

To Hythe Town Council
Date 20 November 2019
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **BUDGET FOR FINANCIAL YEAR 2020/21 REPORT
F&GP/13/19**

SUMMARY: This report sets out a draft proposed budget including both expenditure and savings for 2020.21

REASON FOR RECOMMENDATION:

The Finance and General Purposes Committee is asked to consider the recommendations set out below because:-

- i. The Council is committed to control and manage its financial affairs in accordance with The National Association of Local Councils (NALC) guidelines.
- ii. The Council needs to identify a revenue budget, including growth and savings items for 2020/21 and beyond.
- iii. The Committee closely monitors actual expenditure against approved budgets.

RECOMMENDATIONS:

1. To receive and note report F&GP/13/19
2. To adopt the Budget for 2020/21 including growth items set out within the report based on a 3% increase resulting in an overall spend of £481,552 and a precept demand of £361,155.
3. To allocate £25,000 in reserves for the High Street match funding initiative.

INTRODUCTION AND BACKGROUND

Revisions have been made against the first draft of the new budget calculations.

The draft budget and precept includes an overall expenditure of 3% across budget headings or actual increases where known.

PROPOSED GROWTH AND SAVINGS ITEMS

The report includes proposed growth items that have already been identified during the course of the Council's work.

Income has been adjusted to reflect on the highest achievable figures based on previous years. A campaign is intended for the push on use of the Town Hall for weddings, conferences and meetings.

A list of growth items is included at **Appendix 1** to this report. These are either recurring or non-recurring (one-off) expenditure. Reserves required to be drawn down has been reduced from £46,279 to £29,130 to cover one-off growth items. These items are not regular revenue and will be removed in the following year's budget. £2,500 is new growth to the budget and will be retained each year.

Grant Monies has been increased from £19,000 to £21,500 from the first budget draft figures as now includes an increase of £2,500 in respect of Hythe Festival.

Projects has been reduced from 2019.20 budget of £17,500 to £13,370 with some larger items to be reassessed should applications be accepted on the High Street funding bids. A Sum of £25k to be allocated in reserves for this purpose.

The precept has increased from £325,310 to £361,155 largely to the Portland Rd car park rates now payable to FHDC of £22,708 per annum.

FINANCIAL COMMENTS

Explanatory notes for the calculations;

- The precept to fund any proposed growth has been calculated and presented in **Appendix 2**.
- In the current year the precept is £325,310 which divided by the property tax base of 6135.01 (last year's figure issued in December 2018) equals £53.03 per year, per band D property.
- The impact of the proposed budget for 2020/21 on the precept represents 11.02% increase. The impact on the taxpayer (an average band D property) is an increase from £53.03 to £58.87 (£5.84 per annum or increase of £0.11p per week).
- The budget is set out in **Appendix 3**. The total budget spend is £481,552 and the precept is £361,155.
- Folkestone and Hythe District Council will confirm the PTB for 2020/21 in December. The calculations above may vary slightly when the figure is published.
- The Town Council's balances and analysis of reserves are shown in **Appendix 4** as at 31.10.19. The projected overall expenditure for the remaining part of 2019/20 is expected to remain within budget and the reserves are likely to remain stable as at 31 March 2020.

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.

Background Documents; Budget working papers.