

This report will be made
Public on 19th May 2022

Hythe Town Council

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Report number **F&GP/01/22**

To Hythe Town Council
Date 10 May 2022
Status **Non Exempt**
Responsible officer **Town Clerk**

Subject **BUDGET MONITORING REPORT F&GP/01/22**

SUMMARY: This report gives March's budget monitoring information, includes the bank reconciliation for March and recommends that the Chairman of the Committee signs 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/01/22
2. To authorise the Chairman of the Committee to sign the bank reconciliation detailed in the report
3. To recommend to vire £24k from unallocated reserves 2021/22 to Building Repairs and Renewals Reserves.
4. To recommend to vire 17k from unallocated reserves 2021/22 to Grounds Repairs and Renewals Reserve accounts.
5. To recommend to vire £60k from unallocated reserves to the General Reserves account.
6. To recommend to vire £5k from unallocated reserves to the IT and Computer Reserves towards a future upgrade to IT equipment.
7. To recommend to vire £7k from unallocated reserves to a new reserve account named Playground Equipment against the costs to cover the Skate Park shelter that has been ordered in 2021/22.

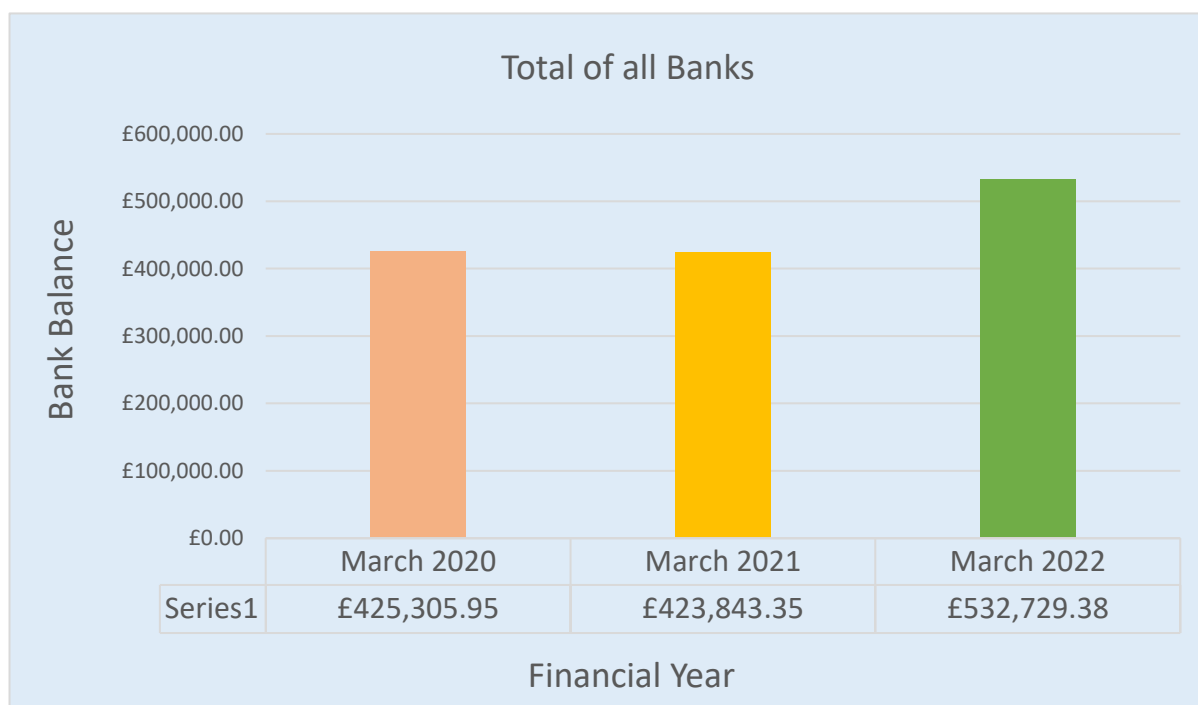
INTRODUCTION

With the end of the financial year being closed, March's report shows a healthy growth of income received for the past year from Sports revenue, Pavilion function room and Portland Road Car Park.

Banking;

Total of all bank accounts and cash held as it stands is at £532,729. £108,886 more than March 2021, with £359,011 held in reserves for allocated purposes. The Financial Officer has successfully opened one savings account and is in the process of opening two new business savings accounts to gain additional interest and to secure the Council's funds under FSCS scheme.

The table below shows a three-year comparison of the total bank balances for the last three years of March.



Income;

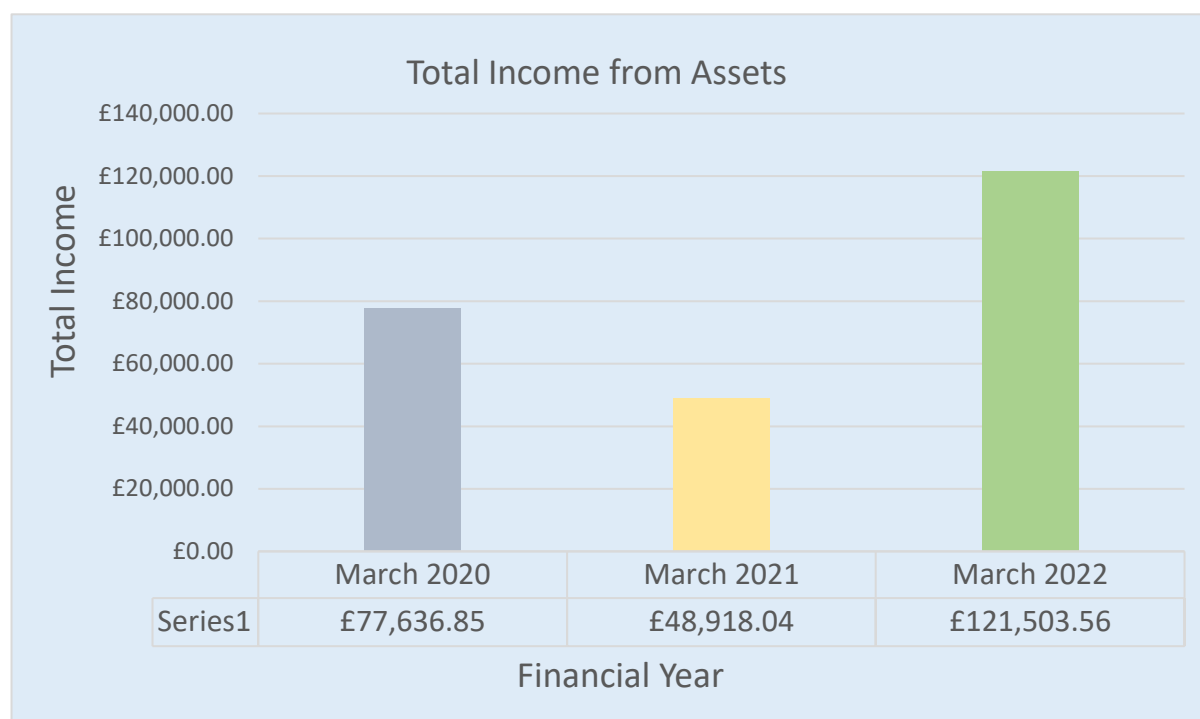
We have received income from assets total of £121,503. So far our biggest asset income in March, other than allotments and rental of HTC properties, is from Pavilion Function room revenue total of £13,628 reaching 83% of the income target. We have also seen a firm growth of income from sports bookings of £9,782 reaching the target income by over 14%.

Reserves for the Community Infrastructure Levy now stands at £46,248, this is to be increased with the £5,616.12 received in April 2021 which will be added to reserves on 1 April 2022, with an addition of £51,293.72 CIL to be received in April 2022.

Any Allotment rent charge that has been received in March for the next year's annual allotment charge, will be costed to prepayments, it is anticipated to receive most of the allotment rent income in April and May.

We have now received funding from Kent County Council, a total of £2601.43 for the costs incurred in preventing the spread of Covid-19.

The table below shows a three-year comparison of the income received from assets in the last three years of March.



Expenditure;

Each budget cost centre is constantly monitored and expenditure is being kept to an absolute minimum where possible. 2020 was an exceptional year due to lack of income from assets during lockdown but the Council are dedicated to maintaining lower running costs and making savings where possible.

The budget agreed expenditure figure stands at £443,879 with £395,747 costs incurred to date. Some budget costs such as the Skate Park shelter has been ordered but not yet invoiced therefore it is recommended that £7,000 from the playground and Skatepark budget be vired into a new Play Equipment reserve account to cover these costs as agreed.

Folkestone & Hythe District Council grounds maintenance invoice for 2021.22 has been received, due to its lateness, the costs have been posted as a total figure instead of monthly shown in the October accounts. There will be no further costs incurred in this cost centre for the remainder of 2021.22. The outstanding amount shows as an outstanding creditor until the invoice has been paid in full by Direct Debit by April 2022.

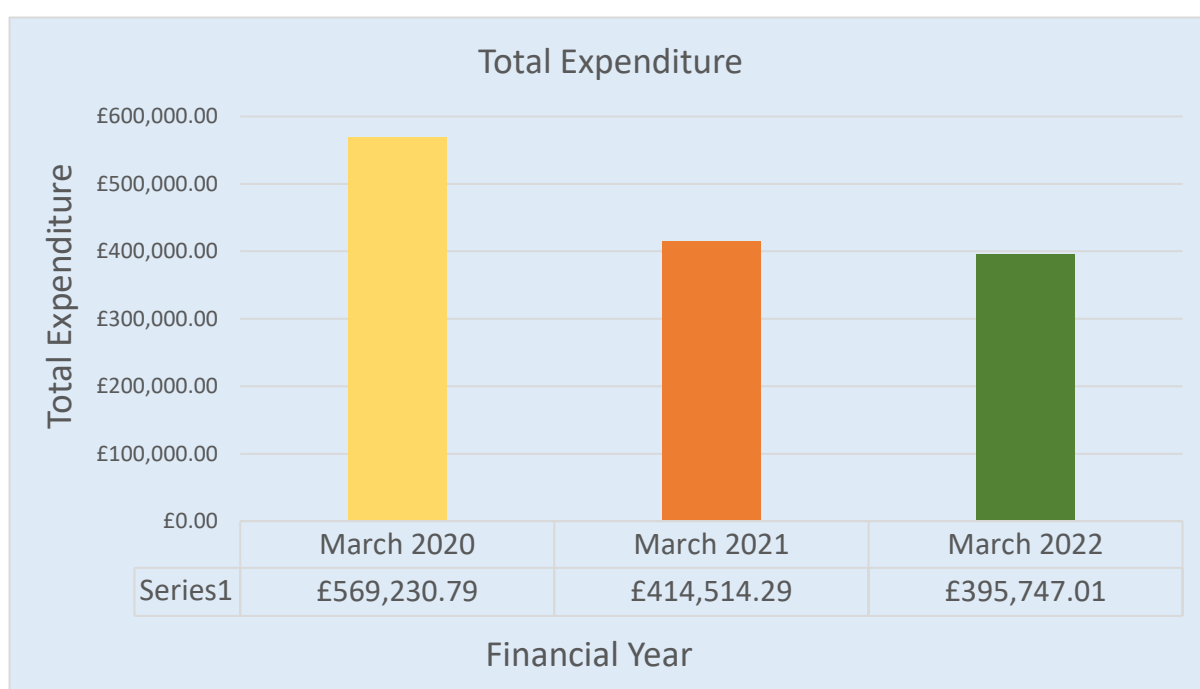
Electricity and Gas costs incurred £6,203 and £6,966 respectively has reached over the budget due to the increase in energy tariffs. It is also expected for both cost centres and likely continually reach above expenditure budget throughout the next financial year.

Telephone costs incurred is at £3,926 have also reached over the expenditure budget of £2,742. The variance would be due to the installation of broadband at the Town Hall and Pavilion. Broadband costs on all buildings have been considered in the Telephone budget for next financial year.

IT costs have gone over budget as underestimated when original budget calculations were made. This will be corrected in the new budget proposal. It is recommended to vire £5k from the remaining budget to IT and Computer reserve account to cover the anticipated transfer of data to the cloud and any other IT related costs required during and after the refurbishment of the Oaklands Building.

The Pavilion at South Road and the Town Hall will require a refurbishment soon so it is also recommended that £24k is vired to Building Repairs and Renewals reserve account and £17k to the Grounds Repairs and Renewals reserve account.

The table below shows a three-year comparison of the total expenditure in the last three years of March.



SUMMARY

The Council's bank accounts and reserves remain at a healthy balance. It is recommended that the virements recommended in this report are made to cover anticipated costs in 2022.23.

The Town Clerk will continue to monitor expenditure in the next financial year 2022-23.

RISK MANAGEMENT

A summary of the perceived risk follows;

Perceived Risk Council does not set a robust budget.

Risk High

Likelihood Low

Preventative Action 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 Town Clerk and the Responsible Financial Officer of the Council

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