



A description of the reserves maintained by Ringwood Town Council and how they will be managed

General principles guiding the management of reserves:

1. Annual budgets should make adequate provision for expected recurrent expenditure without recourse to reserves.
2. Significant expenditure of a non-recurrent or capital nature (whether planned or unplanned) should be met from either a suitable ear-marked provision that has been built up over time or a loan repayable over time, in order to spread the cost over an appropriate number of financial years, thus avoiding either unfair calls upon local council tax-payers in any one year or excessive fluctuations in the precept.
3. Receipts of a capital nature and/or for specific or restricted purposes should be treated in a manner that fully respects the Nolan principles of accountability and openness.
4. This document should be **consulted**
 - Before funds are transferred from or added to any reserve;
 - When an Annual Financial Risk Assessment is undertaken;
 - When an Annual Governance Statement and Accounting Statements are considered; and
 - When a Budget is being considered and before a Precept is agreed.
5. This document should be **reviewed**
 - Before an existing reserve is re-named, re-purposed, reduced to nil, closed or merged with another reserve;
 - Before a new reserve is created;
 - When a significant change in the financial risks facing the Council occurs; or
 - When a significant change in the Council's assets or plans occurs.

Schedule of reserves				
Title	Proposed annual contribution	Balance 1/4/23	Purpose(s)/Function(s)	Management

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Ear-marked provisions and reserves				
I.T. & Equipment Fund	£2,700	£22,900	To meet the cost of completely replacing/updating the computers, telephones and related equipment when obsolete or at the end of life.	The last major upgrade in FY 2019/20 cost £35,000, met from this reserve. New technology is expected to reduce this to £30,000. Annual contributions of £2,700 to bring the reserve back to this level by 2026
Gateway Fund	£0	£25,000	To meet expected future demands for contributions towards the costs of major repairs or capital works to The Gateway council offices building. Original contribution to building costs was £300,000. Our contribution to major repairs or capital works is not expected to exceed £25,000	We will maintain the Gateway Fund at £25,000. Further contributions to this fund have been suspended.
Burial Grounds Fund	£1,000	£23,533	To meet expected future capital costs of either extending or improving the cemetery owned and managed by the Council or of maintenance works to memorials there or to the closed churchyard for which the Council is liable. The Council is expected to provide further cemetery capacity once the existing cemetery is full.	This fund is expected to be completely applied towards the Columbarium project in FY2023/24. Thereafter contributions of £1,000pa to build and maintain reserve of £10,000
Elections Fund	£5,000	£12,542	To meet expected future demands for contributions towards the costs of elections to membership of the council (both predictable and non-predictable) (not currently expected to exceed £20,000)	Annual contributions of £5,000 from FY 2024-25 to achieve a target balance of £20,000 in an election year
Vehicle & Machinery Fund (currently under review)	£20000	£33,572	To meet the cost (currently estimated at £233,000 in total) of replacing each vehicle or large item of machinery used by the Council's Grounds Maintenance Staff at end of life or every 10 years.	We will increase the transfer to £20,000 into this reserve in 2024-25, and monitor funds against projected investment to achieve a consistent call on the revenue account.

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Play Equipment Fund	£6,900	£8,716	To meet the cost of replacing/updating or conducting major repairs to children's play equipment on the various sites owned or managed by the Council according to a cyclical programme of prioritised works commissioned every 3 years (currently estimated at £40,000 per cycle)	We drew heavily on this fund for essential safety surfacing repairs in 2021-22 and 2022-23. We now plan to make annual contributions of £6,900 to achieve a total of £40,000 by FY 2026/27.
Carvers Clubhouse Equipment Fund	£1,000	£4,682	To meet the capital costs of any equipment purchases, replacements or enhancements.	Annual contribution of £1,000 from 2024/25
Events Fund		£811	<ol style="list-style-type: none"> 1. To act as a contingency fund against possible losses incurred by the Council in organizing public events in Ringwood. 2. To provide a fund for the awarding of grants to other organisations to cover costs of putting on events in Ringwood. 	<p>Surpluses generated by events will be transferred into this fund. Deficits incurred by events will be met from this fund.</p> <p>Grants or donations from other organisations into this fund will be accepted.</p>
Buildings Reserve	£5,500	£61,667	To act as a sinking fund to cover costs of major building repairs (for which the Council is liable) at Greenways, Carvers Clubhouse or 92 Southampton Road (not currently expected to exceed £75,000)	We will transfer £5,500 each year into this fund to achieve a total of £75,000 by FY 2030-31, at which point contributions will be reconsidered and possibly suspended until funds are applied.
Carvers Recreation Ground Fund		£4,363	To Develop a masterplan for the entire site	We plan to draw these funds in 2023-24 for the development of the strategic plan. Contributions in later years will be assessed in light of development plans yet to be agreed.
Carvers Sheds Feasibility		£4,000	To fund the "feasibility study" for redeveloping the sheds as a hub for the grounds team	As above.

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Infrastructure & Open Spaces Fund	£3,000	£15,370	To meet the costs of: <ul style="list-style-type: none"> replacement of or major repairs to infrastructure (benches, bus-shelters boardwalks, notice-boards, etc.); or major tree works or other environmental works or enhancements not covered by annual budgets. 	We will transfer £3,000 unless and until the fund total reaches £24,000 at which point contributions will be reconsidered and possibly suspended until funds are applied.
Memorial Lantern		£1,161	This fund has been created to collect funds in order to provide a lasting memorial to fallen servicemen and women from the town.	The fund has been largely applied and the remaining balance will be applied in 2023/24
Neighbourhood Plan		£1,227	This fund was created to preserve an unspent balance on the revenue account, for which the planned spend will occur in subsequent years.	This fund is expected to be fully applied by FY2023/24
Football development Project		81,542	This fund was created during 2022/23 to hold grants, developer's contributions and other funds held on behalf of the football development project at Long Lane	This fund will be fully exhausted by the football development project
Budget Underspends from 21/22		£1,290	This reserve was created to allow a limited number of specific budget underspends to be available for use in the following year.	The reserve will be fully exhausted during the year
Capital reserves				
Developer Contributions		£5,560	Contributions received towards the cost of facilities and infrastructure pursuant to planning obligations entered into under section 106 Town & County Planning Act 1990. A further contribution of £10,000 was received in 2023/24 in respect of Crow Stream flood prevention	Officers will bring forward proposals for making use of these funds when suitable opportunities become apparent.
Cemetery Maintenance		£750	A commuted sum received by way of contribution to the costs of maintaining burial grounds in the town.	A sum of £230 will be drawn down each year by way of such contribution until it is exhausted (in or about 2026-27)

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Community Infrastructure Levy		£25,293	The Town Council's share of CIL receipts collected by NFDC and remitted half-yearly.	Councillors will make proposals for use of these funds for decision by the Council (or a committee under relevant delegated powers).
Capital Receipts		£18,942	Proceeds from past sales of Council-owned assets (currently standing at £18,942). It is proposed that the balance of this reserve be transferred to the vehicle replacement fund	Officers will bring forward proposals for making use of these funds by purchase of suitable assets when appropriate needs become apparent.
Grants Unapplied		£4,335	Unused balances from grants received currently standing at £4,335 with a further £1,118 received in 2022-23	This is the balance of the COVID relief grant received in 2020/21. £4,071 and will all be applied in FY2023/24
Loans Unapplied		£0	A temporary holding fund for loans received but not used (currently standing at £499,825 re the football development project, received in July 2023).	If and when loan monies are received in future they will be transferred into this fund to the extent that they have not been spent for the required purpose at the relevant FY end and transferred out when they are so spent.
			General reserve	
General reserve		£259,040	<ol style="list-style-type: none"> 1. Default recipient of funds under-spent from annual budgets. 2. Default source of funds for over-spends on annual budgets. 3. Provision against all risks and contingencies not covered by an ear-marked or capital reserve. 	When agreeing annual budgets and setting precepts or when adjusting reserve balances in year we will aim to ensure that the expected balance of the general reserve at the financial year end will be roughly equivalent to 50% of the precept set for that year.
Other Balance Sheet Reserves				

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Rent and allotments deposits		£18,163	This reserve is a device to account for rent, ground condition and key deposits held on behalf of tenants and other key holders. The funds are not available to the Council as they represent a deferred liability.	Any deposits received or repaid during the year will be transferred to this reserve.

Adopted: November 2023