites. Further to this, the purchase of additional machines is being investigated and a report will be submitted to Council in December and may be financed from the general fund, given the surplus in this department.

Market income is below budget, £4k at the end of the 2nd quarter, with lower than estimated take up from traders this financial year.

Projecting forward to year-end, a surplus of £441k is anticipated against a budgeted surplus of £401k a variance of £40k, of which approximately £25k may be earmarked to finance the purchase of new pay & display machines.

Boat Park & Fishermen's Huts

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Employee Costs	9,114	10,600	(1,486)	11,190	11,500
Expenditure	14,298	22,565	(8,267)	38,060	87,793
Income	(36,214)	(33,850)	(2,364)	(59,480)	(64,716)
Net Expenditure	(12,802)	(685)	(12,117)	(10,230)	34,577

Income for the boat park is marginally over budget at the end of the first half of the year, being split between casual usage and seasonal permits.

Expenditure is below budget at the end of the quarter, £8k in total. £4.5k of this relates to a budget included for the repairs to the eastern jetty. Year to date, £9,923 expenditure has been incurred for the works from an original budget of £14.5k. However, following a report to Council, a revised additional budget of £66k has been approved, Appendix A: ref 1 & AD6 refers, for further repairs to the jetty and slipway and is included in the year end forecast outturn. However, should this project be deferred to the next financial year, this sum will be transferred to an EMR.

Employee costs are under budget. However, the post of boat park attendant has been extended into the winter season due to a revision of operational requirements, with a small variance now forecast by year end.

A deficit of £34.5k is now forecast against a budgeted surplus of £10k.

Public Conveniences

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Expenditure	81,777	74,650	7,127	137,300	150,060
Income	(88)	(87)	(1)	(1,675)	(1,675)
Net Expenditure	81,689	74,563	7,126	135,625	148,385

Expenditure is £7k overspent year to date. This is in part due to higher than budgeted contract cleaning costs, with the tender being awarded after the budget was approved. Electricity costs are also higher than budgeted at the end of Q2, with a tariff increase due for the second half of the year this variance is expected to widen by year end.

Cemeteries

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Expenditure	23,501	27,350	(3,849)	34,340	30,491
Income	(21,144)	(18,270)	(2,874)	(35,440)	(38,314)
Net Expenditure	2,357	9,080	(6,723)	(1,100)	(7,823)

Income is above budget year to date.

Expenditure of £16.8k has been incurred for repairs to the wall at Northbrook cemetery, with provision for the retention fee having been made, with a total cost of £19.8k attributable to these works, Appendix 1: 16.

Parks & Operations

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Employee Costs	243,215	236,257	6,958	500,315	500,000
Expenditure	141,376	126,095	15,281	242,850	273,431
Income	(61,434)	(54,613)	(6,821)	(100,125)	(106,946)
Net Expenditure	323,158	307,740	15,418	643,040	666,485

At the end of the 2nd quarter the Parks & Operations department has a negative variance of £15.4k in total.

Income is largely as per budget. There are a couple of variances, but not significant, with overflow car parking income £2k, property rentals £4k following conclusion of rent reviews.

A virement of £14,175 from employee costs to hired services has been made during H1, being costs to cover additional management services during this period, continuing the cover provided in 2021/22. It is anticipated that this additional service will continue in H2, with a further £8.5k being vire'd to year end, a total of £22.6k.

There have been vacant posts during the period, however, with provision having been made for back pay to 1st April, pending the annual pay award agreement, this has resulted in a negative variance in employee costs year to date. A further vacancy has arisen, which should be appointed to later in the year. As such the forecast for year-end is on budget, inclusive of the virement and pay award, although this is subject to change.

Overall expenditure is over budget year to date by £15k, with variances over many budget lines. The only significant variances to report being Appendix 1: ref AD5 and ref BF5, the latter of which will be financed from EMR.

The forecast outturn of £666k against a budget of £643k and includes a sum of £15,300 for monitoring works on the recreation ground, Appendix 1: AD8.

Beach Gardens

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Employee Costs	25,012	22,550	2,462	22,550	25,000
Expenditure	20,321	17,300	3,021	27,150	30,116
Income	(38,707)	(41,250)	2,543	(42,230)	(39,687)
Net Expenditure	6,625	(1,400)	8,025	7,470	15,429

This department has realised a negative variance of £8k at the end of the 1st quarter.

Income is under budget year to date, being an accumulation of small variances, with putting income being the largest at £1k.

Staffing costs are £2.5k over budget for the period, on the whole due to provision having been made for the pay increase, with a higher than budgeted increase.

Expenditure is over budget as this includes additional approved works to the kiosk, Appendix 1 ref; AD1 at £2.9k. Water costs are also £1.4k over budget with this being investigated.

The Downs

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Expenditure	1,502	2,025	(523)	4,110	43,587
Income	(6,671)	(6,227)	(443)	(12,455)	(12,898)
Net Expenditure	(5,169)	(4,202)	(967)	(8,345)	30,688

There has been little activity in this area year to date, with small variances over several budget headings being seen.

The variance forecast for year-end relates to professional fees relating to repairing works on Peveril Point Road and the fortification brought forward from 2021/22, Appendix A: ref BF1 & 4. This expenditure will be financed from EMR.

Beaches & Foreshore

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Employee Costs	44,736	51,160	(6,424)	61,155	52,204
Expenditure	71,381	60,085	11,296	77,775	89,071
Income	(45,329)	(45,265)	(64)	(52,825)	(52,889)
Net Expenditure	70,788	65,980	4,808	86,105	88,386

At the end of the 2nd quarter a negative variance of £4.8k has been seen in this department.

As shown above, this is largely the result of variances in employee costs and expenditure, with income as per budget.

Employee costs are under budget due to the late recruitment of Seafrost Advisors and the employment of a beach cleaner for only part of the season.

Expenditure is over budget due to the increased costs incurred for seaweed removal. This is a variable expenditure line and is £7k over budget. Additional costs of £4k have also been incurred for a condition survey of the parish slipway.

Overall, a revised year-end outturn of a net deficit of £88k against a budget of £86k is being projected at the end of the quarter.

Beach Huts

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Employee Costs	1,002	2,400	(1,398)	2,400	1,502
Expenditure	17,508	14,295	3,213	29,025	36,808
Income	(150,346)	(141,300)	(9,046)	(153,170)	(162,516)
Net Expenditure	(131,836)	(124,605)	(7,231)	(121,745)	(124,206)

Beach hut income is £9k over budget at the end of the summer season.

Expenditure is generally as per budget. However, following a tender for a beach hut booking system, the winning bid of £9,500 has resulted in these costs being met from revenue rather than capital as originally estimated. As such a variance on the revenue account for expenditure will be incurred, £4.7k at the end of Q2 and £9.5k by year end, although due to the higher than budgeted income, there will still be a positive variance on the budgeted surplus at year end.

Publicity & Tourism

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Employee Costs	85,630	90,945	(5,315)	173,730	175,000
Expenditure	28,653	31,375	(2,722)	68,640	65,918
Income	(17,398)	(15,510)	(1,888)	(26,775)	(28,660)
Net Expenditure	96,885	106,810	(9,925)	215,595	212,258

At the end of the 2nd quarter a positive variance of £9.9k has been realised. Income is generally as per budget with a variance in shop sales.

Employee costs are £5.3k under budget year to date, with one employee having been seconded to a seafront advisor role and one role being vacant during H1. Given that the annual pay increase is above the percentage that was budgeted for, it is expected that the annual employee costs will be marginally over budget at year end in spite of the current positive variance.

Expenditure is also under budget, mainly insignificant individually but cumulatively totalling £2.7k.

Allotments

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Expenditure	1,612	1,350	262	2,560	2,822
Income	(4,829)	(4,450)	(379)	(8,900)	(9,279)
Net Expenditure	(3,217)	(3,100)	(117)	(6,340)	(6,457)

To date allotments have performed largely as per budget, with very little activity to report. The year-end out-turn has been revised to a net surplus of £6.4k against a budgeted net surplus of £6.3k.

General Buildings/Misc Areas (incl roads)

	Q1			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Expenditure	8,577	1,750	6,827	13,500	24,917
Income	(34,253)	(34,250)	(3)	(76,505)	(76,508)
Net Expenditure	(25,676)	(32,500)	6,824	(63,005)	(51,591)

Year to date a £5.9k variance has been realised. This is due to the addition of repairs to the dry-stone wall at Higher Days Road, Appendix 1: AD3 refers.

Central Services

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Employee Costs	119,912	160,745	(40,833)	321,490	277,000
Expenditure	56,616	59,890	(3,274)	122,330	128,484
Income	(5,699)	(6,675)	976	(16,900)	(15,924)
Net Expenditure	170,828	213,960	(43,132)	426,920	389,560

Employee costs show a variance of £40.8k, being costs relating to vacant posts during the period.

Expenditure at the end of Q2 is marginally under budget, £3.2k with no significant individual variances to report.

A budget for the installation of an entry system at the Town Hall of £6k was approved for 2021/22, This project rolled over into 2022/23 and the expenditure is included in the year end outturn.

However, it is now anticipated that these funds will be utilised to purchase office equipment following a DSE assessment and will be financed from EMR, Appendix 1: ref BF6.

Corporate Management & Democratic Services

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Expenditure	31,643	32,115	(472)	125,550	140,078
Income	0	0	0	0	0
Net Expenditure	31,643	32,115	(472)	125,550	140,078

These two cost centres are largely as per budget at the end of the 1st half of the year.

Environmental project costs are included under this heading. A carbon neutral consultant was appointed in March 2022. As shown in Appendix A: ref BF7, expenditure up to £10k has been brought forward from 2021/22 relating to energy efficiency improvements deferred from 2021/22 pending the consultant's report. This is now unlikely to be undertaken in the current financial year, so it is likely that the funds will be retained in EMR, deferring to the next financial year. A further budget has also been approved to engage consultancy services to prepare the Seafront Masterplan, Appendix 1: AD2.

Employee Costs

For the 1st half of the year employee costs of £551k were seen against a budget of £597k with a positive variance of £45.6k being realised.

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Car Parks	22,314	21,360	954	42,720	44,000
Market	650	1,200	(550)	2,400	2,100
Boat Park	9,114	10,600	(1,486)	11,190	11,500
Parks & Operations	243,215	236,257	6,958	500,315	500,000
Beach Gardens	25,012	22,550	2,462	22,550	25,000
Beaches - Cleaners	25,023	29,160	(4,137)	35,665	29,000
Beaches - Advisors	19,714	22,000	(2,286)	25,490	23,204
Beach Hut Cleaning	1,002	2,400	(1,398)	2,400	1,502
Tourism	85,630	90,945	(5,315)	173,730	175,000
Central Services	119,912	160,745	(40,833)	321,490	277,000
Total	551,584	597,217	(45,634)	1,137,950	1,088,305

A virement of £14,175 has been made from employee costs to depot hired services costs during H1 for expenses relating to contracted management services allowing for a continuation of services.

These services are expected to continue for the near to mid-term, with a total of £22,680 being vire'd to year-end.

During H1, there has been a lot of uncertainty regarding recruitment to new and existing posts, with some turnover of staff and movement between posts. Delays in recruiting seasonal staff to posts was seen in Q1, with a delay to the recruitment process for new and existing posts seen for the whole of the H1 period.

However, the pay award, which is negotiated nationally has now been confirmed. The agreement is a flat rate increase which has resulted in increases between 10.4% to 3.2%. The increase allowed for in the budgets was 2%. Therefore, a significant amount of the savings that had been made from delays and vacant posts has been absorbed by the above budgeted pay award. The main exception to this is central services, where the majority of vacancies are seen.

Interest & Investment Income

	Q2			Annual	
	Actual	Budget	Variance	Budget	Forecast Outturn Q2
	£	£	£	£	£
Net Expenditure	(91,729)	(83,250)	(8,479)	(140,000)	(163,500)

Investment interest for the first half of the year is above budget, with income from both strategic long-term investments and short-term investments being over budget.

Forecasting to year-end income, is now forecast at £163k against a budget of £140k, a variance of £23k. This is largely due to delays in the implementation of large capital projects which has resulted in funds being held in higher yielding investments for longer than originally estimated.

A Treasury Report for the 1st half of the financial year (H1) has been issued separately.

Revenue Account - General Overview

At the end of the 1st half of the financial year a positive variance of £130k has been realised.

A schedule of significant expenditure is provided in Appendix A, with £152k having been approved for this financial year, with £38k to be financed from reserves. A further £56.1k has been brought forward as outstanding from 2021/22, with funds placed in an earmarked reserve at the end of 2021/22 to finance these works. Additionally, a further £162k of expenditure has been identified as being required during the financial year and has either been approved providing a supplementary budget or is pending approval.

Presently, a deficit on the general fund of £59k is forecast at year-end, against a budgeted deficit of £69k. This is largely due to the additional items of expenditure as shown in Appendix 1, which has been partially offset by above estimate income from long stay car parks.

There are, however, some unknown costs that will of course have an impact on the year-end outturn, mainly being emergency expenditure.

Appendix A

Significant One Off Revenue Expenditure 2022/23

Ref:	Service Area	Project	Budget	Actual	Programmed	Status Update
	New projects for 2022/23					
1	Boat Park	Jetty repairs	14,500	9,922	Q1	
2	Boat Park	Customer improvements	15,000	-	V	
3	Beaches & Foreshore	Monkey Beach repairs	8,000	-	Q3	
4	Car Parks	Kerbing-DDA compliant	4,000	-	Q3	
5	Public Conveniences	Burlington Chine	5,000	-	Q3	
6	Parks & Open Spaces	Trees - purchase	3,000	2,600	V	
7	Various	Signage	5,000	350	V	
8	Environmental (EWG)	Energy Efficiency Improvements	5,000	-	Q3	
9	Roads	Repairs-Panorama Rd	10,000	-	Q3	
10	Car Parks	EV Charger	4,000	-	Q4	On order - delayed pending decision of location
11	St Marks Playing Fields	Repairs & Equipment removal	22,500	15,450	Q1/2	
12	TIC	Front of house changes	5,000	-	Q3	
13	Beaches & Foreshore	Matting	3,000	-	Q4	
14	Beaches & Foreshore	Water Taps	5,000	5,955	Q1	
15	Parks & Open Spaces (EWG)	Weed Ripper	5,000	-	Q3	
16	Cemeteries	Northbrook cemetery - Wall repairs	22,000	16,880	Q1/2	Works ongoing-To be funded from EMR
17	DRM	Website	11,000	-	Q3	To be funded from EMR
18	Downs (EWG)	Noticeboards	3,000	-	Q3	To be funded from EMR
19	Environmental (EWG)	Environmental Campaigns	2,000	-	Q2	To be funded from EMR
			152,000	51,157		
	Projects brought forward from 2021/22 to be financed from Earmarked Reserve					
BF1	Downs	Pevelil fortification repairs	10,000	-		
BF2	Car Parks	EV Charger	4,000	-		On order - delayed pending decision of location
BF3	Boat Park	Anchor Bolts	2,000	-		
BF4	Pevelil Point	Road repairs, signage and line	20,000	-		Funds to be used for WSP design works
BF5	Spa	Ground Surveys	4,100	4,100		
BF6	Town Hall	Entry System	6,000	-		Funds used for office equipment
BF7	Environmental	Energy Efficiency Improvements	10,000	-		
			56,100	4,100		

Appendix A

	Additional projects for 2022/23								
AD1	Beach Gardens	Serving Hatch	4,035	2,910					Agreed Minute 149, meeting held 14th March 2022
AD2	Corporate Management	Consultancy services-Seafront	15,000	-					Minute 172, meeting held 25th April 2022
AD3	Misc-Roads/Pathways	Higher Days Road	5,850	5,850					Agreed Minute 161 c) Meeting held 14th March 2022
AD4	Car Parks	P&D machine 4g modem upgrade	12,745	-					Minute 65 b) Council Meeting 27th July 2022
AD5	Days Park	S&HFC Access Road	33,250	17,497					Approved July 2022
AD6	Boat Park	Eastern Jetty-balance of increased	66,000	0					A revised budget of £66k approved Minute 151 b) meeting held 14/03/22
AD7	Beach Huts	Booking system-transferred from the	10,000	4,750					On order and under development
AD8	Spa	Ground Monitoring	15,300	-					Capital projects sub-committee minute 6) 7th September 2022
			162,180	31,007					