

To Hythe Town Council
Date 12 October 2019
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **BUDGET MONITORING REPORT F&GP/11/19**

SUMMARY: This report gives September's budget monitoring information, includes the bank reconciliation for September 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/11/19**
- 2. To authorise the Chairman of the Committee to sign the bank reconciliation detailed in the report**

INTRODUCTION

The Online banking has now become live and has restricted access only. Payments will still require two authorised signatures before being released. The Chairman of F&GP will need to be one of the signatories continuing on from past good practice with the signing of cheques. The RFO is investigating alternate banking arrangements with "Unity Bank" as a stricter authorisation process to reduce risk. The £ 96,500 agreed to be released from General reserves (F&GP meeting 29 August) reducing the 95 day business reserve (bank account no ending 5105) has now been actioned and will clear on the current account on 10 Jan 2020.

The second payment of the precept has now been received therefore funds held in the current bank account as at 30.9.19 £313,050 will service the expected funds for the remaining budget £176,644 and cover the repayment to Davis Oaklands Charitable Trust for unpaid charges of rent collected on its behalf £80,588. Thus leaving £55,817 in unallocated reserves.

FHDC rates for Portland Rd £66,461 will be made by 7 monthly payments of £9497 until March 2020 with the transfer above of £96,500 covering this and the last 3 months of the budget expenditure.

The balance of the current account at the end of 31 March is anticipated at £88,168. The remaining bank accounts include Natwest Bank £235,862, Nationwide Building Society £75193 and £156,192 held in National savings Investment accounts. Not

including Petty cash £250 or The Mayors Benevolent fund £800 the balance stands at £ 467,247 on 30.9.19. Once the virement of £96,500 has been transferred to the current account on 10 January 2020 the anticipated remaining reserve accounts will total £370,747.

Thus £370, 747 held in the reserve accounts plus current account balance of £88,168 total £458,915. The earmarked reserves held totals £451,334.

The General Reserves allocation of £195,878 less £96,500 will reduce to £99,378 a local Council should typically hold between 3 and 12 months expenditure as a General reserve. If the General reserve is too low then it may not be enough to cover unexpected expenditure or emergencies. Hythe Town Council's General reserve account is expected to hold a minimum of £104,722 therefore will be under by £5,344. There are some anticipated savings to be made on the current year's budget expenditure and the balance will be transferred to General Reserves to compensate.

Please note that a challenge has been raised with the Valuation Office Agency on the rateable value of Portland Rd Car park and we are still awaiting the outcome of the appeal.

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.