

Hythe Town Council

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Report number F&GP 12/20

To Hythe Town Council
Date 9 October 2020
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **BUDGET MONITORING REPORT F&GP/12/20**

SUMMARY: This report gives August's budget monitoring information, includes the bank reconciliation for August and recommends the Chairman of the Committee to sign the bank statements in accordance with good practice.

REASON FOR RECOMMENDATION:

The Committee is asked to agree the recommendations set out below because:-

- a) The Council is committed to control and manage its financial affairs in accordance with The National Association of Local Councils (NALC) guidelines.

RECOMMENDATIONS:

1. To receive and note the report F&GP/12/20
2. To authorise the Chairman of the Committee to sign the bank reconciliation detailed in the report.

INTRODUCTION

Below are the comparisons to 2019.20 figures for income received from Hythe Town Council assets year to date.

	2019.20	2020.21
April	£18,672	£14,133
May	£10,772	£1,130
June	£2,882	£4,965
July	£ 7,392	£7,390
August	£6,458	£2,622
Total Year to date	£46,176	£30,240

(These figures do not include the first half of the precept or Library rent collected on behalf of Davis Oaklands Charitable Trust)

The above shows the total loss of income of £15,936 to 31 August 2020 comparing total year to date figures to the last financial year 2019.20 with an increase of £3,838 since June.

Allotment income, property rent and the precept are still the only guaranteed income. With income from hiring the Sports Pavilion (2019.20 figure £7,269 compared to 2020.21 figure £937), Boot Fairs (2019.20 figure £4,750 compared to 2020.21 figure £500) Car park revenue (2019.20 figure £3,750 compared to 2020.21 figure £165) and Wedding income (2019.20 figure £1,895 compared to 2020.21 figure £760) taking the largest impacts.

The Town Council's expenditure year to date is slightly higher at £188,420 compared to 2019.20 figure of £176,706. This is largely due to costs mentioned in the June Budget Monitoring report for emergency tree works, skate park maintenance and an increase in general rates.

SUMMARY

The actual income for year to date August 2020 is £210,050 (not including Library rent which is paid over to Davis Oaklands Charitable Trust). The actual expenditure for year to date August 2020 is £188,420 which leaves *£21,630 to be added into unallocated reserves.

When the second half of the precept is received in September (**£180,577) and the remaining rental income is received (**£11,415) which are the only two guaranteed income channels there will be a balance of £214,461 (£838.40 b/f unallocated reserves + *£21,630 + **£180,577.50 + ***£11,415.87) to fund the anticipated remaining budget expenditure figure of £273,631. If Council continue to spend against the budget at the end of the financial year there will be a deficit balance of £59,169. This does not take into account any income that may be received from Town Council assets as this is not guaranteed under the current climate.

The RFO recommends that Council continues to withhold spending on non-essential expenditure until the latter part of the year when

- a) Income from assets have increased
- b) Savings on costs are determined
- c) The unallocated reserves figure has reached a steady £50-60k.

RISK MANAGEMENT

A summary of the perceived risk follows;

Perceived Risk	Seriousness	Likelihood	Preventative Action
The Council does not set a robust budget.	High	Low	Town Clerk and Responsible Financial Officer to draw up and monitor performance against the budget

CONTACT OFFICER

If you have any queries about this report please contact The Responsible Financial Officer of the Council

Tel: 01303 266152 or email RFO@hythe-tc.gov.uk prior to the meeting.