



TODMORDEN TOWN COUNCIL

**Item 23 – Resources Committee
24th Feb 2020**

TODMORDEN TOWN COUNCIL

REPORT TO RESOURCES COMMITTEE

REPORT AUTHOR	Colin Hill Town Clerk and Responsible Financial Officer
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Date	24th February 2021
SUBJECT	Reserves and Treasury Management

PURPOSE OF REPORT

1. To ask Members to note that the Reserves and Treasury Management Policy should be reviewed annually to be satisfied that it remains appropriate, especially should the nature of the Council's activities materially change.
2. To inform Members that the Clerk in his combined role with that of the Responsible Financial Officer has reviewed the existing policy and save for some minor changes and the updating of Earmarked Reserve levels, it remains relevant to the nature of activities of the Council - see Appendix 1 – changes highlighted in yellow.
3. To inform Members that the year-end Earmarked Reserves position will stand at £159,913 and Members should take this opportunity to review the appropriateness of retaining these levels, noting that there has been no need to increase Precept this year.
4. To inform Member that the General Reserves level (our contingency to meet unknown calls on funds) is forecast for the year end to still meet the £80,000 level set within this Policy.
5. To inform Members that during the year because of virtually nil interest rates, no additional placing of term deposits has taken place, but a "cash management" account was established to hold the bulk of our funds separate from the current account to minimise risk of fraudulent activity.
6. To advise Members that during the year one fraudulent debit card withdrawal was made on the bank account in a small amount leading to immediate reimbursement from our bankers and a change of Debit Card. The Clerk has text advice of any new payee set up as a further precaution.

FINANCIAL IMPLICATIONS

7. The general guidance is that Precept should not be simply used to bolster up Financial Reserves without any planned or justifiable contingency need.

8. The level of Earmarked Reserves standing at £159,913 is healthy for a Town Council of this size given that it has no high-risk property asset nor is delivering direct services. They do however reflect the ambition to work with others to help and facilitate and potentially enable the leveraging in of more funds to benefit the residents of Todmorden.
9. The ambition to help deliver a major project is reflected in the Community Development Reserve standing at £60,000.
10. The Levels of Earmarked Reserves are included within the Policy but for ease of Reference are detailed below for Members consideration.

Title	Amount	Purpose	Anticipated length of Reserve	Future years intention to build up increased amount
Emergency flood repair	£20,000	High risk of flooding. Contingency to assist local residents in case of need	Ongoing	No
Skate Park	£5,000	To enable grant funding to be progressed- covers scheme work up, research and grant funding applications by external consultants.	Within 21/22 financial year	No
Elections	£5,000	To meet cost of one bye election should a vacancy be declared	Ongoing	Yes subject to review
Station Access	£25,000	Capital contribution towards Network Rail improvements to station accessibility	Two years	No
It upgrades	£4,900	To meet cost of IT improvements- under review pending potential, relocation and future need	Within 21/22 financial year	No
Community Development	£60,000	Designed to help lever in greater investment by way of matched funds type contribution.	Ongoing	From surplus year end General Reserve or transfer from other Earmarked Reserve.
Festive Lights Replacement	£7,500	New festive lighting scheme introduced in 2020 – est replace year 8	Ongoing for 7 years	Within budget set each year to increase to £60,000
Remembrance Parade	£2,500	Potential to need to deliver event from 2021	Within 2021/22	No – then from revenue budget
Non-Precept grant phasing	£17,745	Potential of non precept grant income being reduced by CMBC- financial contingency	Ongoing	No
Budget Phasing	£7,268	Contingency to meet budget requirement over 3-year period where year 1 indicated revenue shortfall	Ongoing	Subject to change each year
Covid 19 Assist	£5,000	To provide assistance to groups who are delivering Covid 19 relief	Within 2021/22	Subject to review and need

RECOMMENDATION

11. That Members agree that the Draft Reserves and Treasury Management document remains appropriate and recommends to Full Council to adopt.
12. That Members consider whether any changes to the level of Earmarked Reserves other than those already included within the 2021/22 budget are required.
13. That should Interest Rates improve for investing funds, consideration be given to use of fixed term deposits in line with the proposals contained within the Policy.

REASONS FOR RECOMMENDATION

14. The Resources Committee should keep under review the Reserves and Treasury Management document.
15. The Resources Committee as the Committee with delegated responsibility for overseeing the financial affairs of the Council is required to review the level of Reserves before making recommendation to Full Council.

POLICY IMPLICATIONS:

16. None arising from this report.

DETAILS OF CONSULTATION:

17. None arising from this report.

CLIMATE CHANGE:

18. None arising from this report.

IMPACT EQUALITY ASSESSMENT

19. None arising from this report.

SUPPORTING PAPERS:

20. Appendix 1 - Draft Reserves and Treasury Management.

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill