

This report will be made
public on 19 November
2021

Hythe Town Council

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Report number F&GP/18/21

To Hythe Town Council
Date 16 November 2021
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **BUDGET 2022.23 v.2 REPORT F&GP/18/21**

SUMMARY: This report concludes the budget setting process for 2022.23.

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 note and review the report F&GP/18/21.
2. To adopt the Budget for 2022/23 including growth items set out within the report based on individual increases where required, an overall recommended spend of £468,044 and a precept demand of £369,677. Hythe Town Council's anticipated provisional figure calculated against Band D properties for 2022.23 will be £61.05, against 2021.22's figure £59.29. An increase of £1.76 per annum £0.15p per month, £0.03p per week.
3. To recommend, including agreed amendments if any, budget version 3 to the full council meeting on 16 December 2021.

INTRODUCTION

The preparation of the annual budget is one of the key statutory tasks undertaken by the Council.

The budget:

- Results in the Council setting the precept for the year;
- Gives the Clerk and other officers overall authority to make spending commitments in the line with decisions of the Council;
- Enables progress monitoring during the year by comparing actual spending against planned spending.

The budget is an essential tool for controlling the Council's finances and demonstrates that the Council will have sufficient income to meet its objectives and carry out its activities.

The key stages in the budgeting process are:

- Review of current year budget and spending;
- Determine the cost of spending plans;
- Assess levels of anticipated income;

- Provide for contingencies and the need for reserves;
- Approve the budget;
- Set the precept

The RFO has prepared the draft budget (**Appendix 4**) for Councillors to consider and discuss for approval.

In calculating the budget for 2022.23 priority has been given to ensuring that the financial information provided is relevant to the council's regular income and expenditure.

INCOME

Hythe Town Council's (HTC) income levels from council assets were greatly affected by the Covid-19 pandemic for the beginning of the 2021.22 year. Since the opening of the buildings and facilities, we have been able to generate a growth of income from our venues and have improved income in comparison to last year. There has also been good uptake of seasonal tennis and bowls activities.

The Town Hall has a huge potential to increase its wedding bookings, to achieve an acceptable income and to also allow for an increase in costs. As such, HTC could have a major campaign on weddings. The current charge is £380 per wedding. One booking per week would bring in a total income of £19,760.

An increase to the Hire Rates (Appendix 6) may see an increase in income for HTC's assets should the committee be minded, to consider an inflation rate, for example 3%. This would cover the rising increase in costs for utilities.

NEW GROWTH ITEMS (Appendix 1)

Two items have been proposed for the 2022.23 budget:

First item recommended by the CCTV Working Group, for the reinstallation of the CCTV cameras intended to be in situ by 31st March 2022, with a £5,000 budget located to code 5001 – CCTV Costs. This figure includes regular and quarterly maintenance, servicing of the cameras and the system.

Second item recommended by the Queen's Platinum Jubilee Working Group, for the 2022.23 budget is a budget of £5,000. The budget will increase code 5226 – National Commemorations

EXPENDITURE

Known spend is based on seven months to 31 October 2021, where the expense is known to be complete the budget to date has been amended accordingly.

The cost centres have not been increased by inflation but have been assessed on their individual requirements.

Included in the 2022.23 budget proposal version 2 (v.2) calculations are proposed expenditure items;

Councillor N Slade: an increase of £1,000 from £1,000 to £2,000 to the Town Council Initiatives for a Youth Council.

The Personnel Committee: an increase to salaries of approximately £11,018* to cover an additional member of staff for Community Development/Communications and Media Assistant. This item was discussed at the Finance and General Purposes meeting on 14 October 2021. Version .1 (v.1) where the budget proposals were first

discussed, and it was decided that due to the increase in current staff salaries expected from staff due to achieving final qualifications an extra member of staff would increase the salary costs too high. An alternative solution would be considered at a future meeting.

*the above additional figures have been included in v.2 but may not be recommended. The recommended column v.3 on Appendix 4 is a combination of v.1 and v.2 and is recommended by the Responsible Financial Officer with additional information that has been received since the last meeting.

Removed from the budget:

Contingency £10,000. This has since been reinstated.

PROJECTS

No projects have been submitted for 2022.23 due to HTC holding the Speakership and the Queens Platinum Jubilee events.

GRANTS (Appendix 2)

The Grant monies budget code 5228 for 2022.23 totals £19,500 as the Venetian Fete and Hythe Festival alternate each year. Hythe Venetian Fete did not happen in 2021.22 so the organisers have decided to move it to 2022.23 and alternate the events from then on. £500 has been added for a Christmas Tree for Mackeson Square as the free donation of a tree from Hythe Ranges cannot always be obtained.

PRECEPT (Appendix 3)

The precept figures cannot be confirmed until early December when the tax base has been notified, therefore calculations based on last years' Band D figure as a provisional figure has been included in this report.

Version 1. Based on the provisional figures for 2022.23 for the calculations, the precept request of £369,531 compares against 2021.22 precept figure of £359,002 (an increase of £10,529). Hythe Town Councils' anticipated figure calculated against Band D properties for 2022.23 will be £61.03, against 2021.22's figure £59.29. An increase of £1.74 per annum, £0.14p per month, £0.03p per week.

Version 2. Based on the provisional figures for 2022.23 for the v.2 calculations, the precept request of £386,873 compares against 2021.22 precept figure of £359,002 (an increase of £27,870). Hythe Town Councils' anticipated figure calculated against Band D properties for 2022.23 will be £63.89, against 2021.22's figure £59.29. An increase of £4.60 per annum, £0.38p per month, £0.09p per week.

Recommended Version 3. Is an amalgamation based on the provisional figures for 2022.23 for the v.1 and v.2 calculations, the precept request of £369,677 compares against 2021.22 precept figure of £359,002 (an increase of £8,675). Hythe Town Council's anticipated figure calculated against Band D properties for 2022.23 will be £61.05, against 2021.22's figure £59.29. An increase of £1.76 per annum £0.15p per month, £0.03p per week.

SUMMARY

The attached budget calculations are based on actual and historical/anticipated costs for 2022.23. The Committee is asked to scrutinise and review the figures and should the committee be minded, **recommend budget v.3** plus agreed adjustments to the next full council meeting to be ratified.

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 Clerk@hythe-tc.gov.uk prior to the meeting.