

Item 7 – Full Council 17th November 2021

From : Colin Hill Town Clerk and Responsible Financial Officer

To: Todmorden Town Council

Date 10th Nov 2021

Information note Re Earmarked and General Reserves

Levels of Reserves

Member will note from the financial summary with this item that Earmarked Reserves stand at a healthy £198,010 but General Reserves are forecast for year end at £71,404 - below our approved threshold of £80,000.

General Reserves

The figures are after effecting a number of movements to Earmarked Reserves as is the standard process at this time of the year, but also following approval by Resources Committee of work estimated to cost c £25,000 for Patmos Gardens improvements, and an increase of £5,000 budget in respect of a strong likelihood of a bye election being called for Walsden Ward.

Within existing budgets totalling £555,562 for the year, It is the view of your TC/RFO that there is still likely to be some underspend in areas of :-

Resources – Overall Grant availability currently at £6,500

Climate - £6,000 (this may be one to Earmark for next years activities in addition to normal revenue budget as the Climate Officer then moves towards implementing the Action Plan)

Development -Neighbourhood plan £5,000 – again may be appropriate to end of year Earmark

General other budgets - £5,000 depending upon routine operational spend

Earmarked Reserves

Members always have the ability to call back Earmarked Reserves if needing to bolster back revenue spend.

With a healthy level of EMR, there is no financial pressure to call back into General Reserves, but there is capacity especially within the Community Development Reserve that has no specific project against it allocated, and at £55,000 it is in itself in a healthy position.

There is also an Election Reserve of £12,500 that is aimed towards getting to £15,000 to be able to meet the cost of all out elections in 2023.

Whilst the revenue budget has been increased to meet this year's two casual vacancy costs, should we have another one, there may be a need to call on this EMR before year end.

Recommendation

The forecast estimate at £71,404 is just that, an estimate. Our actual General Reserves level, reflecting unspent budget, stands at £254,484 and we are not in breach of our criteria, set as part of our financial policy.

It is proposed to carry this position until it unwraps closer to the end of the financial year when further recommendation regarding any surplus above £80k General Reserves will be made.

Members should however note where we could be if all current budgets were spent up and perhaps exercise some caution from now on in this financial year with regard to new projects - not least as well as Officers have a full case load to deliver existing projects where budgets are already allocated.