**General Reserve Policy and** **Earmarked Reserve Review 2024/25**

**Report of the Clerk 8th April 2024**

In accordance with the Joint Panel on Accountability and Governance (JPAG) 2023 section 1.13 and 5.30 ‘the authority needs to have regard to the need to put in place a General Reserve Policy and have reviewed the level and purpose of all Earmarked Reserves’ and ‘reviews them annually as part of the budget assessment process’ (AGAR Certificate section D).

Reserves: The Town Council holds reserves for two main purposes:

i. projects approved but not yet delivered ie a form of carry forward.

ii. Funds against possible one-off costs arising from BTC liabilities in respect of the project ( allotments, toilets , Xmas lights etc)

This report:

1. suggests wording for a General Reserve Policy
2. reviews Earmarked Reserves
3. makes suggestions for changes.
4. **DRAFT General Reserve Policy Statement – suggested wording.**

It is essential that authorities have sufficient reserves (general and earmarked) to finance both their day-to-day operations and future plans.

Baildon Town Council has a General Reserve of c.£189,000 of which £100,000 is held in a low-risk (public sector) interest bearing account. The interest will be applied annually with the first interest being applied end of March 2025.

It is generally accepted that authorities of our size maintain a General Reserve level of between 3 – 12 months of net revenue expenditure (JPAG 5.33). Currently BTC’s net revenue expenditure is c.£330,000 – so Baildon Town Council has c. 6-7 months in General Reserve.

All matters with regard to the holding and disbursement of reserves will be conducted in line with Financial Regulations, BTC Standing Orders, the JPAG 2023 guidance and Terms of Reference of Committees.

Baildon Town Council believes that it its General Reserve is appropriate to its size, situation and risks. These are analysed on the Council’s Risk Assessment.

Baildon Town Council will ensure that the level and rationale for reserves is transparent and published.

1. **Earmarked Reserves** **(ER)**

These should be held for genuine and justifiable purposes and projects and their level should be subject to regular review and justification – at least annually (JPAG 5.38). The following Table indicates the reserve name, amount we hold at 1st April 2024 and an accompanying note.

|  |  |  |
| --- | --- | --- |
| **Reserve name** | **2024/25** | **Note** |
| Future of Baildon Moor | £1,000.00 | Still required |
| Ear Marked Reserves: Allotment | £6,944.53 | Fully committed by March 2026 on Thompson Lane rear fence |
| Ear Marked Reserves: CIL | £0.00 | Need an ER to move this income into. |
| Earmarked Reserves: Toilets | £0.00 | **Proposed**: Create new ER to address vandalism, repairs and improvements out with budget. |
| Ear Marked Reserves: Bracken H | £2,036.29 | Outdoor signage review project. |
| Earmarked Reserves-Harley Rally | £1,500 | Annual event, still required. |
| Earmarked Reserve-Baildon Station Imprv | £2,650.00 | Still required. |
| Earmarked Reserves - Planning | £5,000 | To bridge the gap between grants for NDP development |
| Earmarked Reserves: Benches | £4,939.44 | Benches in rural locations & to supplement the budget for upkeep of the village benches. |
| Jubilee bench | £793.00 | Still to source an appropriate bench |
| Jubilee | £1196.03 | Not used. **Proposed**: Move to another ER or General Reserve? |
| Visit Baildon | £4,024.00 | Fully committed by March 2025 on website contract and development |
| Economy reserves | £632.51 | **Proposed:** Move to new Toilet Contingency Reserve |
| Green Spaces | £20,457.03 | Fully committed (bar £457.03) by end June 2024 on Jenny Lane. |
| BHCC electrical work | £3,000 | Committed to fuse box work and heaters. |
| Christmas Lights / Switch on | £4,133.81 | Christmas lights year on year development |
| Woodland Play - Jenny Lane (new ER) | £3,200 | Still required – pending project start |
| Defibs (new ER) | £518.83 | A new ER to fund unexpected replacements and repair to 3 defibs. (Community Committee) |
| Tree planting | £3,000 | Required. Some of this reserve contains donations to be used only for this purpose. |
| **Sub Total** | **65,025.47** |  |

1. **Resolutions:**

Governance Committee is asked to resolve:

1. To recommend to Full Council the creation of a **Toilet Contingency Reserve £3,000** using the Economy reserve (£632.51) and making the up the balance to £3,000 using £2,367.49 of General Reserve for major incidents of vandalism or improvement/developments which cannot be covered from within the budget (£2,000). Recommend to Full Council that this reserve is delegated to the Clerk in consultation with the Chair of Economy Committee.
2. Recommend to Full Council that the **Jubilee ER** (£1,196)is moved to General Reserve.
3. Recommend to Full Council that in 2025/26 £3,000 of General Reserve is moved to **Allotment Reserve** to reinstate this reserve (following the approved expenditure at Thompson Lane) for unforeseen improvements/development and repair at allotments.

Future of Baildon Moor £1,000.00

Ear Marked Reserves: Allotment £6,944.53

Ear Marked Reserves: CIL £0.00

Earmarked Reserves: Toilets £0.00

Ear Marked Reserves: Bracken H £2,036.29

Extra-ordinary expenditure £0.00

Earmarked Reserves-Harley Rally £1,500.00

Earmarked Reserve-Baildon Station Imprv £2,650.00

Earmarked Reserves - Planning £9,810.00

Earmarked Reserves: Benches £4,939.44

Earmarked Reserves: Jubilee £1,196.03

Jubilee bench £793.00

General Fund £274,485.72

Visit Baildon £4,024.00

Coronation Bench

Coronation Bench £0.00

Economy reserves £632.51

Green Spaces £20,457.03

BHCC electrical work £3,000.00

Cost of Living Grants £0.00

Walkers are Welcome (£250 allocated 22/23) £0.00

Road Closure Training (Community Safety) £0.00

Salaries £0.00

Earmarked

Christmas Lights / Switch on £4,133.81

Woodland Play - Jenny Lane

Woodland Play - Jenny Lane £3,200.00

Footpaths ER

Footpaths ER £500.00

Defibs ER

Defibs ER £518.83

Tree planting £2,849.75

£344,670.94

£344,670.94

14/03/24 01:02 PM Vs: 8.96.01 ***Baildon Town Council*** ***Page 1***