
To Hythe Town Council
Date 18 June 2020
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **BUDGET MONITORING REPORT F&GP/04/20**

SUMMARY: This report gives May's budget monitoring information, includes the bank reconciliation for May and recommends the Chairman of the Committee to sign 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/04/20
2. To authorise the Chairman of the Committee to sign the bank reconciliation detailed in the report.
3. To vire £8,000 from budget code 7902 Loan principal paid to unallocated reserves.
4. To vire £4,000 from budget code 7903 Loan Interest paid to unallocated reserves.
5. To vire £4,000 from budget code 8203 Training costs to unallocated reserves.
6. To vire £5,000 from budget code 5228 Grant monies donated by HTC to unallocated reserves.
7. To vire £1,500 from IT Reserves to budget code 7503 IT costs.

INTRODUCTION

Anticipated income from Hythe Town Council's assets for April and May 2020 has been reduced significantly due to the closure of the Pavilion, Town Hall and cancellation of public events and sports. With the prospect of June's income also being affected measures must be taken to reduce budget expenditure to compensate for the loss.

Areas identified for immediate remedial action are funds which were set aside for the 2020.21 budget which are now no longer required and can be released to unallocated reserves.

- Following the full repayment to the Public Works Loan Board in February/ March 2020 the amounts of £8,000 in code 7902 principal loan paid and £4,000 in code 7903 Loan interest paid
- Following the completion of the CILCA training by the RFO £4,000 in code 8203 Training costs is no longer required.
- Following the cancellation of Hythe Life Festival this year £5,000 can be released from code 5228 Grant monies donated by HTC. (Original figure £7,500 £2,625 already donated to Age UK re F&GP 28 May 2020 min 40/20)

Purchases of IT equipment have also been made to enable staff to work from home during the Pandemic and it is recommended to vire £1,500 from IT Reserves to IT cost code 7503 to cover these costs.

SUMMARY

By reducing the budget expenditure by 'known' saved costs this will bring the anticipated unallocated reserves balance for the year end 2020.21 back into a positive balance. These funds are nowhere near enough to be considered as healthy reserves, therefore Council are asked to make further savings on the remaining budget items by reducing expenditure where possible until a further re-evaluation can be assessed in September's Budget Monitoring report. This report will provide a 6 month detailed report of the impact that Covid-19 has had on income and expenditure.

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 and 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 Responsible Financial Officer of the Council

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