



# Thatcham Town Council

## **EARMARKED RESERVES POLICY 2019/20**

### **1. Introduction**

1.1 Earmarked reserves provide a means of accumulating funds, for use in a later financial year, to meet known or planned policy initiatives.

1.2 The purpose of this policy is to set out how the Council will determine and review the level of its reserves which have been earmarked for long term projects.

### **2. Financial Responsibility**

2.1 Under Thatcham Town Council Standing Orders the Council is responsible for the overall management and control of the Town Council's finances.

2.2 Reserves will only be earmarked in line with the CIPFA Code of Practice on Local Authority Accounting in the UK (Statement of Recommended Practice).

### **3. Allocation of Earmarked Reserves**

3.1 Reserves can be earmarked at the discretion of the Town Council. They can result from:

- a) Events which have allowed monies to be set aside
- b) Surpluses
- c) Decisions causing anticipated expenditure to be postponed or cancelled
- d) Monies set aside for major anticipated capital schemes, projects or service arrangements the Town Council wishes to carry out

### **4. Use of Earmarked Reserves**

4.1 Reserves can be spent at the discretion of the Town Council. Expenditure will not be charged directly to Earmarked Reserves and transfers to and from Earmarked Reserves will be distinguished from service expenditure in the Statement of Accounts.

### **5. Management of Earmarked Reserves**

5.1 For each Earmarked Reserve that is established the following will be clearly documented:

- a) The reason for/purpose of the Earmarked Reserve
- b) The types of expenditure for which the Earmarked Reserve will be used
- c) The basis of transactions within the Earmarked Reserve

d) Any change of circumstances or reasons that prevent a Reserve being used for its agreed purpose

## 6. Role of Responsible Financial Officer

6.1 Reserves will be managed and reviewed by the Responsible Financial Officer (RFO) on a transaction by transaction basis to ensure that expenditure is being taken from the correct reserve and that no reserve is overspent.

6.2 The RFO and Town Clerk will review the appropriateness of each reserve, making recommendations as to which reserves should be earmarked in the next financial year as part of the budget setting process and year end process.

6.3 Any reserves that are no longer appropriate or required shall be transferred back to the General Reserve.

## 7. Review of existing Earmarked Funds

7.1 Table 1 – Movement in Earmarked Reserves across 2017/18 and 2018/19 to date

Account number	Earmarked Reserve	Balance at 1 <sup>st</sup> April, 2017	Balance at 1 <sup>st</sup> April, 2018	Balance at 31 <sup>st</sup> December, 2018
315	Rolling Capital Fund	£60,923.35	£47,840.71	£28,034.65
321	Town Centre	£17,220.50	£0.00	£0.00
322	Building Fund	£4,906.46	£753.33	£753.33
323	Asset Renewal Fund	£94.00	£0.00	£0.00
324	Recreation Development Fund	£46,063.55	£38,092.55	£37,629.55
325	Partnership Fund	£14,254.00	£14,254.00	£0.00
326	Crime Prevention Fund	£500.00	£500.00	£500.00
327	Election Expenses Fund	£22,329.00	£22,329.00	£22,329.00
328	Vandalism Global Fund	£7.00	£0.00	£0.00
329	Property Maintenance Fund	£3,193.96	£269.59	£269.59
330	Vision	£0.00	£0.00	£1,159.08
331	Events	£1,420.00	£300.00	£300.00
332	Allotments	£66.00	£0.00	£0.00
333	Flood Grant	£22,827.00	£22,327.00	£21,827.00
335	Lower Way Workshop	£10,838.00	£5,950.00	£5,950.00
339	Environmental Strategy	£989.64	£0.00	£0.00
342	Fairtrade	£833.00	£833.00	£833.00
343	Youth	£6,883.00	£6,883.00	£6,883.00
344	Old Bluecoat School	£295.53	£1,295.53	£3,295.53
345	VC Stones Panel	£360.00	£360.00	£0.00
346	Highways Safety Fund	£1,500.00	£1,500.00	£1,500.00
347	Henwick Worthy Astro Turf	£0.00	£6,978.11	£21,232.11
348	Civic Regalia	£0.00	£660.40	£660.40
349	Edible Thatcham	£0.00	£1,159.08	£0.00
350	Outreach Youth Project	£0.00	£21,377.94	£21,377.94
351	Community Projects Fund	£0.00	£25,197.00	£18,703.62
352	WW1 Events	£0.00	£195.00	£0.00
353	Developer's Contributions (Section 106)	£0.00	£30,497.78	£15,026.99
354	CIL 2016/17	£0.00	£6,270.73	£0.00
355	CIL 2017/18	£0.00	£0.00	£33,772.36
356	CIL 2018/19	£0.00	£0.00	£24,496.86
	<b>TOTAL</b>	<b>£215,503.99</b>	<b>£255,823.75</b>	<b>£266,534.01</b>

7.2 The adequacy and level of Earmarked Reserves has been reviewed. It is recommended that:

- a) funds with a zero balance at the end of the financial year will be deemed to be closed
- b) the following funds will be retained for the financial year 2019/20 because they are required for operational, statutory or administrative purposes:

Account number	Earmarked Reserve
315	Rolling Capital Fund
324	Recreation Development Fund
327	Election Expenses Fund
330	Vision
333	Flood Grant
344	Old Bluecoat School
347	Henwick Worthy Astro Turf
350	Outreach Youth Project
351	Community Projects Fund
353	Developer's Contributions (Section 106)
355	CIL 2017/18
356	CIL 2018/19

- c) the following funds will be closed at the end of the financial year 2018/19 and balances returned to the General Fund because they are no longer required:

Account number	Earmarked Reserve	Balance at 31 <sup>st</sup> December, 2018
322	Building Fund	£753.33
326	Crime Prevention Fund	£500.00
329	Property Maintenance Fund	£269.59
331	Events	£300.00
335	Lower Way Workshop	£5,950.00
342	Fairtrade	£833.00
343	Youth	£5,883.00
346	Highways Safety Fund	£1,500.00
348	Civic Regalia	£660.40
<b>TOTAL</b>		<b>£16,649.32</b>