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on 1 April 2021

Hythe Town Council

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Report number F&GP/39/20

To Hythe Town Council
Date 1 April 2021
Status **Non Exempt**
Responsible officer Responsible Financial Officer

Subject **REVIEW OF ALLOCATED RESERVES REPORT
F&GP/39/20**

SUMMARY: This report provides an update on the current reserves held by the Town Council and recommends the Committee review 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 work in compliance with the Governance and Accountability for smaller authorities in England.
- b) The Council is committed to manage its financial affairs under the Financial Regulations Act.

RECOMMENDATIONS:

- 1. To receive and note the report F&GP/39/20**

INTRODUCTION

The Allocated Reserves are funds put to one side for the completion of projects already approved by the Town Council.

Unallocated reserves are funds that remain in the bank accounts to cover ineventualities over and above the budgeted costs. A healthy balance of approximately £50-60k is recommended to sustain the reserves.

This year the Council have capped expenditure and reduced cost centres therefore the unallocated reserves balance predicted for the year end 2020.21 should be approximately £13,000 compared to 2019.20's figure of £120,692.

The balance held in the General reserve account should be between 3 and 12 months expenditure and be no higher than the precept requested. For the year 2021.22 this should be between £109,995 and £358,633. Since the precept request of £358,633 has been agreed in the new budget calculations at the Council meeting held on 5 November 2020 min no 171/20.

SUMMARY

Due to the impact of the Corona virus, Hythe Town Council postponed projects intended for 2019.20 to the next financial year. This enabled the Council to concentrate on minimising expenditure and reducing costs due to the loss of income from the Town Council's assets.

Any costs unspent from the budget at the end of each financial year are usually transferred into reserve accounts. Unfortunately this year any likely funds will be minimal. It is recommended that should there be any funds to transfer on 31 March 2021 that these are sent directly to Building Repairs and Renewals reserve account for any repair costs that may be required to the Pavilion and Town Hall. This has been recommended in the Budget monitor report F&GP/34/20.

RISK MANAGEMENT

A summary of the perceived risk follows;

Perceived Risk	Seriousness	Likelihood	Preventative Action
The Council uses reserves and reserves become low.	High	Low	The Town Clerk and Responsible Financial Officer monitor the reserves and submit a report to Council on an annual basis for Council to review.

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.