

This report will be made
Public on 23 June 2023

Hythe Town Council

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Report number **F&GP/23/04**

To **Hythe Town Council**
Date **19 June 2023**
Status **Non-Exempt**
Responsible officer **Town Clerk**

Subject **BUDGET MONITORING REPORT F&GP/23/04**

SUMMARY: This report gives May's budget monitoring information, includes the bank reconciliation for May 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/23/04**.
2. To authorise the Chairman of the Committee to sign the bank reconciliation detailed in the report.
3. To vire from CIL Reserve £50,000 to the Playground Equipment Cost code to cover the costs of the new play equipment at Reachfields and Eaton Lands.
4. To note that Smaller Authorities Audit Appointments Ltd (SAAA) has appointed an external auditor to the authority for the 5-year appointing period from 2022-23 until 2026-28.

INTRODUCTION

The Budget

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 budget

- Is set by full Council which enables the precept¹ to be set for the following financial 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.

A local council must arrange for the proper administration of its financial affairs and secure that one of its officers has responsibility for the administration of those affairs. The Officer is called the "Responsible Financial Officer.

(Taylor, R. 2022:73)

Each month the Responsible Financial Officer (RFO) reports to the committee on the council's accounts.

This month's Budget Monitor report shows income and expenditure for May, the second month of the financial year. The expectation for May for most cost centres would be 16.66% of the budget but some cost centres such as Allotment income and Subscription expenditure are front loaded and higher income and costs are obtained in the first few months of each year.

Acting within the Financial Regulations of the Council, expenditure is carefully monitored by the RFO to ensure spending stays within the budget set for the year.

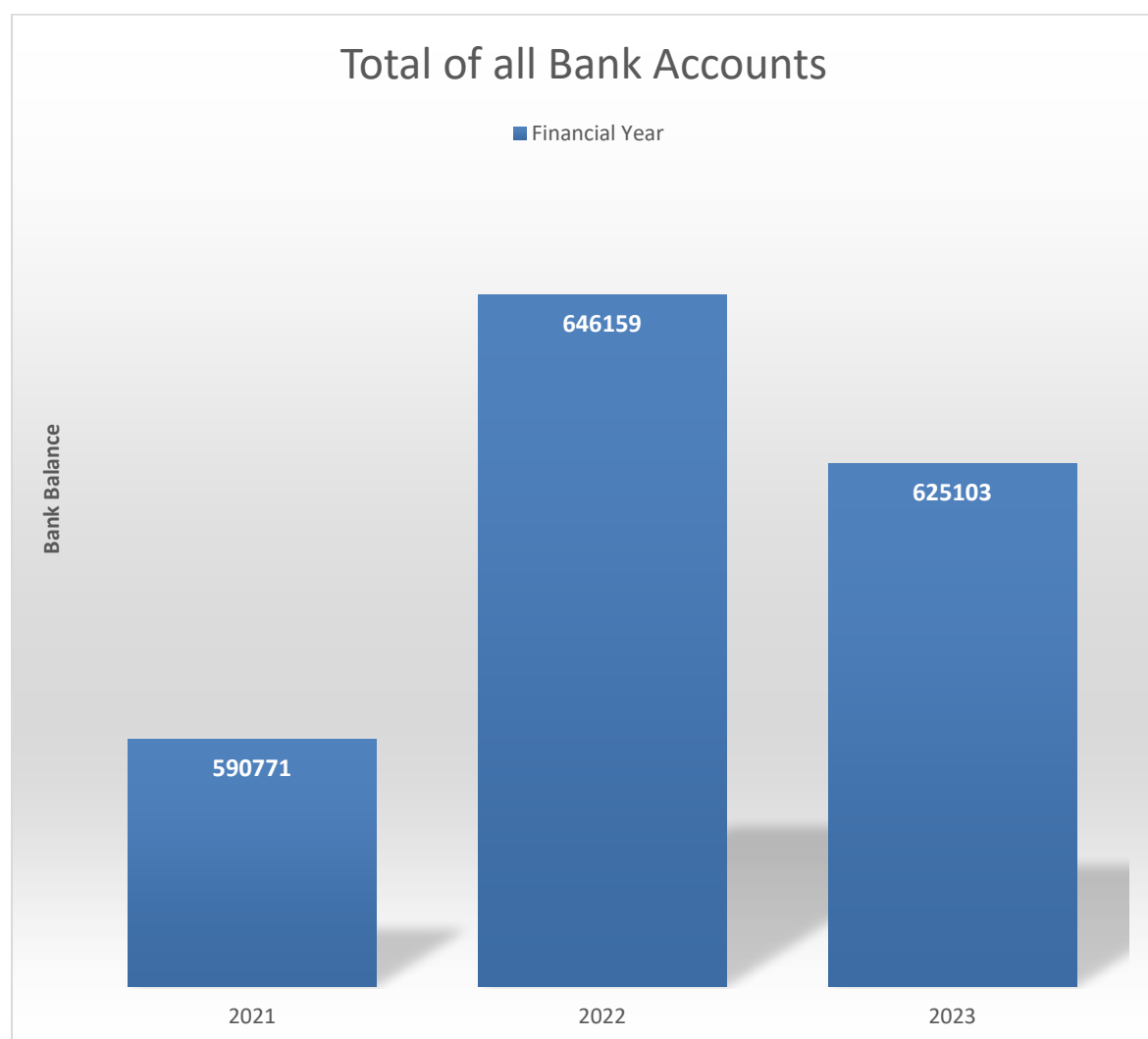
¹ A precept is an order for a billing authority to pay to a local council a named sum. It is payable in two instalments the first half in April, the second half in September. It should cover a) next year's expenditure, including an allowance for contingencies, b) outstanding expenditure incurred in previous years, c) expenditure likely to be incurred and d) payments to financial reserves (LGA 1972 s.49A) (Localism Act 2011, s.78)

The RFO also aims to ensure that Council funds are protected by the FSCS scheme, receiving high bank interest rates and have sufficient funds readily available for council expenditure on services provided to the residents of Hythe.

Banking;

Total of all bank accounts and cash held as it stands is at £625,102.93. £21,056 less than May 2022, with £506,310 held in reserves for allocated purposes. Unity Trust Bank account funds held as at 31 May were £96,800 this has since decreased to under £85k due to June expenditure. The second half of the precept will be released in September 2023.

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

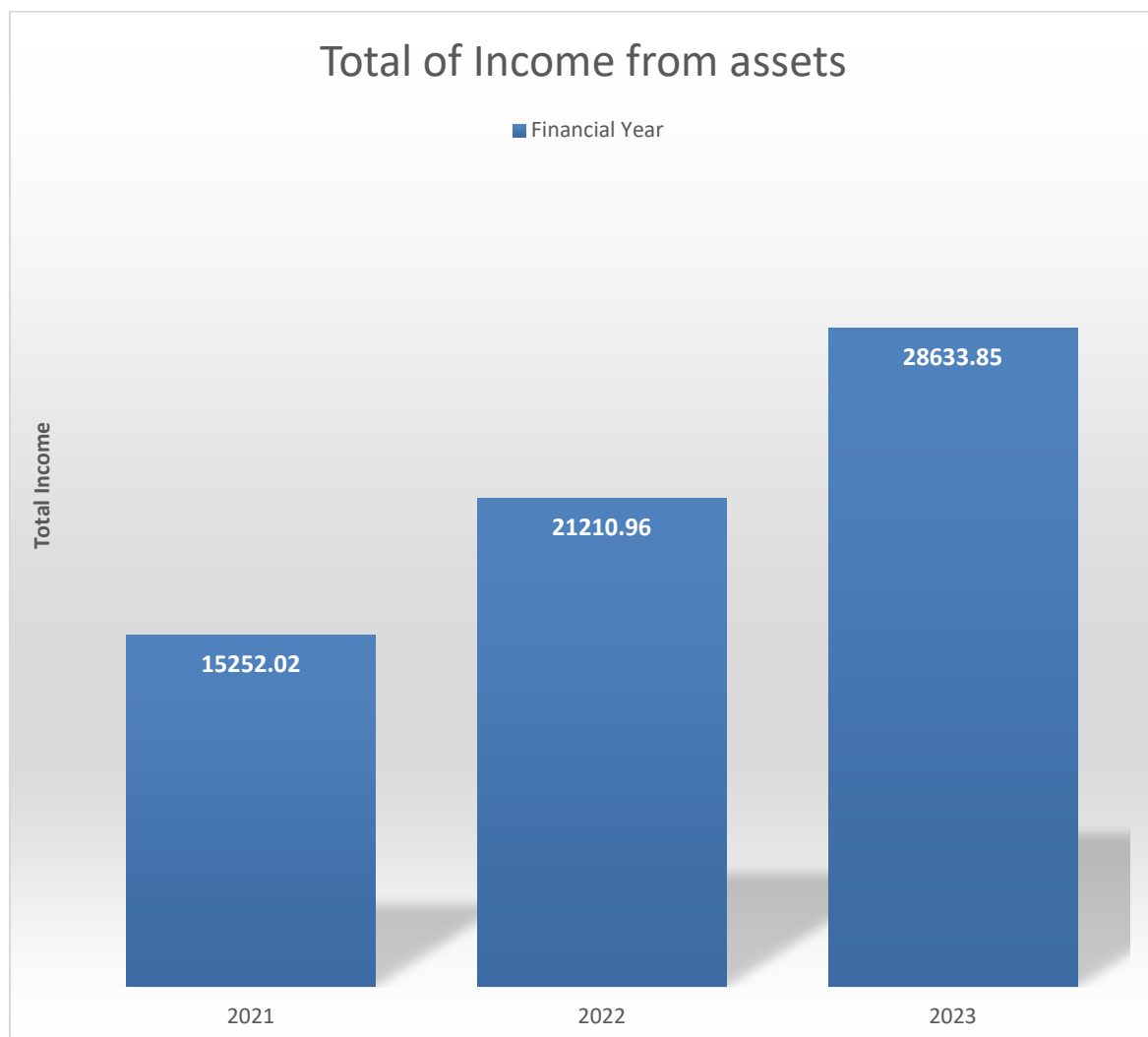


Income;

We have received income from assets total of £28,634 to date. Our biggest asset income in May is from Boot Fairs and Hire of the Green. This is due to front loaded bookings throughout the summer season.

Most of the allotment tenants have settled their allotment plot rents in March. The council has received more than the budgeted income due to change of tenants and plots being split to accommodate more tenants.

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



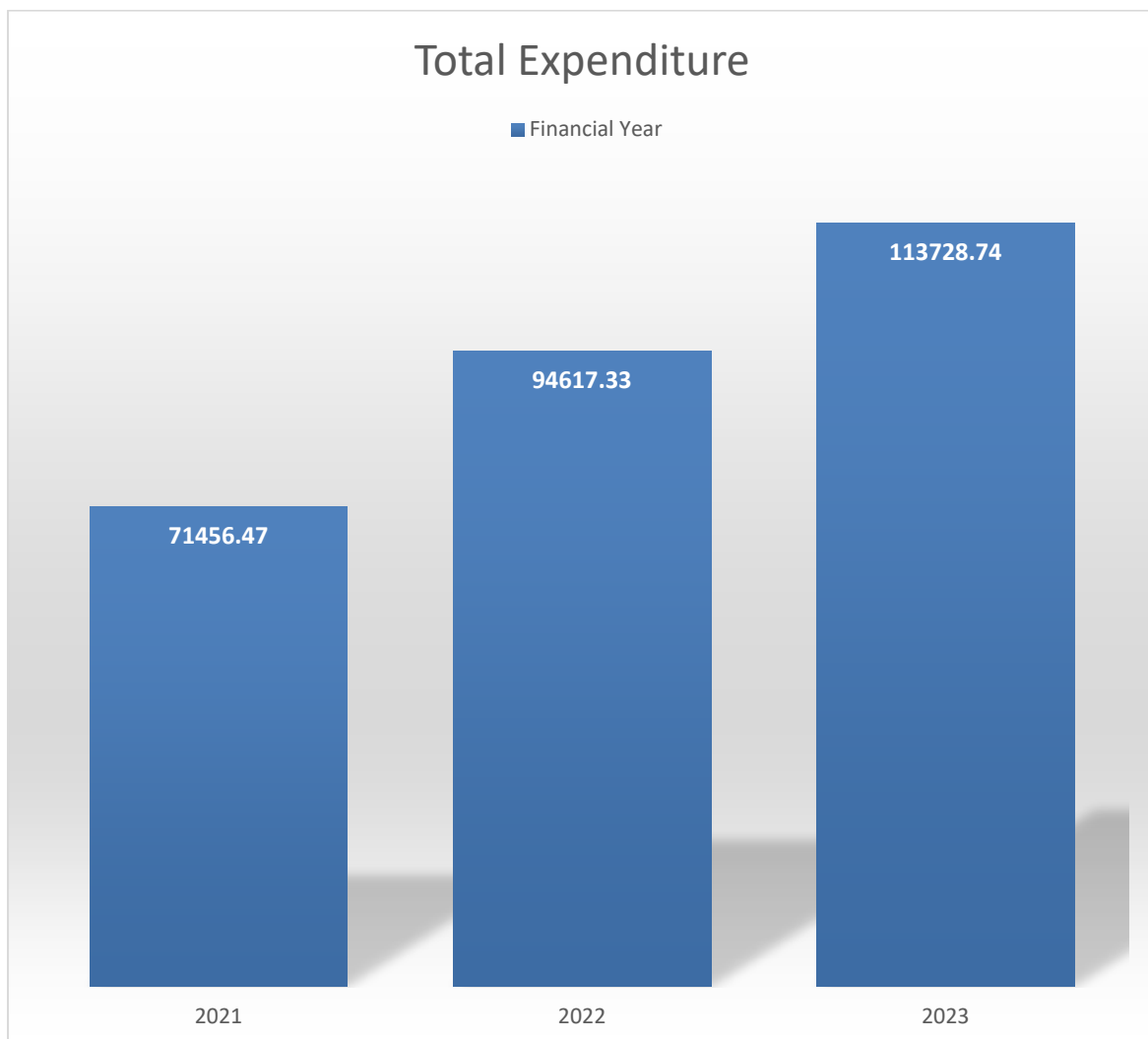
Expenditure;

Each budget cost centre is constantly monitored and expenditure is being kept to an absolute minimum where possible. The Council are dedicated to maintaining lower running costs and making savings where possible.

The budget agreed expenditure figure stands at £514,278 with £113,729 costs incurred to date, equivalent to 22% use of the total budget. This is mostly due to the annual front based costs in the first six months of the year.

The highest cost code in May other than staff costs is the Grant Monies Donated by HTC for the agreed donations to Hythe Venetian Fete Society, Teach me Courses and Hythe Festival Company reaching a total of £15k.

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



The Committee is asked to note the attached communication (**Appendix 1**) to notify you that SAAA has appointed an external auditor to the authority for the 5-year appointing period from 2022-23 until 2026-28, following a procurement exercise to appoint auditors to each contract area from 1 April 2022.

SUMMARY

The Council's bank accounts and reserves remain at a healthy balance. The Town Clerk will continue to monitor expenditure in the current financial year 2023-24.

RISK MANAGEMENT

A summary of the perceived risk follows;

Perceived Risk Council does not set a robust budget and the council runs out of funds to provide services to the residents of Hythe.

Risk High

Likelihood Low

Preventative Action 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/
Responsible Financial Officer of the Council

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

BIBLIOGRAPHY

Taylor, R (2022), Arnold-Baker on Local Council Administration. Thirteenth edition.
Lexis Nexis, 1-3 Strand, London. WC2N 5JR