



Clerk Report – Earmarked Reserves 2023

Council Actions Required (agenda items)

- To determine the earmarked reserves to support budget setting for 2024/2025

Background

NMPC holds a healthy sum in reserves. Whilst earmarked reserve balances are not limited by legislation the council should be certain that reserves are being held for valid purposes and are not being held without any planning for their future use.

Under NMPC financial regulations these balances should be reviewed for suitability when considering the budget for the new financial year (NMPC financial regulations 3.3).

Any amendments should be decided by the council (NMPC financial regulations 4.9).

The External Auditor will also check that the balances are fair and consistent with the size of the council. General reserves are separate from the earmarked reserves and are there as the plus or minus figure at year end once all expenditure has been met. This is the ‘pot’ that we can use for any unexpected or unplanned expenditure i.e., items that are emergencies or are required for projects that arise during the year after the budget has been set. At the end of the last financial year NMPC held £24036 in general reserves. This amount should not exceed the advised levels. We are within the prescribed limits. ⁱ

Considerations & Clerk Recommendations

As the business planning group are still shortlisting the potential projects for the new council term it is not possible, at this time, to determine the exact levels required for the plans. The clerk is recommending that some of the unspent, existing reserves are moved to start growing the earmarked reserves for these new projects.

Once each project is signed off by council, and the expenditure levels determined it is suggested that funds are moved across to a new separate earmarked reserves budget line with the appropriate level of monies apportioned to undertake a particular proposed project.

Existing Reserves and Proposed amendments

	Current	Proposed		
Business Exp	15985	10000	5985	move to 4 yr. plan reserve
Playpark	4981.64	4981.64		
Bench & Plaque	0	0		
Elections 2023	2498.44	0	2498.44	move to 4 yr. plan reserve
Elecions 2027	3000	3000		
Elections 2030	3000	3000		
Community Support	7896.15	5000	2896.15	move to 4 yr. plan reserve
Village Hall Support	21.6		21.6	move to 4 yr. plan reserve
Verges	10000	10000		

Community Events	404.11	404.11		
Projects defib Denes, Jubilee	6906.09	6906.09		
CIL (Community Infrastructure Levy)	11501.34	11501.34		
The Denes CCTV	20.9	0	20.9	move to 4 yr. plan reserve
Rewilding	0			
*****new heading Nov 23**				
4-year plan reserves		11422.09		
Total	66215.27	66215.27	11422.09	

Nikki Bugden
Clerk & RFO
5/10/2023

ⁱ *The Practitioners Guide 5.33 dictates "The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure"*