

Agenda Item No:**Report to: Charity Committee****Date of Meeting: 12 December 2011****Report Title: Foreshore Trust - Financial Report****Report By: Head of Financial Services****Purpose of Report**

To advise members of the Committee on the current year's financial position (2011/12), and provide an update to members on the progress of seeking quotes for external accounting and audit services.

Recommendations

- 1. The financial position for 2011/12 be noted and that the level of expenditure be reviewed as part of the budget process.**

Reasons for Recommendations

The Council has the responsibility for the proper management of the financial affairs of the Trust. It is predicted that there will be a shortfall in the estimated level of income at the year end. In addition expenditure is currently above the profiled level of spend and as such will need to be reviewed as part of the budget process (revised budget) if this is to be within budget at year end.

Introduction**Financial Position 2011/12**

1. The estimated surplus for 2011/12 when determining the budget was £186,000 (excluding grants being made). The latest estimate, as at 31 October 2011, is a surplus of some £132,000 (before grant distribution and use of surpluses).
2. Appendix A provides a summarised financial position for 2011/12 and provides a comparison with last year and the budget.

3. The main reasons for the variances include lower levels of car parking income – due to inclement weather during the summer (£31,000 shortfall projected), and other operating costs e.g. repairs (£11,000), supplies and services (£18,000). The level of expenditure is being reviewed as part of the budget process and offsetting savings will be sought in order to minimise any year end shortfall.
4. The above figures exclude the sum allocated for grant distribution (£50,000) and the proposed use of surpluses as agreed in the business plan (£399,000). These figures are still shown in Appendix A.

External Finance and Audit Services

5. The Charity has employed Accountants (Manningtons) to assist in the production of the Accounts and Buzzacotts to audit the accounts. Whilst both firms have proven to be very capable, quotes for work on the 2011/12 accounts are being sought in respect of both Final account production and auditing costs to ensure value for money continues to be received.

Reserves

6. The total balances on the Trust accounts at the 31 March 2011 amounted to £1.992m of which £1.791m was held in cash (once the surplus for 2010/11 is included).
7. When determining the policy on reserves it was agreed that the Trust would regularly review the level being held. Given that the reserves policy was so recently determined and that the business plan identifies full use of the trusts resources no changes are currently proposed to the reserves policy.

Insurance

8. The Council's current insurance contract ends on the 31 January 2012. Tenders are currently being sought to provide cover for the period 1 February 2012 to 31 March 2014 with the option of a one year extension. The timescale enables the Council to jointly tender its insurance requirements in the future with a much larger number of authorities in the future.
9. The Trusts' property and insurable risks have been separately identified in the specification in order to be able to determine the most cost effective tender for the Trust.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No

Background Information**Officer to Contact**

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The appendix could not be published on the Council's website because it consists of a table. A copy may be obtained from Elaine Wood, Principal Committee Administrator, email ewood@hastings.gov.uk or tel. 01424 451717.