

Wem Town Council Earmarked Reserves 2024-2025

The purpose of earmarked reserves are:-

- To prevent an uneven impact on the precept, by allowing reserves to be set aside for specific projects and contingencies.
- To set aside amounts for projects that extend beyond one year.

It is the responsibility of the Responsible Financial Officer in consultation with the Town Council to ensure reserves are spent in line with their purpose. The most commonly established earmarked reserves and the rationale behind why such reserves are created are as follows:-

Category of Earmarked Reserve	Rationale
Sum set aside for major schemes, such as building projects, asset purchases etc.	Where expenditure is planned in future accounting periods, it is prudent to build up reserves in advance.

Each earmarked reserve held by Wem Town Council identifies:-

- The purpose of the reserve
- How and when the reserve can be used
- A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

The Town Council's Reserves Policy states that earmarked reserves are reviewed annually and the purpose of this report is to undertake that review and recommend future earmarking of reserves.

Earmarked Reserves as at 31.3.24

Earmarked Reserves	Amount 31.3.24	Purpose	2024-25 Recommendation
Bulmer Cottage Reserve Fund	£18,511.36.	From sale of Bulmer Cottage for Expenditure on Recreation Ground/ Swimming Pool/ Butler Sports Centre.	Maintain
Developers Contributions Account	£34908.61	Provision of play equipment funds from development includes £65,000 contribution in 2019 from Wilmott Meadow POS	Maintain
Transformation Approved 27.4.17	£35741.26	Asset upgrades	Maintain
Streetlighting Remaining allocation from £60,000 LED conversion approved 27.4.17	£24673	Column replacement to be spent June 2024	Maintain
Neighbourhood Fund	£30756.52	Neighbourhood Fund should be spent within 3 years of receipt. To date only £2300 of NF funds has been spent on the purchase of a see saw	Maintain

Elections	£5024	Election costs maintain cost of 1 election per ward approx. £5152 (2017 cost)	Increase in preparation for 2025 elections
Pensions	£7572	Future pension increases	Maintain
Play Equipment 2023	£2500	Replacement equipment	Increase see details below
Highways	£1886	Temporary traffic system Signage contribution	Maintain
Cemetery Extension	£0	All allocations used up but funds needed for cremated remains section, repair to roadway and to secure future burial space in town	Increase see below
Heads up Project	£13083	Mental Health Project Project costs £10500 per year so sufficient allocation for a further year.	Maintain
Public Toilets 24.9.21	£5000	For use on maintenance on toilets– to be used in 2024 to replace doors on toilets	Maintain
Recreation Ground Toilets	£1866	For use on maintenance on toilets	<i>Combine with public toilets</i>
Lamp post poppies 26.11.20	£180	To cover replacement poppies	Maintain
Blooming Wem	£500	For use on floral planter	Maintain
Skate park	£2900	To build up funds to replace skate ramps	Maintain
Staffing	£57.78	Staff overtime	Remove
Wem Economic Forum	£1610	Balance of funds from bank account	Maintain to be used for business networking events
Christmas Festival	£500	For running festival	Maintain
Recreation Ground Railings	£10,000	Railings replacement	Remove
Total	£202,005		

Proposals for new Earmarked Reserves 2024-25

It is suggested that £10,057.00 is removed from Earmarked Reserves and £52,000 is added to earmarked reserves as detailed below

Earmarked Reserves	Amount	Amount	
	31.3.24	2024.25	
Bulmer Cottage Fund	£18,512	£28,512	Return £10,000 to Bulmer Cottage Fund
Developers Reserve fund	£34,908.61	£34,908.61	
Transformation	£35,741.26	£35,741.26	
Streetlighting	£24,673	£24,673	
Neighbourhood Fund	£30,756.52	£30,756.52	
Elections	£5,024	£10,024	Increase to ensure sufficient reserves for an election in each ward 2025
Pensions	£7,572	£7,572	

Play Equipment	£2,500	£7,500	Allocate from 2023 -24 underspend on play equipment and maintenance to play equipment EMR
Highways	£1,886	£1,886	
Cemetery Extension	£0	£10,000	Allocate £10,000 from additional income received in 2023-24 for burials EMR to Cemetery extension for memorial garden works and roadway repair
Heads up Project	£13,083	£13,083	
Public Toilets	£5,000	£5,000	
Recreation Ground Toilets	£6,601	£6,601	
Lamp post poppies	£180	£180	
Bloomimg Wem	£500	£500	
Skate park	£2,900	£2,900	
Staffing	£57.78	£0.00	
Wem Economic Forum	£1,610	£1,610	
Swimming pool	£0	£4,500	Underspend from 2023-24 budget Swimming Pool for structural works to swimming pool
Council office	£0	£1,500	Allocate from underspend on office for further upgrade works (e.g ring bell/ decoration -subject to new lease being agreed)
Christmas lights	£0	£15,000	Allocate form 2023-24 underspend to facilitate year 2 and 3 lighting upgrade (£21000 allocated for this purpose from reserves in 2023-24 budget
Christmas Festival	£500	£1,500	Allocate donation from Rotary Donation for 2024 lights switch on
Rec railings	£10,000	£0	Remove
Total Earmarked	£202,005	£243,947	

General Reserve

Based on the balance of accounts at 1.4.24 of £432,167 the allocation of an extra £52,000 will reduce general reserves from £230,162 to leave a general reserve of £188,220

The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events, and unusual circumstances. The Practitioners' Guide states that 'in practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve' and advises that potential loss of income should also be factored in. Based on the 2024/25 Expenditure budget of £464,670 this equates to a general reserve of at least £116,167, so the General Reserve left following this earmarking for 2024-25 complies with the guidance.