

This report will be made
public on 07 October 2022

Hythe Town Council

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Report number F&GP/18/22

To Hythe Town Council
Date **03 October 2022**
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **BUDGET 2023.24 REPORT F&GP/18/22**

SUMMARY: This report proposes the budget recommendations for 2023.24.

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/18/22.
2. To adopt the Budget for 2023/24 V4 including growth items set out within the report based on individual increases where required, an overall recommended spend of £511,778 and a precept demand of £374,746. Hythe Town Council's anticipated **provisional** figure calculated against Band D properties for 2023.24 will be £60.76 against 2022.23's figure £59.94. An increase of £0.82 per annum £0.07p per month, £0.02p per week.

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 Responsible Financial Officer has prepared the draft budget (Appendix 1) for Councillors to consider and discuss for approval.

In calculating the budget for 2023.24 priority has been given to ensuring that the financial information provided is relevant to the council's regular income and expenditure.

INCOME (Appendix 1)

Hythe Town Council's (HTC) income levels from council assets have been monitored closely to ensure adequate funds were held securely and to ensure the Council were able to bounce back from being greatly affected by the Covid-19 pandemic for the beginning of the 2021.22 year. Since the opening of the buildings and facilities, HTC 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 are running a major campaign on weddings, HTC will be heavily promoting weddings to increase publicity. The current charge is £380 per wedding. One booking per week would bring in a total income of £19,760.

Suggested increase is to the Hire Rates (Addendum 1) may see an increase in income for HTC's assets, should the committee be minded, this would cover the rising increase in costs for utilities.

EXPENDITURE (Appendix 2)

Known spend is based on six months to 30 September 2022, 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 2023.24 budget proposal version 4 (v.4) calculations are proposed expenditure items;

The Personnel Committee: an increase to salaries of £16,853 due to the increase of the NALC pay scale 2022.23, 10% to those on the lower pay scale. £1,925 per person pro rata. An increase currently being discussed by the unions. Staff contracts are based on NALC pay scales.

(Please see Personnel Committee minutes of meeting held on 26 September 2022 for further details).

Removed from the budget:

Contingency of £10,000. As unallocated reserves remain at a healthy balance between 50-60k.

PROJECTS

£10,000 budget submitted for 2023.24 for new or current Councillors to undertake new projects.

GRANTS (Appendix 3)

The Grant monies donated by HTC for 2023.24 total to £14,500, £5,000 less compared to 2022.23 total figure of £19,500. Hythe Venetian Fete takes place every two years with the recent event being in year 2022.23. The £14,500 is a breakdown of £3000 for small grants (subject to grants committee), £6,000 to Hythe in Bloom for flower pole and baskets displays throughout Hythe, £5,000 to Christmas Lights and £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. The grant application for the Venetian Fete fallow year 2023.24 has not been included until the Council makes a decision as to whether it will fund the request.

PRECEPT (Appendix 4)

The precept figures cannot be confirmed until 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 2023.24 of only increasing expenditure budget by 3% and no change for income budget for the calculations, the precept request of £390,456 compares against 2022.23 precept figure of £369,677 (an increase of £20,779). Hythe Town Councils' anticipated figure calculated against Band D properties for 2023.24 will be £63.31, against 2022.23's figure £59.94. An increase of £3.37 per annum, £0.28p per month, £0.06p per week. If we do not raise scale of fees , the increase will be approximately 5.62% from last year's precept.

Version 2. Based on the provisional figures for 2023.24 for the v.2 calculations, the precept request of £387,505 compares against 2022.23 precept figure of £369,677 (an increase of £17,828). Hythe Town Councils' anticipated figure calculated against Band D properties for 2023.24 will be £62.83, against 2022.23's figure £59.94. An increase of £2.89 per annum, £0.24p per month, £0.06p per week.

Version 3. Based on the provisional figures for 2023.24 for the v.3 calculations, the precept request of £400,191 compares against the 2022.23 precept figure of £369,677 (an increase of £30,514). Hythe Town Council's anticipated figure calculated against Band D properties for 2023.24 will be £64.89, against 2022.23 figure £59.94. An increase of £4.95 per annum, £0.41p per month, £0.10p per week.

Recommended Version 4. Is an amalgamation based on the provisional figures for 2023.24 for the v.2 and v.3 calculations, the precept request of £374,746 compares against the 2022.23 precept figure of £369,677 (an increase of £5,069). Hythe Town Council's anticipated figure calculated against Band D properties for 2023.24 will be £60.76, against 2023.24's figure £59.94. An increase of £0.82p per annum, £0.07p per month, £0.02p per week.

Release from Democratic Contingency Reserve of £18k is recommended to accommodate the forthcoming elections on all budget versions.

SUMMARY

The attached budget calculations are based on actual and historical/anticipated costs for 2023.24. The Committee is asked to scrutinise and review the figures and should the committee be minded, recommend budget v.4 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.