

This Report will be made public on 8 November 2021

Report Number

**FPPG/21/01**

**To:** Folkestone Parks and Pleasure Grounds Charity –  
Board of Trustees  
**Date:** 24 November 2021  
**Responsible Officer:** Cheryl Ireland, Financial Advisor to the Charity

**SUBJECT: FOLKESTONE PARKS AND PLEASURE GROUNDS  
CHARITY – QTR 2 BUDGET MONITORING 2021/22**

**SUMMARY:** This monitoring report provides a projection of the end of year financial position for the Folkestone Parks and Pleasure Grounds (FPPG) Charity based on net expenditure to 31 August 2021.

**REASON FOR RECOMMENDATIONS:**

The Charity Trustees are asked to agree the recommendations set out below because the Charity Trustees need to be kept informed of the FPPG Charity financial position and take appropriate action to deal with any variance from the approved budget and be informed of the final 2021/22 position.

**RECOMMENDATIONS:**

1. To receive and note Report FPPG/21/01.
2. To approve the request for an additional loan of £26.5k from FHDC be made.

## **INTRODUCTION**

- 1.1 This briefing note informs the Trustees of the likely projected outturn of the FPPG Charity for 2021/22.
- 1.2 The projections are based on actual expenditure and income to 31 August 2021. Some caution therefore needs to be exercised when interpreting the results due to the early stage of the financial year, however, a thorough budget monitoring exercise has been carried out.

## **2. FPPG CHARITY 2021/22 (see Appendix 1)**

- 2.1 Appendix 1 to this report provides detail of the projected outturn compared to the latest budget for 2021/22 which shows an overall projected increase in expenditure of £15k. The key variances are explained in the appendix.
- 2.2 It should be noted that there is a projected increase of £5k in the annual financing costs relating to the loan for the approved capital project for the beach huts at Marine Parade due to an overspend on the scheme.

## **3. BEACH HUTS CAPITAL SCHEME**

- 3.1 In October 2019 the Trustees approved a capital project for the future of the beach huts at Marine Parade at a projected cost of £500k. In January 2021 the Trustees approved the request of an additional loan of £43k to cover the cost to renovate the 27 existing beach huts which was higher than originally anticipated.
- 3.2 The current projected cost of the capital scheme has increased further to £577k due to significant increases in material costs due to Covid and additional costs for unidentified asbestos removal required as part of the demolition and concrete works.
- 3.3 The FPPG is due to receive a contribution of £7.5k from the Creative Foundation towards the scheme and so the revised borrowing cost will be £569.5k with an annual financing cost of £62k over the ten year loan period. This is an increase of £5k per annum and it is not anticipated that this will have a material impact on the charity over the ten year payback period of the loan and given the long-term income generation that the scheme will deliver.
- 3.4 This report seeks to make the Trustees aware of the projected overspend on the scheme and seeks approval to request an additional loan from FHDC for £26.5k to fund the remainder of the beach huts programme of works in 2021/22.
- 3.5 This will be reported to Cabinet in November where it will be recommended that the additional loan funding to the charity is approved.

#### **4. CONCLUSION**

- 4.1 The FPPG Charity outturn projection for 2021/22 forecasts £15k higher expenditure than the latest approved budget.
- 4.2 The projected outturn for the FPPG Charity for 2021/22 reflects the position based on actual expenditure and forecasts at 31 August 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:

*Cheryl Ireland, Financial Advisor to the Charity*  
*Telephone: 01303-853213*  
*Email: [cheryl.ireland@folkestone-hythe.gov.uk](mailto:cheryl.ireland@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 – FPPG Budget Monitoring Qtr 2 2021/22