

Agenda Item No: 8

Report to: Charity Committee

Date of Meeting: 26 September 2012

Report Title: Foreshore Trust - Financial Report

Report By: Peter Grace
Head of Finance

Purpose of Report

To advise members of the Committee on the current year's financial position (2012/13).

Recommendation(s)

- 1. The financial position for 2012/13 be noted and agreed**

Reasons for Recommendations

The Council has the responsibility for the proper management of the financial affairs of the Trust.

Introduction

1. The Foreshore Trust derives its income mainly from car parking and property leases/licences, and these are the key variables that affect the trust's income.

Financial Position 2012/13

2. The budget was agreed at the 26 March 2012 Committee meeting. In brief, income was budgeted at £1,037,260 and expenditure at £862,800. The estimated surplus for the year being £174,460 (before grants and use of reserves).
3. The monitoring statements attached have been enhanced to provide more detail on the costs being incurred on the major projects within the business plan in order to enable more effective monitoring of the Trust expenditure. In brief the financial projections for the year are in line with the original budget as amended by the decision to bring forward expenditure on Pelham Place Car Park (£205,000) – as determined at the meeting on the 2 July 2012.
4. The total balances on the Trust accounts at the 31 March 2012 amounted to £2,023,310 of which £1,812,142 was effectively held in cash. With an estimated operating surplus of £174,000 in 2012/12 (before grants) and programmed expenditure now of some £835,000 in 2012/13 the estimated cash balance at 31 March 2013 is £1,100,000.
5. The current business plan for the period up to and including 2015/16 identifies main programme spend of £1.34m of which £835,000 is expected to be incurred in 2012/13, leaving a balance of £505,000 in the next 3 years. This remains affordable on the basis that the current level of reserves are retained, but that annual surpluses continue to be generated on the trust's trading activities.

Use of Surpluses

6. The Trust has a duty to maintain its assets and only thereafter to consider the use of any surpluses for the benefits of the community.

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
Local People's Views	No

Background Information

Officer to Contact

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