

This report will be made  
Public on 28 July 2023

# Hythe Town Council

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Report number **F&GP/23/06**

To **Hythe Town Council**  
Date **27 July 2023**  
Status **Non-Exempt**  
Responsible officer **Town Clerk/RFO**

Subject **BUDGET MONITORING REPORT F&GP/23/06**

**SUMMARY:** This report gives June's budget monitoring information, includes the bank reconciliation for June 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/23/06.**
- 2. To authorise the Chairman of the Committee to sign the bank reconciliation detailed in the report.**

## **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 precept<sup>1</sup> 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 June, the third month of the financial year. The expectation for June for most cost centres would be 25% 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. 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;**

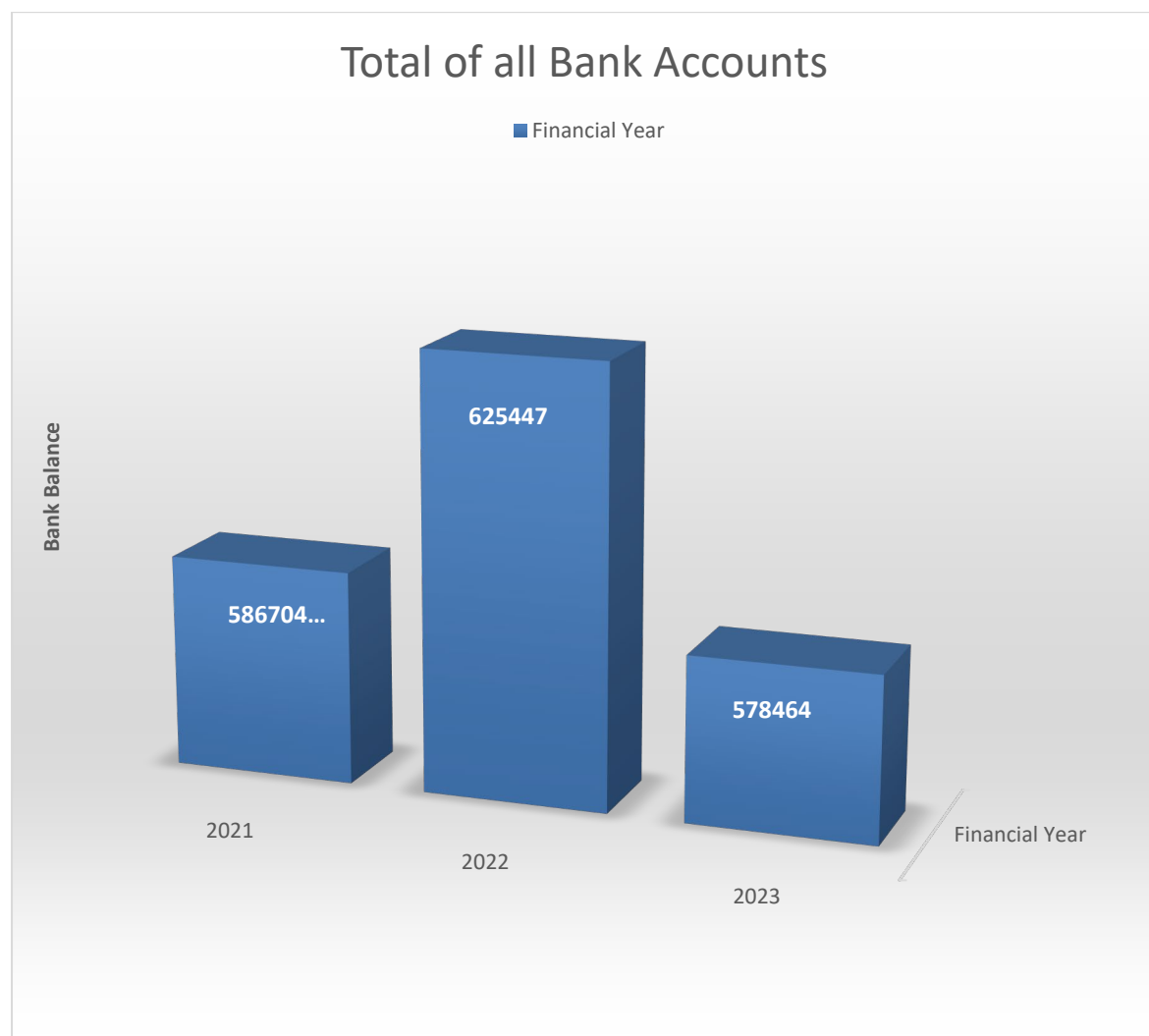
Total of all bank accounts and cash held as it stands is at £578,463.77. £49,984 less than June 2022, with £438,310 held in reserves for allocated purposes. Funds of £30,000 were released from Natwest Bank to Unity Trust Bank to cover the new

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<sup>1</sup> 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)

equipment costs at Eaton Lands and Reachfields. CIL expenditure on new play equipment at Horn Street has also raised expenditure since June 2022.

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

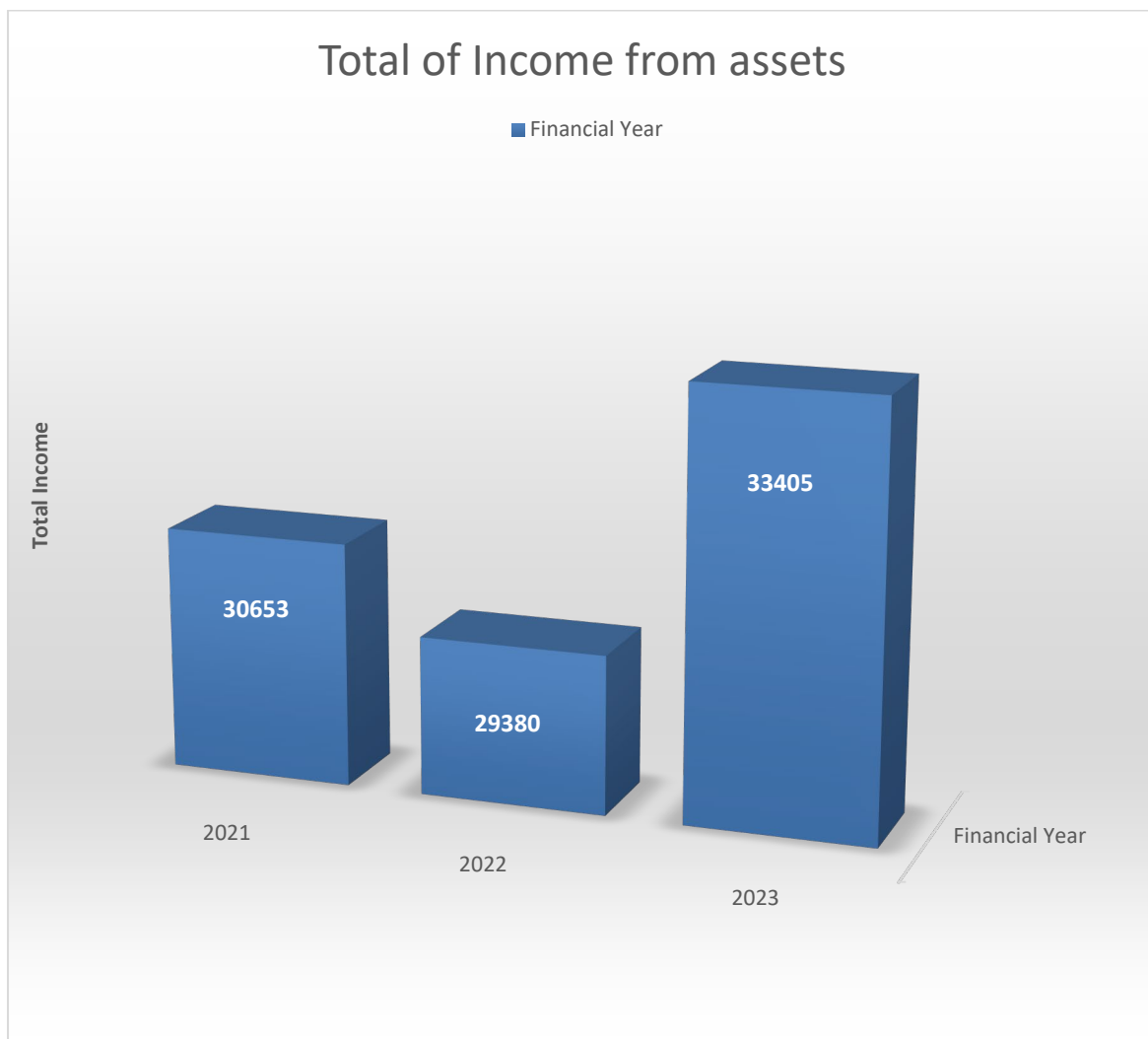


### **Income;**

We have received income from assets total of £33,405 to date. Our biggest asset income in June is from Allotment rentals and Property rentals/leases.

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 throughout the year.

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



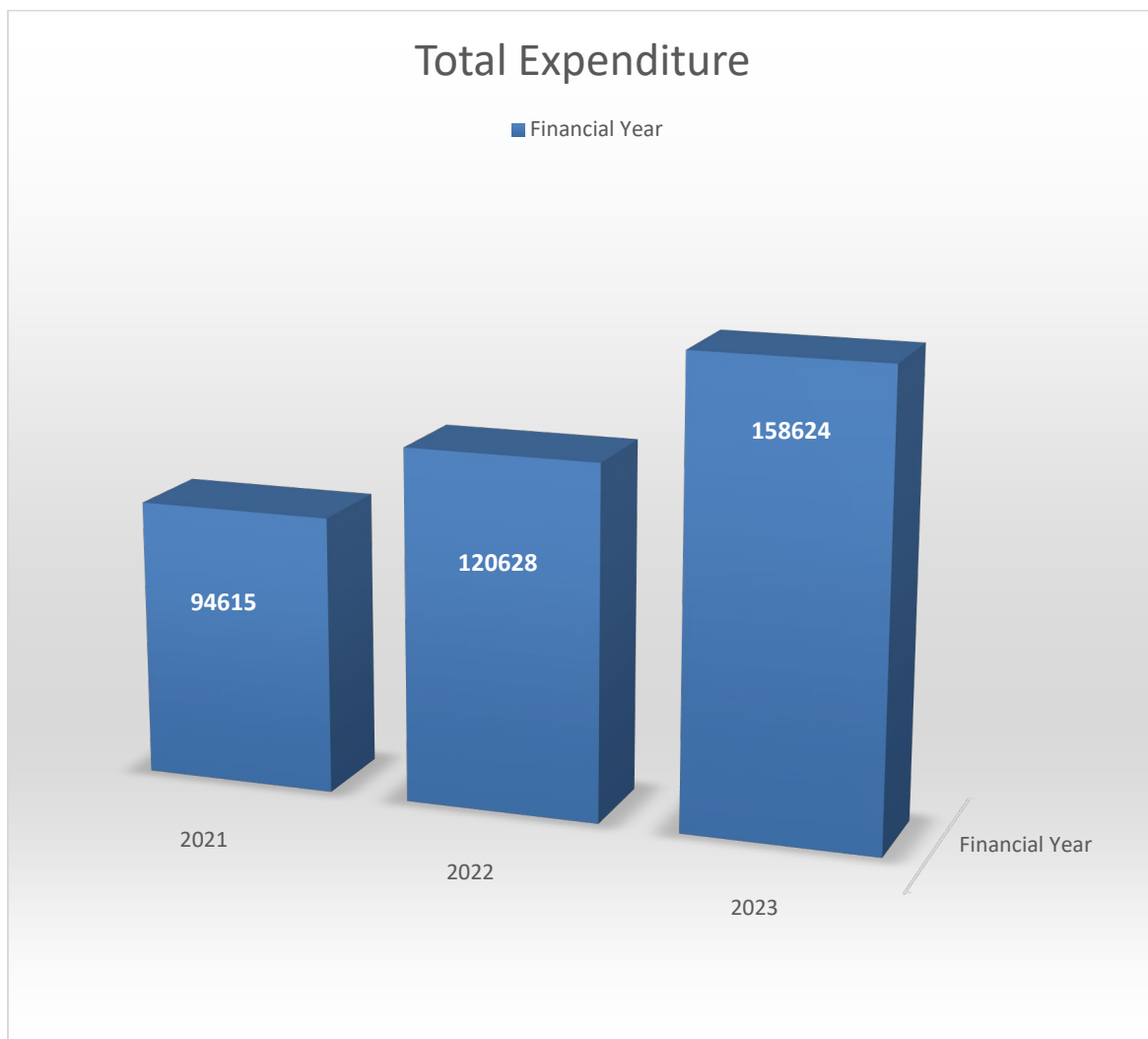
## Expenditure;

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 original budget agreed expenditure figure started at £514,278 but has increased due to virements for CCTV installation costs £12,109, £158,624 has been spent to date, equivalent to 30% 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 June 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 and Grounds Maintenance £13,091.

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



## 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](mailto: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