

This report will be made  
Public on 15 September  
2023

# Hythe Town Council

[www.Hythe-tc.gov.uk](http://www.Hythe-tc.gov.uk)

Report number **F&GP/23/07**

To **Hythe Town Council**  
Date **12 September 2023**  
Status **Non-Exempt**  
Responsible officer **Town Clerk/RFO**

Subject **BUDGET MONITORING REPORT F&GP/23/07**

**SUMMARY:** This report gives July's budget monitoring information, includes the bank reconciliation for July 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/23/07.
2. To authorise the Chairman of the Committee to sign the bank reconciliation detailed in the report.
3. To note the release from CIL, Reserve the sum of £20,217.98 to cover the CIL expenditure costs on new playground equipment.
4. To release £50,000 from General Reserves to bring General Funds up to a healthy balance.

## 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 **July**, the fourth month of the financial year. The expectation for July for most cost centres would be **33.32%** 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.

---

<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)

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.

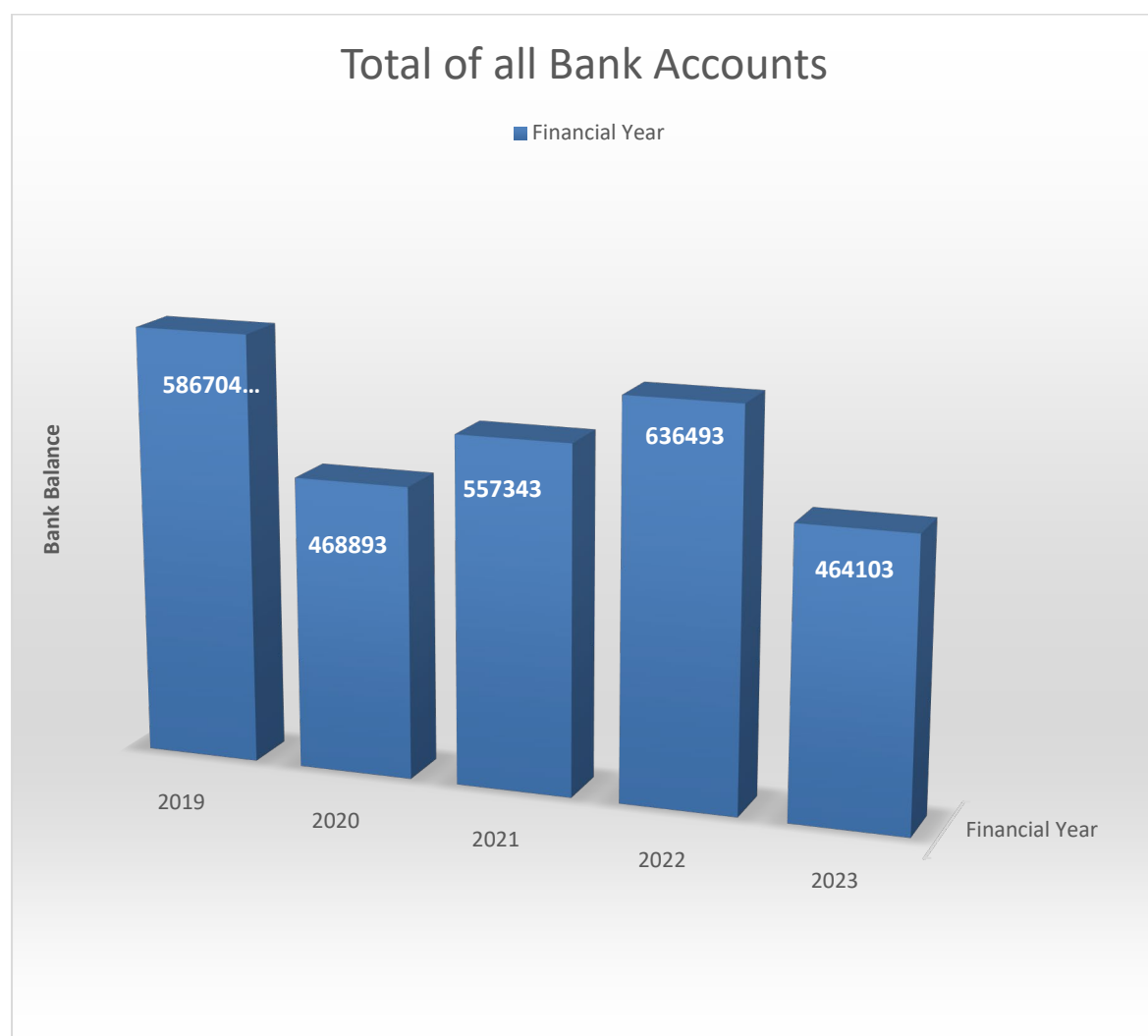
The RFO also aims to ensure that Council funds are protected by the FSCS scheme, receiving high bank interest rates and have sufficient funds readily available for council expenditure on services provided to the residents of Hythe.

### Banking.

Total of all bank accounts and cash held as it stands is at £464,103.24. £172,389 less than July 2022, with £417,519.03 held in reserves for allocated purposes.

Funds of £50,000 were released from Nationwide savings bank to Natwest Bank from which funds of £55,000 were then released from Natwest Bank to Unity Trust Bank to cover expenditure in July and August.

The table below shows a comparison of the total bank balances for the last five years of July.

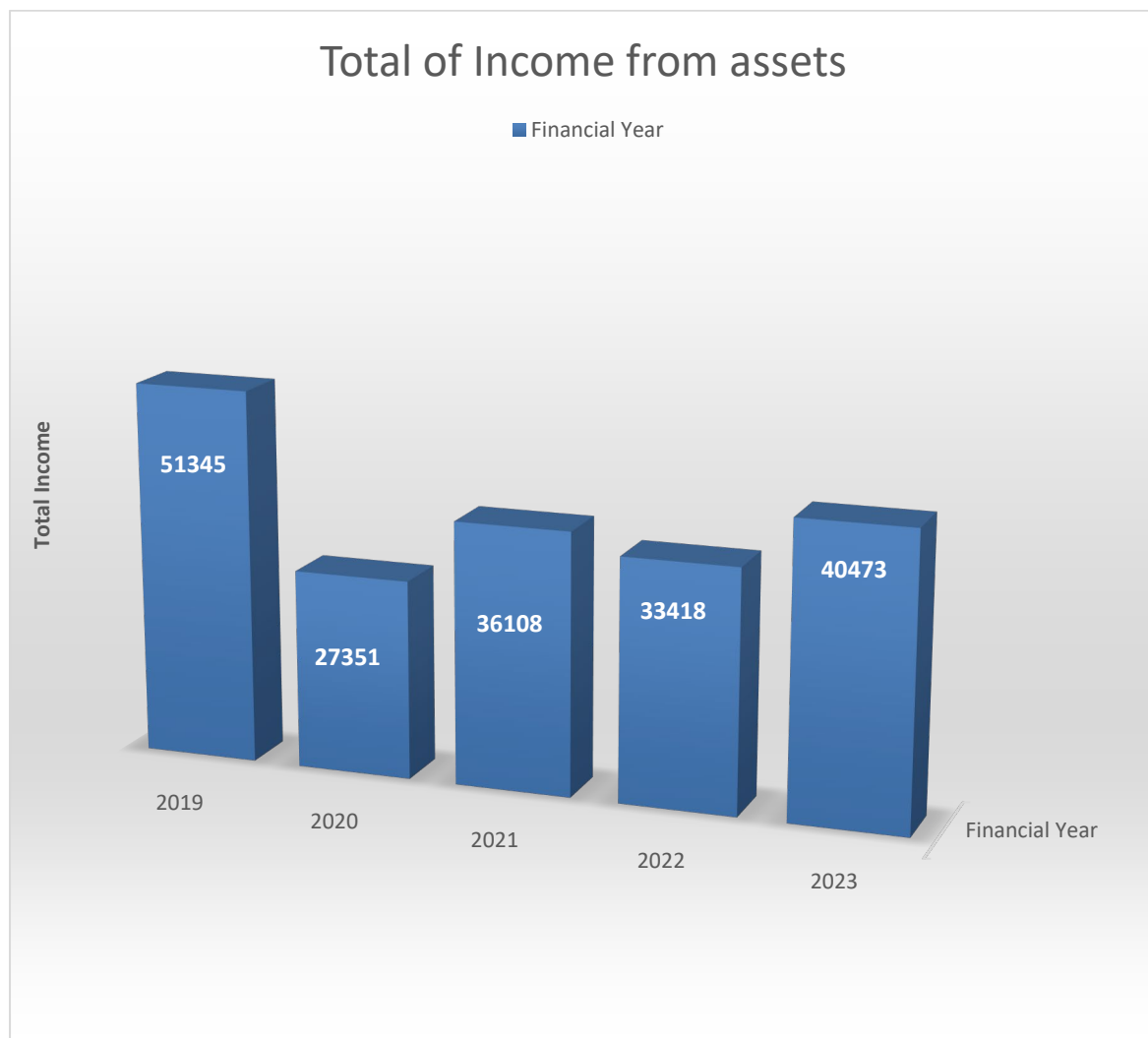


Funds held by Hythe Town Council are the lowest they have been in 5 years.

### **Income.**

We have received income from assets total of £40,473 to date an increase of £7,068 from June's year to date income. Our biggest asset income in July is from Boot Fairs and bookings on the Green.

The table below shows a comparison of the income received from assets in the last five years of July.



Income is steadily increasing.

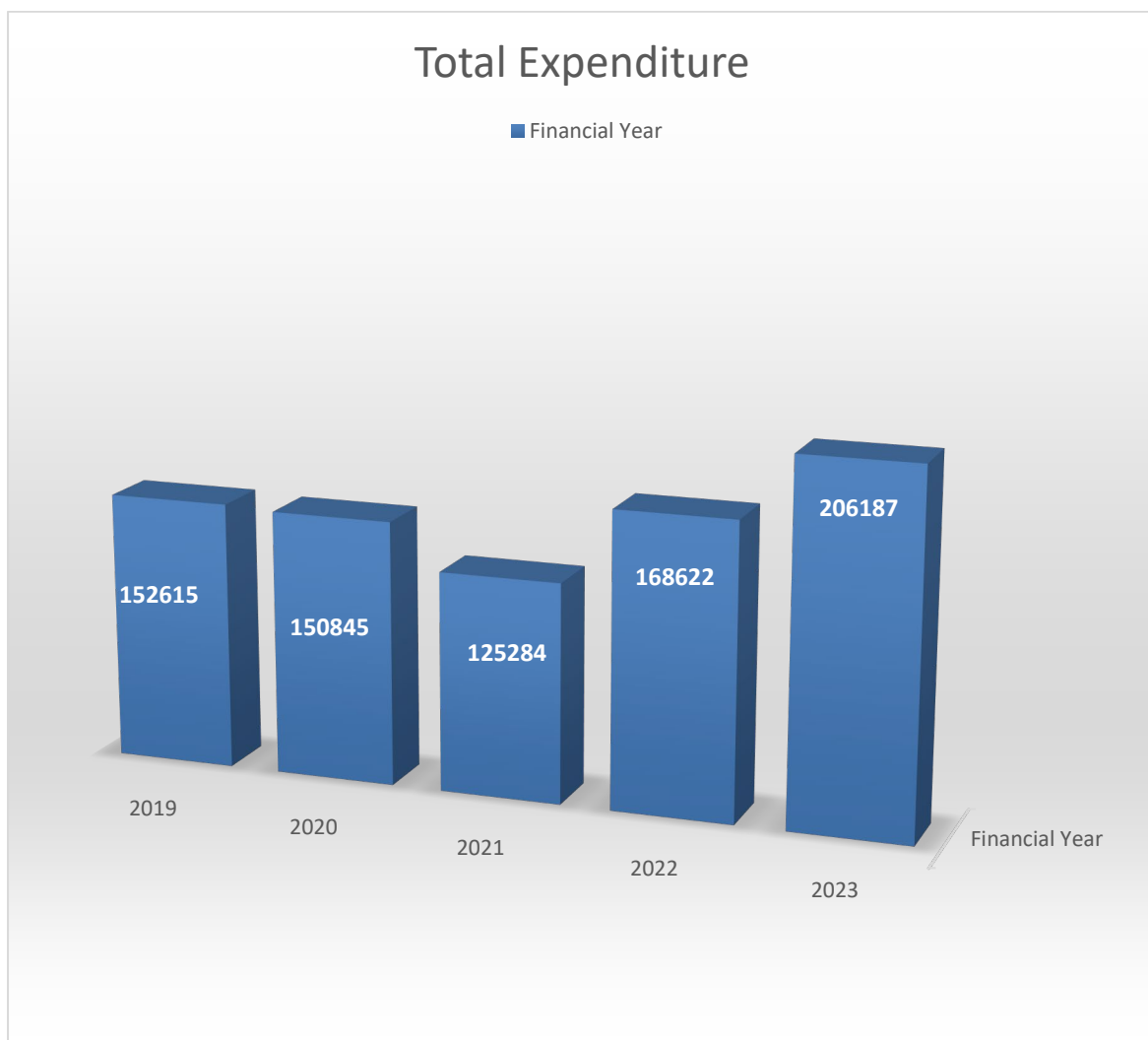
### **Expenditure.**

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, £206,187 has been spent to date, equivalent to 39.17% 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 July other than staff costs is the Grant Monies Donated by HTC for the agreed donations to Hythe Venetian Fete Society, Teach me Courses, Hythe in Bloom and Hythe Festival Company reaching a total of £18,685 and Grounds Maintenance £17,444.

The following table shows a comparison of the total expenditure in the last five years of July.



Expenditure is the highest it has been in the last 5 years, but this is due to the Community Infrastructure Levy (CIL) received being spent on new playground equipment for Hythe Town Council managed parks.

CIL expenditure to date of £70,217 is made up of new play equipment for Eaton Lands (£25,838.14), Reachfields (£15,970.20), Palmarsh (£25,428.26) and St Georges Place (£2,981.38).

### **Reserves Balance to 31 July 2023.**

£20,217.98 has been released from CIL Reserves to cover the total expenditure of CIL on play equipment (journal has already been posted) and it is recommended to further release £50k from the General Reserves (which must sit between 3-9 months of income) to the General Funds to cover the remaining year and to keep a healthy balance in the General Fund of £40-60k.

### **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