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| **Report Number 10.1** | **Council**  **Date of Meeting: 8th January 2024** |

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| **OAKHAM TOWN COUNCIL** |

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| **Report Author:**  **Town Clerk / Cllr A Lowe** | **Title:**  **Earmarked Reserves** |
| **Subject: Establishment of Earmarked Reserves** | |
| **Applicable Strategies:**   * **To protect and enhance amenities in Oakham Town** | |

The assets owned by Oakham Town Council have for too long been neglected and repairs and renovations been not addressed.

The Council should from now on maintain reserves for two main purposes:

• **General Reserve:** A contingency to allow for the impact of unexpected events or emergencies – this is the general reserves which should be between 50% and 100% of the precept value.

**• Earmarked Reserve:** A mechanism to building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the general fund.

Earmarked reserves are generally built up over time and are targeted for specific items of capital expenditure to meet known or anticipated liabilities or projects. The ‘setting aside’ of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year. An example of this would be the Play Equipment at Cutts Close, which is demonstrating signs of aging and in a few years’ time will all need replacing, a considerable expense. Each year funds will be set aside and accumulate to a stage where this capital project is achievable.