

POLICY AND RESOURCES COMMITTEE

8th MARCH 2021

REVIEW OF RESERVES 2020/21

At the January Council meeting the Budget for 2021/22 was considered and approved where the Council agreed not to increase the precept.

This financial year has been unprecedented and extremely challenging for all especially in our sector, however we have been very fortunate to have been eligible for grants which have helped immensely along with all staff who have worked diligently with careful planning to ensure all works carried out and savings made wherever possible while still being accessible for the public and able to support and assist where necessary. With this in mind this year the Reserves report is more for Members to consider a Reserves Policy and a new structure to the Reserves and a general consensus of how they wish any possible underspends to be reflected.

The current reserves are shown in the Income and expenditure accounts (previously considered in the meeting) and in the attached document. These figures will be reviewed at the year end when the Accountant undertakes the year end adjustments.

Finance training was held in November 2020 and part of the training was with regard to the Reserves. Since then the Senior Finance Officer has undertaken work to consolidate the Reserves which is set out on the attached spreadsheet. The Town Clerk has produced a Reserves Policy outlining the different Reserves. Members are requested to consider the revised list of Reserves and the recommended Policy.

In previous years each area of the Council would be looked at to see if there may be underspends which could be transferred to an Earmarked Reserve, however with the pandemic there is a possibility this year there may be a deficit which is very difficult to predict at this time but if there is a deficit this will need to be met from either reserves or the general fund. However, should the Council be fortunate enough to have a surplus Members are requested to consider if they would like this to be transferred to the relevant Earmarked Reserve for example in the 2020/21 budget a sum of £10k was set for improvements to the Town Hall toilets however, these works have not been undertaken due to the pandemic and this could be transferred to an Earmarked Reserve and similarly with any underspends for Youth and Health.

Members are asked to consider the following:

- a) if a deficit where this should be taken from
- b) the new Reserve structure
- c) the proposals regarding any surplus at the year end and to delegate this to the Town Clerk to transfer to the relevant Earmarked Reserve
- c) Reserves Policy

Members are invited to endorse the view that should any other balances be available, that they be allocated to the General Reserve, which at the 31st March 2020 was £310,271 (£212,746 in Earmarked Reserves).

As the Responsible Finance Officer and Town Clerk I commend the figures to the Committee and would particularly wish to pay tribute to the Town Council staff in producing such excellent results despite the challenging year and these figures are a testament to the dedication of the team in continuing to deliver high quality services in unprecedented times.

Jonathan Parsons
Town Clerk

Pauline Cleal
Senior Finance Officer