

Agenda Item No: 9

Report to: Charity Committee

Date of Meeting: 30 September 2013

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 (2013/14).

Recommendation(s)

1. The financial position for 2013/14 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 2013/14

2. The budget was agreed at the 25 March 2013 Committee meeting. In brief, income was budgeted at £1,094K and expenditure at £950K. The budgeted surplus for the year being £144K (before grants and use of reserves).
3. The monitoring statements attached include an updated Business plan, which has where the Projects main programme has been revised to a proposed £673K. This is an increase from £435K presented in the 25 March meeting. The items subsequently discussed in the meeting of 1 July 2013 have been added; The Big Beach Project £173K, Transforming the Stade Open Space £20K and Environmentally Sustainable Tourism £25K. A further £20K has been included in 2013/14 for the completion of Pelham Place Car Park, a carry forward of work not completed as at 31 March 2013.
4. The total balances on the Trust accounts at 31 March 2013 amounted to £1,987K of which £1,503K was effectively held in cash. With an estimated operating surplus of £180K in 2013/14 (before grants) and programmed expenditure now of some £673K in 2013/14, the estimated cash balance at 31 March 2014 is £878K.
5. The main causes for the reduction in the anticipated surplus from the £144K budgeted to £80K are: £5K reduced interest income due to continuing low rates, £10K in respect of parking income, £25K overspend on the refurbishment of Pelham Place Public convenience and depreciation on Fixed assets additions capitalised in 2012/13 (does not effect cash surplus).
6. The current business plan for the period up to and including 2015/16 identifies main programme spend of £1.15m of which £673K is expected to be incurred in 2013/14, leaving a balance of £480K in the next 2 years. This remains affordable on the basis that the current levels of reserves are retained, but that annual surpluses continue to be generated on the Trust's trading activities.
7. A sum of £50K remains allocated for grants and a sum of £8.5K has been approved for Events (from a budget of £20K).

Use of Surpluses

8. 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

Peter Grace, Head of Finance
pgrace@hastings.gov.uk
01424 451503
