

This Report will be made public on 12 January 2021

Report Number **FPPG/20/01**

**To:** Folkestone Parks and Pleasure Grounds Charity –  
Board of Trustees  
**Date:** 20 January 2021  
**Responsible Officer:** Charlotte Spendley, Financial Advisor to the  
Charity

**SUBJECT: FOLKESTONE PARKS AND PLEASURE GROUNDS  
CHARITY – REVENUE BUDGET FOR 2021/22**

**SUMMARY:** This report presents the Charity’s budget statement of financial activities for the financial year ended 31 March 2022. The report also recommends fees and charges for 2021/22.

**REASON FOR RECOMMENDATIONS:**

Consideration and approval of the budget are essential elements of the Charity Trustees’ duty of public accountability and stewardship.

**RECOMMENDATIONS:**

1. To receive and note Report FPPG/20/01.
2. To approve the proposed fees and charges for 2021/22, as set out at paragraph 5.2
3. To approve the budget of financial activities for the year ended 31 March 2022 for the Folkestone Parks and Pleasure Grounds Charity, as set out in Appendix 1.
4. To approve the proposed replenishment of the unrestricted fund during 2021/22 by £36,040.

## INTRODUCTION

- 1.1 This report presents the Charity's budget statement of financial activities for the financial year ended 31 March 2022. The report also recommends fees and charges for 2021/22.
- 1.2 The budget statement is shown as an appendix to this report.
- 1.3 Consideration and approval of the budget are essential elements of the Charity Trustees' duty of public accountability and stewardship.
- 1.4 The net expenditure of the Charity is met from the resources of Folkestone & Hythe District Council and is treated as a special expense chargeable through Council Tax on the area of the former Borough of Folkestone (the current areas of Folkestone and Sandgate).

## 2. BUDGET 2021/22

- 2.1 Net revenue expenditure to be financed by Folkestone & Hythe in 2021/22 is estimated at £558,730 compared to the original estimate of £555,940 in 2020/21. This is an increase of £2,790.
- 2.2 The key movements in the budget are:

	<b>£</b>
Increased Income from Beach Huts	(17,170)
Increased depreciation (new assets)	16,050
Increased governance costs (Audit & Valuations)	1,200
Other Net Changes	2,710
Net movement on Special Expense	<u>2,790</u>

## 3. DEVELOPMENT PROJECTS 2020/21 AND 2021/22

### 3.1 CAR PARKS

- 3.1.1 The Lower Sandgate Road car park continues to be well used and income levels have continued to increase in 2020/21. However, it is not clear whether the increased income in year is an indication of future activity levels or a one-off due to travel restrictions imposed as part of the Government's national lockdown in response to the Covid-19 pandemic, meaning people have stayed closer to home visiting local attractions. As part of the Council's Fees and Charges review it was agreed that car parking charges would remain at 2020/21 levels to acknowledge the impact the pandemic has had on the local economy and to encourage visitors to the area. There has therefore been no change to the car parking income budgets for 2021/22.

### 3.2 BEACH HUTS

- 3.2.1 In October 2019 the Trustees approved a capital project for the future of the beach huts at Marine Parade which will see existing huts replaced with

wooden huts and the number of huts uplifted from 74 to 131 with rents increased to between £850 and £1,100 per annum. The scheme provides for the renovation of 16 existing beach chalets, the demolition of the remaining 59 chalets and the acquisition and installation of 120 new chalets on land owned by the Charity at Marine Walk, Folkestone. In November 2019 the Council approved a capital contribution of £500,000 to the Charity to be repaid over a period of 10 years, with an indicative annual capital financing cost of £82,000.

3.2.2 Leases were surrendered in January 2020 to enable works to commence in March 2020, however due to the Covid-19 pandemic and resulting business closures and access restrictions, work was delayed and started in June 2020. The project is now well underway and the beach huts are expected to be occupied by Summer 2021 and will be leased on a two-year term.

3.2.3 The revenue budget for 2021/22 has been based on year 2 of the financial model for the proposed scheme with some amendments to take into account the anticipated impact of the delays. The budget includes income of £132,000 based on 95% occupation due to the high demand for chalets, and operating costs (including financing costs) of £95,960. This will result in a net surplus of £36,040.

3.2.4 For the past few years as part of the budget setting process it has been agreed that a contribution to reserves will be made to replenish the charity's funds in order to move the charity to a more sustainable financial position. This practice has eliminated the deficit on the General Fund reserve and at the end of 2019/20 the charity had a surplus of £13,039. In 2020/21 it was agreed that the surplus from the beach hut service be earmarked to replenish the charity's funds, rather than reducing the special expense. It is recommended that this practice continues and that the anticipated surplus in 2021/22 of £36,040 is applied as a contribution to reserves rather than reducing the special expense.

#### **4. CHARITY RESERVES 20/21 AND 21/22**

4.1 The forecast balance on the charity General Fund reserve at 31<sup>st</sup> March 2021 is a surplus of £84,279.

4.2 Included within this revenue budget for 21/22 is an earmarked contribution to reserves of £36,040 from the anticipated surplus from the beach huts service. This will increase the General Fund reserve balance to £120,319 as at 31<sup>st</sup> March 2022.

#### **5. REVIEW OF FEES AND CHARGES FOR 2021/22**

5.1 The Charity receives income from pay and play sports facilities at East Cliff and the hire of Radnor Park for amusements and boot fairs. The Council's policy on fees and charges for 2021/22 is to apply an inflationary increase, in line with the current economic state and forecasts of inflation.

5.2 The Board is asked to approve the following schedule of fees and Charges for 2021/22. The fees proposed for 2021/22 are set out in the table below. The increased fees will generate only a small increase in income.

These are detailed in the table below:

Description	Current Charge 2020/21		Proposed Charge 2021/22		VAT Category
	<i>Exc. VAT</i>	<i>Inc. VAT</i>	<i>Exc. VAT</i>	<i>Inc. VAT</i>	
	£	£	£	£	
<b>East Cliff Pay and Play</b>					
Tennis – per half hour	2.92	<b>3.50</b>	2.94	<b>3.50</b>	Standard rated
Tennis – per hour	5.42	<b>6.50</b>	5.46	<b>6.60</b>	Standard rated
Pitch and Putt – per round	6.25	<b>7.50</b>	6.30	<b>7.60</b>	Standard rated
Pitch and Putt – per round (concession)	4.58	<b>5.50</b>	4.62	<b>5.50</b>	Standard rated
Pitch and Putt – per round (family)	15.00	<b>18.00</b>	15.12	<b>18.10</b>	Standard rated
Pitch and Putt – deposit for clubs	6.25	<b>7.50</b>	6.30	<b>7.60</b>	Standard rated
Pitch and Putt – lost ball	3.06	<b>3.50</b>	3.08	<b>3.70</b>	Standard rated
Putting – per round	3.75	<b>4.50</b>	3.78	<b>4.50</b>	Standard rated
Putting – per round (concession)	2.92	<b>3.50</b>	2.94	<b>3.50</b>	Standard rated
Bowls – per game per person	6.12	<b>6.50</b>	6.30	<b>7.60</b>	Standard rated
Bowls – per game (family)	15.00	<b>18.00</b>	15.12	<b>18.10</b>	Standard rated
Bowls – per week	17.92	<b>21.50</b>	18.06	<b>21.70</b>	Standard rated
Bowls – per week (concession)	12.50	<b>15.00</b>	12.60	<b>15.10</b>	Standard rated
Bowls – per season	100.00	<b>120.00</b>	100.80	<b>121.00</b>	Standard rated
Bowls – per season (concession)	70.00	<b>84.00</b>	70.56	<b>84.70</b>	Standard rated
Bowls – deposit for bowls and mat	6.25	<b>7.50</b>	6.30	<b>7.60</b>	Standard rated
Bowls – visiting teams per person	2.92	<b>3.50</b>	2.94	<b>3.50</b>	Standard rated

Description	Current Charge 2020/21		Proposed Charge 2021/22		VAT Category
	£	£	£	£	
<b>Hire of Charity Land (per day)</b>					
Commercial Events	1,210.00	<b>1,210.00</b>	1,210.00	<b>1,210.00</b>	Non VATable
Boot Fairs	280.00	<b>280.00</b>	280.00	<b>280.00</b>	Non VATable
Charitable/Community Events (excluding Boot Fairs)	41.00	<b>41.00</b>	41.00	<b>41.00</b>	Non VATable
Description	Proposed Charge 2020/21				VAT Category
	<i>Exc VAT</i>	<i>Inc VAT</i>	<i>Exc VAT</i>	<i>Inc VAT</i>	
Small Non-Commercial Events (excluding Boot Fairs)	143.00	<b>143.00</b>	143.00	<b>143.00</b>	Non VATable
Cleaning & Restocking Charge for use of WC's used by Event Organiser	110.83	<b>133.00</b>	115.00	<b>138.00</b>	Standard rated
<b>Refundable Deposits re Hire of Land</b>	£	£	£	£	
Commercial Events (minimum of £500)	<i>Sliding scale up to £1,000.00</i>	<b><i>Sliding scale up to £1,000.00</i></b>	<i>Sliding scale up to £1,000.00</i>	<b><i>Sliding scale up to £1,000.00</i></b>	Non VATable
Non-Commercial Events (minimum of £100)	<i>Sliding scale up to £500.00</i>	<b><i>Sliding scale up to £500.00</i></b>	<i>Sliding scale up to £500.00</i>	<b><i>Sliding scale up to £500.00</i></b>	Non VATable
Civic Events	n/a	<b>n/a</b>	n/a	<b>n/a</b>	

## 6. UPDATE ON AUDIT OF 2019/20 ACCOUNTS

The audit of the 2019/20 accounts has been concluded and an unqualified audit report has been issued. Officers are currently working towards submitting the annual return to the Charity Commission by the required date of 31 January 2021.

## 7. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting:

Charlotte Spendley, Financial Advisor to the Charity  
 Telephone: 01303-853387  
 Email: [charlotte.spendley@folkestone-hythe.gov.uk](mailto:charlotte.spendley@folkestone-hythe.gov.uk)

The following background documents have been relied upon in the preparation of this report:

*Data from financial information system*

*Working papers held within Financial Services*

Appendix 1 – Budget Statement of Financial Activities 2021/22