



## **PAPER 6: A briefing paper for Councillors on the Budget Monitoring Exercise Quarter 2 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 2 – Period ending 30 September 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 5 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 30 September, marking the end of the second financial quarter of the 2025-26 budget year, Brantham Parish Council's total spending is £48,956.88 which represents 57% of the annual Parish Council budgeted spend. This is in line with 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 Q2	Actual Spend at Q2	Variance at Q2
1	Administration	11,504	5,752	8,634	+25%
2	Other Items	2,350	1,175	865	-26%
3	Salaries	54,565	27,282	28,850	+6%
4	Services	9,999	4,999	8,040	+60%
5	Skate Park	0	0	1,309	N/A
6	Grants/Donations	6,838	3,419	4,402	+14%

Variations exceeding 15% explained:

- 1. Administration:** currently spent 75% of total administration budget and spend is 25% higher than anticipated at this point in the year. This is generally due to;
  - Unexpected costs of creating a new website. The new site has resulted in a much more user-friendly site that is easier to manage. The overspend relates to initial set-up and will not mean overspend going forward.
  - Microsoft subscription costs. The costs of Microsoft for two staff has increased this budget. This will be reduced going forward.
  - Unanticipated legal costs of £1500

- 2. Other items:** currently spent only 36% of total budget and spend is 23% lower than anticipated at this point in the year. This is largely because items such as the Christmas tree and seasonal displays etc have not yet been spent.

This budget includes a miscellaneous spend of £465; Council should note that this spending relates to the purchase and installation of a Cherry Tree by the Village Sign. 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.

- 4. Services:** currently spent 80% of total budget and spend is 60% 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 has skewed 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.

Actual spend on village grounds maintenance is 70% of the annual budgeted spend. Council should note that as we move into the winter months spend in this line should reduce going forward.

- 6. Grants/Donations:** despite being 14% over anticipated spend at Q2 this budget line is largely in line with anticipated spend for the year.

Council should note that the funds allocated to the Village Fete were underspent. Funding for the Brantham Christmas tree Festival has been allocated to this underspend as this will be a community event in line with Parish Plan objectives. Council should confirm that they are happy with this allocation.

A number of donations have been made this year and it is anticipated that for the first time in some years the Council will spend its total donations budget, demonstrating that the fund is being well communicated to the local community.



## BRANTHAM Parish Council

### 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 2nd quarter, the current income stands at £96,161, therefore including a surplus of £8,832. 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.

Otherwise received income is in line with anticipated income.

### **Summary at period ending 30 September 2025**

In summary variances during this quarterly reporting period 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 in line with expected spend and income for this time of the year.

### **Recommendation at period ending 30 September 2025**

Council is recommended to approve the summary of Budget to Actual figures at the period ending 30 September 2025.