



PAPER 4.2: A briefing paper for Councillors on the Budget Monitoring Exercise Quarter 3 for 2025-26

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 4.10, 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

QUARTER 3 – Period ending 31 December 2025

Budget reports within Scribe produce a budget monitoring report based on the annual figures.

This provides a 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 4.1 for numerical details of the actual-to-budget monitoring process and to note the figures in that report alongside this narrative report.

This report identifies unexpected variances in income and expenditure and any possible mitigation necessary.

Expenditure:

As of 31 December, marking the end of the third financial quarter of the 2025-26 budget year, Brantham Parish Council's total spending is £77,505.53 which represents 91% of the annual Parish Council budgeted spend. This is slightly above anticipated expenditure at this point in the year.

Council should note, however, that this is a relatively crude calculation since many budgeted Council costs are annual payments and do not easily fit a quarterly schedule.

However, in accordance with guidelines issued by Proper Practices, reports on variances in income and expenditure exceeding **15%** of the expected budget will be reported to council.



BRANTHAM

Parish Council

Current spending in budget areas is as follows:

	Budget line	Total Budget for year	Anticipated spend at Q3	Actual Spend at Q3	Variance at Q3
1	Administration	11,504	8628	8497	-1.52%
2	Other Items	2,350	1763	11,102	+629%
3	Salaries	54,555	40,916	41,381	+1%
4	Services	9,999	7499	9850	+31%
5	Skate Park	0	0	1,309	N/A
6	Grants/Donations	6,838	5128	4543	-11%

Variations exceeding 15% explained:

1. Other items: this budget line shows a significant overspend. **However**, Council should note that this includes the following unexpected expenditure:

- New Village Hall staging (paid from Village Hall Reserves) - £4400
- Purchase of a tree for the Village sign (paid from Horticulture reserves) - £465. Since this tree is likely to replace any proposed Christmas tree for that location this spend will be somewhat mitigated by underspend in the Christmas Tree budget line. Since the budget for a Christmas tree will not be spent it is my recommendation that the Christmas tree budget of £250 is moved to Horticulture reserves to mitigate the spend on the Cherry Tree
- Legal costs of (paid from Legal fund reserves) - £5171 – some costs already received and further costs still to be recovered.

If these items of expenditure were not included in this budget line the expenditure would actually be £1066 which would be **under budget** by 40%.

4. Services: currently spent 98% of total budget and spend is 31% higher than anticipated at this point in the year. Council should note that a number of annual payments are included in this budget line. These have already been spent which impacts the overall figures.

However; refuse collection costs were 14% higher than anticipated and Street lighting costs were 6% higher than budgeted. Budgets for these services will be amended for next year's budget-setting exercise. CCTV costs also included an annual maintenance fee that had not been included at budget setting. This will now be included going forward.

Actual spend on village grounds maintenance is 91% of the annual budgeted spend. Council should note that the winter months are likely to incur less spending on grounds maintenance projects, however, the project to move the rails at Sycamore Way/Kettles Way may incur additional cost when complete.

Income:

The annual budget income for the Council comprises a precept of £74,966.00 and an additional income of £12,363 resulting in a total income budget of £87,329. By the end of the 3rd quarter, the current income stands at £120,561. This includes a surplus of £33,232. This can largely be attributed to:

- A VAT reclaim of £4,549 which was reclaimed in the last financial year but received in this financial year
- A higher-than-expected insurance repayment from BMCIC who repaid some of last year's Leisure Centre insurance in this financial year.
- A successful National Lottery bid for the Skate Park project of £20,000
- Additional Skate Park fundraising of £5,034

Otherwise received income is in line with anticipated income.

Brantham Parish Council
Reserves Balance
2025-2026

<u>Reserve</u>	<u>OpeningBalance</u>	<u>Transfers</u>	<u>Spend</u>	<u>Receipts</u>	<u>CurrentBalance</u>
Earmarked					
Computer/Office equipment	500.00				500.00
Election costs	2,000.00				2,000.00
Legal Expenses	9,169.39		5,171.00	1,800.00	5,798.39
Roads	10,000.00				10,000.00
Property Maintenance					0.00
Recreation					0.00
Lighting	5,722.26				5,722.26
Youth provision					0.00
Horticulture Fund	779.02		544.16		234.86
Limecrest Fund					0.00
Village Hall projects	34,510.00		4,400.81	1,250.00	31,359.19
CIL Funds	104,260.62		820.83		103,439.79
General					0.00
Brantham Skate Park			1,309.33	25,034.05	23,724.72
Village Fete					0.00
Total Earmarked	166,941.29		12,246.13	28,084.05	182,779.21
TOTAL RESERVE	166,941.29		12,246.13	28,084.05	182,779.21
GENERAL FUND					26,525.77
TOTAL FUNDS					209,304.98



BRANTHAM
Parish Council

Summary at period ending 31 December 2025

In summary, spending is higher than anticipated for this point in the financial year, however this has been significantly impacted by unexpected spend that has used reserve funding. In addition income is larger than anticipated as a result of successful funding bids and fundraising for the Skate Park Project.

Otherwise the budget is in line with expected spend and income for this time of the year.

Recommendation at period ending 31 December 2025

Council is recommended to approve the following:

- Transfer of £250 budgeted for Christmas tree to Horticulture reserves

Following which Council is recommended to approve the summary of Budget to Actual figures at the period ending 31 December 2025.