

Report Statement

Report Purpose:

Reserves

Author:

Town Clerk

Background

Earmarked Reserves

This provides a means of accumulating funds, for use in a later financial year, to meet known or planned policy initiatives.

Earmarked Reserves will increase through decisions of the Council and will decrease as they are spent on their specific intended purposes.

The purpose of an Earmarked Reserve is to set aside amounts for projects that extend beyond one year or as a contingency against a specific situation occurring.

General Reserves

This represents the non-ring fenced (earmarked) balance of Council funds. The main purposes of the General Reserves are firstly to operate as a working balance to help manage the impact of uneven cash flows and secondly, to provide a contingency to cushion the impact of emerging or unforeseen events or genuine emergencies. In general, a robust level of reserve should be maintained and take account of operational and financial issues facing the Town Council.

Current Situation

Currently The Town Council has the following Ear Marked Reserves:

ERM	Amount	Comments
Election Costs	£4000	
Allotments	£18,158.97	
Public Convs	£109,000	
Economic Dev	£122,180	
Street Furniture	£8000	
Investment	£39,558.92	Move to General reserves inline with Internal Audit.
Play Areas	£14,926.69	Weston and Banbury Parks
Community Transport	£100,000	
Planning Policy	£8915.70	
CCTV	£7,000	Put aside for the 2 extra cameras
Town Centre Signs	£20,000	
Play equipment	£22,596.	Weston Park
Windmill BMX Track	£26,500.00	
Ward Budget Project	318.00	

Total	£509,154.28	
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General reserves are as follows:

General reserves stands at £643,935.72.

Proposal

- To review all current ERM and consider the following:
- To remove £39,558.92 for Investment and put this in general reserves.
- This would amount to £683,494.64 in general reserves.
- To use the £122,180 ERM set aside for Economic Development towards the South Park Pavilion Build.
- To Ear Mark £378,820 from general reserves for the South Park Pavilion build, which will mean £500,000 for this project.
- This would leave the Council with approximately 3 months reserves.

To ensure the Ear Marked Reserves categories are still relevant, and either keep them in EMR or move to general reserves or another category of ERM.