

**Agenda Item No:** 8

**Report to:** Charity Committee

**Date of Meeting:** 24 March 2014

**Report Title:** Foreshore Trust 2014/15 Budget and Financial Report

**Report By:** Peter Grace  
Head of Finance

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### **Purpose of Report**

To advise members of the Committee on the current year's financial position (2013/14) and to determine the budget for 2014/15.

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### **Recommendation(s)**

- 1. The current financial position for 2013/14 to be accepted.**
- 2. The allocation of grants for 2014/15 be set at £50,000 and event grants at £20,000**
- 3. Approve the proposed expenditure on schemes funded from Reserves -albeit further Committee approval to proceed is required for a few schemes.**
- 4. Approve the budget for 2014/15**
- 5. Financial monitoring reports continue to be presented to each meeting of the Charity Committee**

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### **Reasons for Recommendations**

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

A surplus is expected in 2013/14 and 2014/15 in respect of ongoing operations. This enables the Committee to establish a prudent level of grant allocations that can be distributed as part of the 2014/15 budget process.

The programmed use of reserves has been determined in accordance with the agreed business plan.

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## 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.
2. The financial position is reported at each full meeting of the Charity Committee.

## Financial Position 2013/14

3. Income streams for the Trust are currently slightly below the original budget projections. The Income is anticipated to be £1,079k down from the originally budgeted £1,094k with costs marginally down from £949k to £944k. The estimated surplus is £133k compared to the original estimate of £144k (before grants and use of reserves).
4. The expenditure on grants, and support for events has been reduced from the originally budgeted £50k and £20k to £35k and £9k respectively.
5. The Committee revised the business plan from the original £435k to £563k in December 2013. Further reprofiling is required, namely that of the Big Beach Project (£153k) from 2013/14 to 2014/15. Likewise the Environmentally Sustainable Tourism project (£25k) and Transforming Stade Open Space (£10k) are reprofiled from 2013/14 to 2014/15.

## Budget 2014/15

6. The draft budget for 2014/15 is shown in Appendix 1.
7. Total income is budgeted at £1,088k with expenditure of £865k. The estimated surplus for the year is £223k after direct governance costs, but before the distribution of grants and before the use of reserves.
8. The expenditure on grants, and support for events is budgeted for at £50k and £20k respectively. Members have the opportunity to consider whether these levels are appropriate given the lower level of awards in the current year. Any variation should be considered in the light of the long term demands on the Trust's resources.
9. The estimated expenditure in respect of project spend (main programme) is £273k and is shown in Appendix 2. The changes from the budgeted programme presented at the 9th of December 2013 Charity Committee meeting being: the removal of the £50k for White Rock Baths, waterproofing and the reprofiling of the £50k for White Rock Bath general concrete repairs to 2015/16; the inclusion of £20k contribution to Improved car park signage; the re-profiling the £430k for Rock a Nore Car Park from 2014/15 to 2015/16; and the re-profiling of £183k relating to Fisheries and Local Action (FLAG) projects from 2013/14 to 2014/15 described in point 5 above.

10. The future of the White Rock baths will be the subject of a future report to the Committee. The main resource that remains available to the Committee, other than reserves, is that of the sums earmarked for Rock a Nore car park in 2015/16.

## Reserves

11. The total balances on the Trust accounts at 31 March 2013 amounted to £1,987k of which £1,503k was effectively held in cash. Appendix 3 shows the proposed budget for 2014/15 and 2015/16 adjusted by depreciation (which does not affect the cash balances). The estimated cash balances as at the 31 March 2014, 31 March 2015 and 31 March 2016 are £1,244 £1,151k and £801k respectively. The Trust maintains the £695k contingency/reserve.
12. The current business plan for the period up to and including 2015/16 identifies main programme spend of £1.15m of which £375k is expected to be incurred in 2013/14, leaving a balance of £778k 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.

## Use of Surpluses

13. 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.

## Financial Monitoring and Accounting Arrangements

14. The reports of updated financial information are additional to the normal reporting requirements such as budget determination, final accounts and the receipt of any Auditor reports.
15. The Council has been managing the activities of the foreshore for many years. Income generated and expenditure incurred in respect of activities concerning the Foreshore Trust assets are separately accounted for by the Council. Draft accounts are prepared annually by the Council before being formalised by a private accountancy firm and audited.

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### 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

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### Area(s) Affected

None

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### 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

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### Background Information

Appendix 1 - Draft budget for 2014/15 - Summary Monitoring Report  
Appendix 1A - Detailed Monitoring Report  
Appendix 2 - Project expenditure  
Appendix 3 - Proposed budget 2014/15 and 2015/16

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### Officer to Contact

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