

This report will be made  
Public on 24 November 2023

# Hythe Town Council

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Report number **F&GP/23/10**

To **Hythe Town Council**  
Date **20 November 2023**  
Status **Non-Exempt**  
Responsible officer **Town Clerk/RFO**

Subject **BUDGET MONITORING REPORT F&GP/23/10**

**SUMMARY:** This report gives September's budget monitoring information, includes the bank reconciliation for September 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/23/10.**
- 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 **September**, the sixth month of the financial year. The expectation for September for most cost centres would be **50%** of the budget but some cost centres such as 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

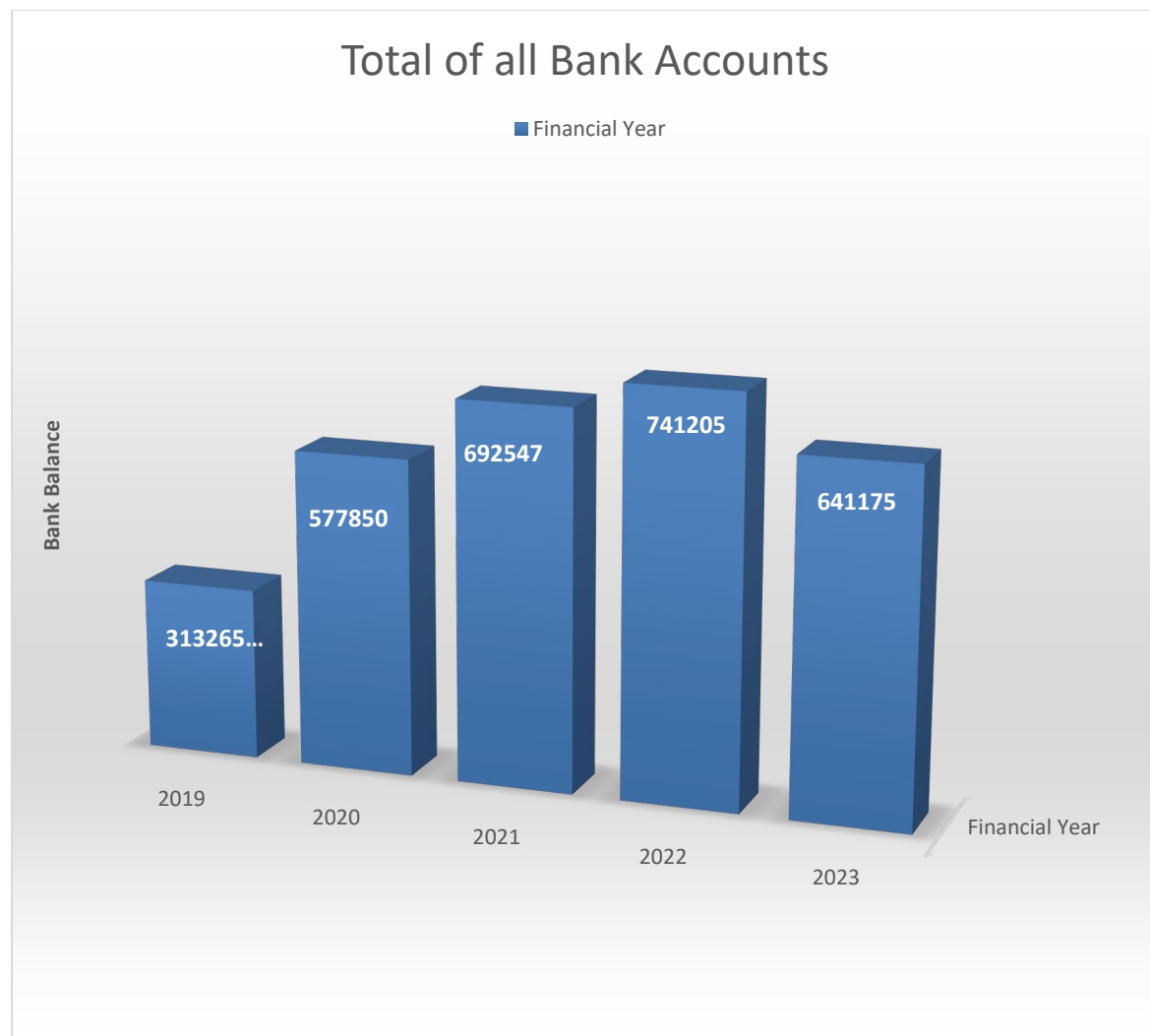
Total of all bank accounts and cash held as of 30 September 2023 was £641,165. £100,040 less than September 2022, with £373,866 held in reserves for allocated purposes. Allotments should not form part of the budget therefore an allotment

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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)

reserve account has been created where all income will be saved to, and expenditure will be drawn from. This was agreed by the committee at the August 2023 Finance and General Purposes meeting. Min.no.205/23.

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

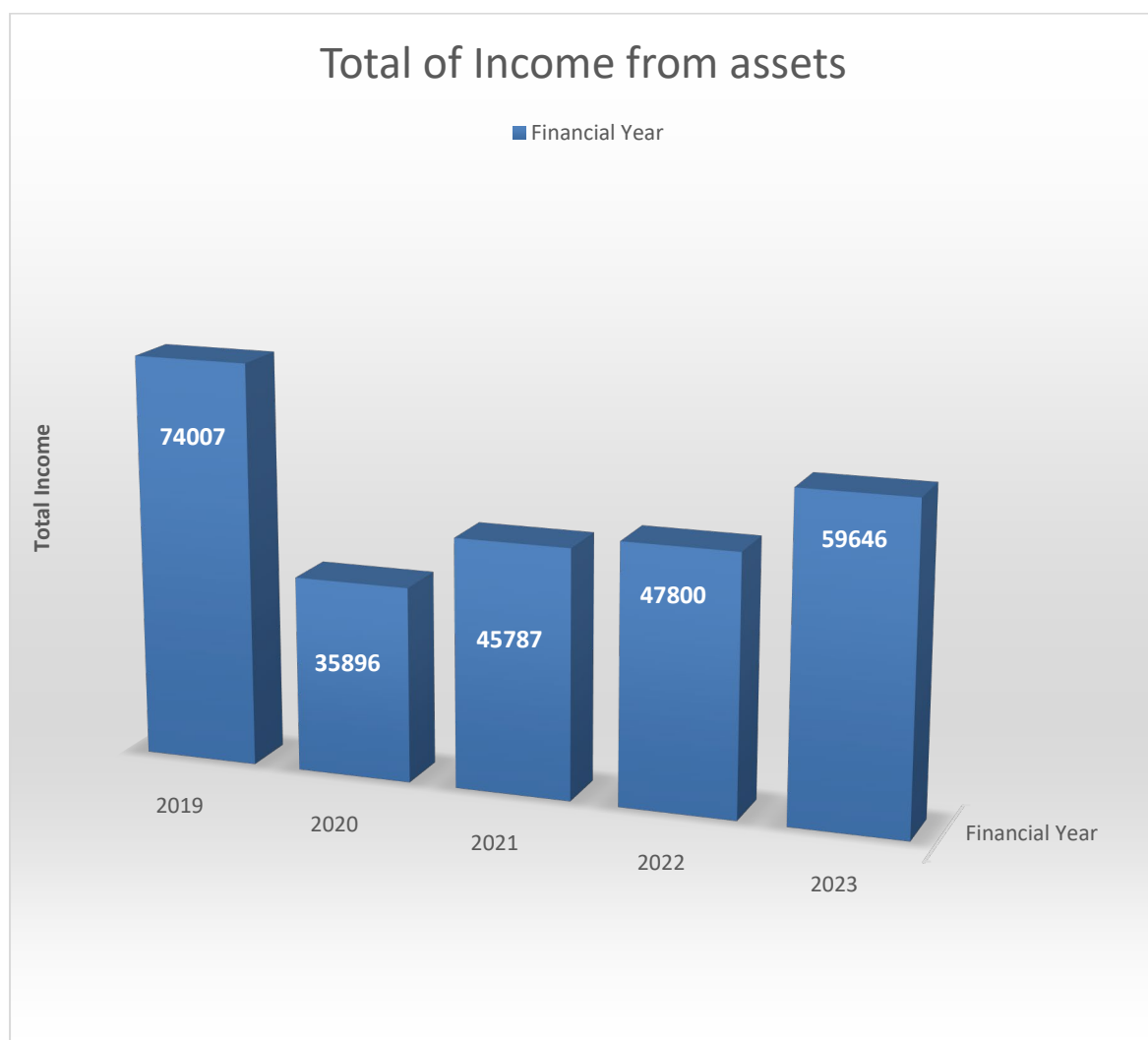


## Income

We have received income from assets total of £46,350 to date, a decrease of £1,449 from September 2022 year to date income (this does not include allotment income of £13,296 which was included in previous year's accounts). If allotment income were to be included to provide a true representation of the accounts in comparison, there would show an increase of £11,847 for the year to date in September.

Our biggest asset income in August is from property rent.

The table below shows a comparison of the income received from assets in the last five years of September. (including allotments).



In 2019 the pavilion had a higher income to date, but sports were less. £8500 more had been collected in property rent and Davis Oaklands Library rent £11,625 was still being collected by Hythe Town Council.

### **Expenditure.**

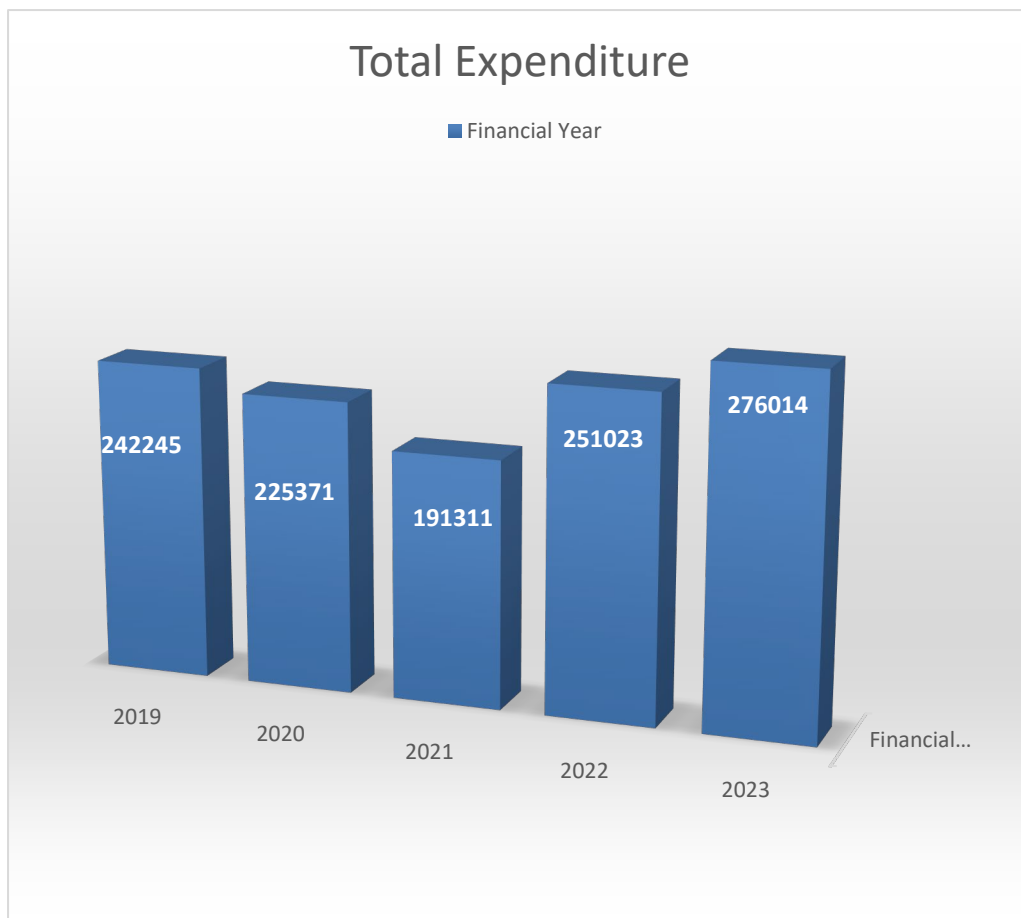
Each budget cost centre is constantly monitored, and expenditure is being kept to an absolute minimum where possible. The Council are dedicated to maintaining lower running costs and making savings where possible.

The original budget agreed expenditure figure started at £514,278 but has increased due to virements for CCTV installation costs £12,109 and a transfer from reserves to cover play equipment repairs, £276,014 has been spent to date, equivalent to

52.13% use of the total amended budget. This is mostly due to the annual front based costs in the first six months of the year.

The highest cost code in September other than staff costs is the Grounds Maintenance contract reaching a total of £27,382.

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



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 £70,218 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).

The playground equipment maintenance budget cost centre has been increased by £4,075 for the repairs and painting of Peregrine Close. Min no.205/23.

The professional fees budget cost centre has also gone over by £758.60 this is due to Hr Support and the renewal of leases for Sanford House Garage and Room 9, Oaklands.

### **Reserves Balance to 30 September 2023.**

The reserves report has been updated to reflect all virements to date.

## **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