

**To:** Town Council  
**Date:** 10 November 2021  
**Status:** For Decision  
**From:** Responsible Financial Officer

**Subject:** BUDGET AND PRECEPT 2022/23

**SUMMARY:** This report encloses Report FC/21/13 which was considered by the Finance & General Purposes committee at the meeting on 3 November 2021 (minute 820) and sets out a draft proposed budget and precept for 2022/23.

**REASON FOR RECOMMENDATION:**

The Council is asked to consider the recommendations set out below because:

- i. The Council must approve its precept for 2022/23 and notify the principal tax collecting authority in accordance with the timetable set.
- ii. The Council needs to identify a budget, including growth and savings items for 2022/23 and beyond.
- iii. The Council closely monitors actual expenditure against approved budgets.

**RECOMMENDATIONS:**

1. To receive and note Report HTC/21/08.
2. To approve the Town Council's budget for 2022/23 as set out in the Report.
3. To confirm the precept of 327,181.14 for 2022/23 in accordance with the Local Government Finance Act 1992.
4. To authorise the Chairman of the Council to sign the precept demand on the District Council.

1. **INTRODUCTION AND BACKGROUND**

The Council agreed a financial timetable to ensure that the precept is confirmed and notified to the Principal Authority, Folkestone and Hythe District Council in accordance with statutory dates.

On 3 November 2021, the Finance and General Purposes Committee considered report FC/21/13 which set out a draft budget for 2022/23.

The Committee RESOLVED TO RECOMMEND THE TOWN COUNCIL TO; To adopt the budget and precept set out in Report FC/21/13.

## 2. FINANCIAL COMMENTS:

Explanatory notes for the calculations:

- The precept required to fund any proposed growth and savings has been calculated and presented in **Appendix 2**
- The impact of the proposed budget for 2022/23 on the precept is a 7.54% decrease based on the 2021/22 PTB, from 120.45 to £111.37 (9.08 per annum or a decrease of 0.17pence per week). Please note there was a drop in the PTB for 2021/22 due to adjustments made for the Covid-19 pandemic. Folkestone and Hythe District Council will confirm the PTB for 2022/23 in December. (Revised figures from the FC/21/13 report).
- The budget is set out in **Appendix 2**. The total budget spend is £374,636.14 and the precept is £327,181.14. The balance will be funded from £14,955 of section 106 monies held in the allocated reserves for specific purposes and £32,500 from the 2021/22 budget.
- The Town Council's balances and analysis of reserves are shown in **Appendix 3** as at 30 September 2021. The projected overall expenditure for the remaining part of 2020/21 is expected to remain within budget and the reserves are likely to remain stable at 31 March 2022.

## 4. 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/Responsible Financial Officer to draw up and monitor performance against the budget.

## 5. CONTACT OFFICER AND BACKGROUND DOCUMENTS

If you have any queries about this report please contact The Responsible Finance Officer of the Council

Tel: 01303 893928 or email: [Clerk@Hawkinge-tc.gov.uk](mailto:Clerk@Hawkinge-tc.gov.uk) prior to the meeting.

Background Documents: Budget working papers.

**To:** Finance and General Purposes Committee  
**Date:** 3 November 2021  
**Status:** For Decision  
**From:** Finance & Projects Officer

**Subject:** BUDGET AND PRECEPT 2022/23

**SUMMARY:** This report sets out a draft proposed budget including both expenditure and savings for 2022/23.

**REASON FOR RECOMMENDATION:**

The Finance and General Purposes Committee is asked to consider the recommendations set out below because:

- i. The Council will need to consider the recommendations at its meeting on 10 November 2021.
- ii. The Council needs to identify a revenue budget, including growth and savings items for 2022/23 and beyond.
- iii. The Committee closely monitors actual expenditure against approved budgets.

**RECOMMENDATION:**

1. To receive and note Report FC/21/13.
2. To determine the list of growth and savings items to be included in the budget 2022/23.
3. To approve a draft budget including growth and savings items for submission to the Town Council.

1. **INTRODUCTION AND BACKGROUND**

The Council agreed a financial timetable to ensure that the precept is confirmed and notified to the principal Council, Shepway District Council in accordance with statutory dates.

The draft budget and precept and explanatory notes **attached** includes an overall expenditure of 3% across budget headings or actual increases where known and savings identified.

2. **PROPOSED GROWTH AND SAVINGS ITEMS:**

The report includes proposed growth and savings items which have already been identified during the course of the Council's work. A list of the growth and savings items is included at **Appendix 1** to this report. These are either recurring or non-recurring (one-off) expenditure.

In the case of some budget items these are funded from grant monies held or from Section 106 funds which have been transferred to the Town Council and held for specific purposes.

**3. FINANCIAL COMMENTS:**

Explanatory notes for the calculations:

- The precept required to fund any proposed growth and savings has been calculated and presented in **Appendix 2**
- The impact of the proposed budget for 2022/23 **Appendix 2** on the precept is a 13% decrease, from £120.45 to £104.79 (£15.66 per annum or decrease of .30 pence per week)

**AS AN EXAMPLE:**

- In the current year the precept is £370,123 which divided by the property tax base of 3072.80 (last year’s figure) equals £120.45 per year (£2.31 pence per week).
- Folkestone and Hythe District Council will confirm the PTB for 2022/23 after the Town Council December meeting.
- The Town Council’s balances and analysis of reserves are shown in **Appendix 3**. The projected overall expenditure for the remaining part of 2021/22 is expected to remain within budget and the reserves are likely to remain stable at 31 March 2022.

**4. 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/Responsible Financial Officer to draw up and monitor performance against the budget.

**5. CONTACT OFFICER AND BACKGROUND DOCUMENTS**

If you have any queries about this report please contact The Responsible Finance Officer of the Council

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Background Documents:  
Budget working papers.

## **DRAFT BUDGET & PRECEPT 2022/23**

### **Proposed New Growth and Savings for the Budget 2022/23**

#### **Savings**

Budget item G1 (Salaries, Pensions & NI).  
Proposed £30,900 saving due to changes in staff.

Budget items G9, 10 & 11 (Photocopying, Telephone & Office Stationery)  
Combined saving of over £1,500 due to changes in suppliers and contracts.

Budget item P10 (Community Projects)  
Funded from 2021/22 budget.

#### **Growth**

Budget item P4 (Landlord Costs – HCC)  
Proposed growth of £20,000 to cover potential works to be done following the Electrical Certification review conducted by PJC Electrical on 4<sup>th</sup> & 5<sup>th</sup> October 2021. (Report not yet received). To be funded from the savings from the Salaries

Budget item P11 (Volunteer works fund)  
Proposed new item for reimbursing volunteers for costs incurred for materials whilst working on small projects to support the town. Ie: Varnish, paint, wood, nails etc. To be funded from the savings to Budget items G9, G10 & G11.

		Budget 2021/22	Actuals @ 18/10/2021	Remaining Budget	% spent against budget	Projected spend to year end	Total expenditure for the year	Proposed Budget 2022/23	Increase	Saving
<b>Administration</b>										
G1	Salaries,Pensions & NI - HTC	137,048.73	49,002.84	88,045.89	36%	37,735.61	86,738.45	106,140.99		30,907.74
G2	Payroll Services	3,090.00	540.00	2,550.00	17%	1,080.00	1,620.00	3,090.00	0%	
G3	Civic Events	3,824.54	497.60	3,326.94	13%			3,824.54	0%	
G3a	Host Charity Events		922.50	922.50						
G4	Expenses	1,000.00	69.30	930.70	7%	390.00	£459	1,000.00	0%	
G5	Bank Fees		-	-						
G6	Kent Assoc Local Councils	1,910.65	1,620.00	290.65	85%			1,910.65	0%	
G7	Soc of Local Council Clerks	381.74	349.00	32.74	91%			393.19	3%	
G8	Office Rent		-	-						
G9	Photocopying	1,545.00	349.74	1,195.26	23%	125.00	474.74	1,500.00		45.00
G10	Telephone	2,380.60	608.88	1,771.72	26%	250.00	858.88	1,500.00		880.60
G11	Office Stationery	2,164.00	138.79	2,025.21	6%			1,500.00		664.00
G12	Training	2,543.00	12.97	2,530.03	1%			2,543.00	0%	
G13	Hire of Halls	2,839.00	105.00	2,734.00	4%			2,839.00	0%	
G14	Donations/RBL wreaths	880.00	-	880.00	0%				0%	
G14a	Mayors Charity Donations		-	-						
G15	Electricity	2,060.00	-	2,060.00	0%			2,060.00	0%	
G16	Postage	150.00	-	150.00	0%			150.00	0%	
G17	Office Repairs / Renewals.	1,751.00	1,224.00	527.00	70%			1,751.00	0%	
	<b>Total Administration Costs</b>	<b>163,568.26</b>	<b>56,191.71</b>	<b>108,127.64</b>	<b>34%</b>			<b>130,202.37</b>		<b>32,497.34</b>
<b>Democratic Services</b>										
G18	Election costs	5,150.00	4,621.86	528.14	90%			5,150.00	0%	
G19	Audit Fees	2,251.01	1,900.00	351.01	84%			2,251.01	0%	
G20	Town Council review	1,141.24	-	1,141.24	0%			1,141.24	0%	
	<b>Total Democratic Services Costs</b>	<b>8,542.25</b>	<b>6,521.86</b>	<b>2,020.39</b>	<b>76%</b>			<b>8,542.25</b>		
<b>Services</b>										
G21	Insurance	4,054.02	-	4,054.02	0%			4,175.64	3%	
G22	Miscellaneous expenditure	1,236.00	101.00	1,135.00	8%			1,236.00	0%	
G23	Quality Town Council	2,249.52	-	2,249.52	0%			2,249.52	0%	
G25	Maintenance Contracted	43,061.26	15,982.50	27,078.76	37%	15,982.50	31,965.00	44,353.10	3%	
G25a	Maintenance Miscellaneous	9,270.00	2,113.24	7,156.76	23%			9,548.10	3%	
G26	Allotments	942.48	980.00	37.52	104%			1,009.40	3%	
G27	Town Council Initiatives.	3,444.05	155.00	3,289.05	5%			3,444.05	0%	
G28	Youth Project (worker & hire of hall)	5,611.44	-	5,611.44	0%			5,611.44	0%	
G29	PWLB Loan Repayments	15,450.00	7,914.82	7,535.18	51%			15,450.00	0%	
G29a	PWLB Loan Repayments 2nd Loan	4,612.34	2,015.90	2,596.44	44%			4,612.34	0%	
G30	Legal Costs	5,150.00	-	5,150.00	0%			5,150.00	0%	
	<b>Total Services Costs</b>	<b>95,081.11</b>	<b>29,262.46</b>	<b>60,668.65</b>	<b>31%</b>			<b>96,839.59</b>		

	Budget 2021/22	Actuals @ 18/10/2021	Remaining Budget	% spent against budget	Projected spend to year end	Total expenditure for the year	Proposed Budget 2022/23	Increase	Saving
<b>Capital Expenditure</b>									
C1	Repairs and renewals	15,656.00	-	15,656.00	0%		16,125.68	3%	
<b>Total Capital Expenditure</b>		<b>15,656.00</b>	<b>-</b>	<b>15,656.00</b>	<b>0%</b>		<b>16,125.68</b>		
<b>Project Expenditure</b>									
P1	Project and facilities management	34,196.00	0.00	34,196.00	0%		34,196.00	0%	
P4	Landlord Costs - HCC	23,175.00	5,369.11	17,805.89	23%		43,870.25	Growth	
P7	Noticeboards	2,060.00	0.00	2,060.00	0%		2,060.00	0%	
P10	Community Projects	32,500.00	-	32,500.00	0%		32,500.00	0%	
P11	Volunteer works fund						500.00	Growth	
<b>Total Project Expenditure</b>		<b>91,931.00</b>	<b>5,369.11</b>	<b>86,561.89</b>			<b>112,626.25</b>		
<b>Reserves</b>									
R1	General Reserve	10,300.00	-	10,300.00	0%		10,300.00	0%	
<b>Total Reserve Expenditure</b>		<b>10,300.00</b>	<b>-</b>	<b>10,300.00</b>			<b>10,300.00</b>		
<b>Total Expenditure</b>		<b>385,078.62</b>	<b>97,345.14</b>	<b>283,334.57</b>	<b>25%</b>		<b>374,636.14</b>		

14,955.00

Total to cover proposed Budget - remaining £14955 to be funded from funds held from S106 monies from FHDC

359,681.14

		Income Rec'd	O/S Income			
<b>Income</b>						
I1	Precept	-	-	-		359,681.14
I2	SDC grants		-	-		
I3	KCC grants		-	-		
I4	Grant funding for projects		-	-		
I5	Bank Interest	-	-	-		
I6	Allotments		-	-		
I7	Vat Refund		-	-		
I8	Miscellaneous income		-	-		
I9	Hawkinge Community Football & Sports Trust		-	-		
I10	Hawkinge Under 5's		-	-		
I11	S 106 Grounds Maintenance (FHDC)		-	-		
I12	PWLB Loan - HCC Roof Repair		-	-		
I13	Town Mayors Charity		-	-		
I14	FSCT - BT Repayment of charges		-	-		
I15	Rent from Retail Unit	6,600.00	-	6,600.00		6,600.00
I16	Linches field		-	-		
<b>Total General Income</b>		<b>6,600.00</b>	<b>195,021.50</b>	<b>- 188,421.50</b>		<b>366,281.14</b>

Cost of Proposed Budget 2022/23	<b>359,681.14</b>	
P10	- 32,500.00	less income received 2021/22, one off project costs
<b>Precept to be requested from FHDC for 2022/23</b>	<b>327,181.14</b>	

**Appendix 3****HAWKINGE TOWN COUNCIL  
ALLOCATED RESERVES**

Total Balances as per the bank reconciliation  
30 September 2021

**687,811.79****ALLOCATED RESERVES**

Capital Reserve	63,500.00	
Admin Reserves	77,467.00	
Services Reserves	19,153.24	
Project Reserves	35,197.50	
General Reserve	4,353.00	
CIL Funds from FHDC	8,489.70	
Landlord Fund - HCC	0.00	
Defibrillator Project	378.00	
Election Reserve	7,502.00	
Grants	0.00	
Mayors Charity Fund	3,689.22	
Maintenance Fund recreation equipment	12,951.94	
Master Planning	3,400.00	
Regalia	0.00	
Gibson Close	17,599.00	
S106 Open Spaces (Atkinson, Campbell, Corbett)	83,173.00	reduced by £14,955 in anticipation of the 2022/23 budget
<b>Total of allocated reserves</b>	<b>336,853.60</b>	

Total Funds remaining  
to service the budget for 2021/22

**350,958.19**

if spending in accordance with budget

283,334.57

**Total unallocated reserves in this financial  
year**

**67,623.62****67,623.62**