



Lowestoft Town Council Reserves Policy

1.0 Introduction

- 1.1 Lowestoft Town Council is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out how the Council will determine and review the level of reserves.
- 1.2 As authorities have no legal powers to hold revenue reserves other than those for reasonable working capital needs, or for specifically earmarked purposes, whenever an authority's year-end general reserve is significantly higher than the annual precept, an explanation has to be provided to the auditor.
- 1.3 Although sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement, there is no specified minimum level of reserves that an authority should hold. It is the responsibility of the Responsible Financial Officer and the Council to determine the level of reserves and to ensure that there are procedures for their establishment and use and in all circumstances the Council and relevant committees must be alerted if the reserves are at 3 month's or at realistic risk of reaching three months' of the precept for the relevant year
- 1.4 This Council conducts a major review of its reserves through its annual budgeting process and, on an ongoing basis, through at least once (usually twice) per month scrutiny of its finances through formal meetings. Additionally, day-to-day management of financial matters by the Responsible Financial Officer and scrutiny by working groups of councillors ensure that changes affecting risk management and reserves levels are identified and alerted to Council.

2.0 Types of Reserves

- 2.1 Reserves can be categorised as earmarked (held for a specific purpose) or general (other reserves held as part of strong financial management, including to cushion the impact of uneven cash flows or unexpected events). There is some degree of hybridisation with the Repairs and Maintenance (undesignated assets) and Capital Works (undesignated assets) Earmarked Reserves, which exist for the specific purposes that their names suggest but also incorporate some contingency element for unexpected or emergency events.
- 2.2 Earmarked reserves can be held for several reasons. As the name suggests these represent amounts which are 'earmarked' for specific items of expenditure to meet known or predicted liabilities or projects. Earmarked reserves can be used to spread expenditure commitments over a period of time thereby reducing the impact of that commitment on any one year.

Earmarked reserves are typically held for:

- Renewals - used to plan and finance an effective programme of equipment replacement, planned property repair and maintenance or grounds maintenance. These reserves are a mechanism to smooth expenditure so that a sensible replacement programme can be achieved without the need to vary budgets.
- Carry forward of under-spend - Some expenditure budgeted for projects in a given financial year cannot be spent in that year. Reserves are used as a mechanism to carry forward these resources.



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- Insurance – to enable the Council to meet excesses not covered by insurance
- Other Earmarked – may be set up from time to time to meet known or predicted liabilities.

2.3 General reserves are often referred to as the ‘working balance’ and is money which is not earmarked for specific purposes but rather a sum of money held in anticipation of uneven cash flow or set aside to deal with unexpected events or emergencies. The general reserve needs to be regularly reviewed using a risk-based assessment.

3.0 Policy Statement

3.1 Earmarked reserves will be established to reflect anticipated financial requirements. The primary means of building an earmarked reserve will be through a combination of direct allocation from the annual budget, and where an underspend occurs against any budget linked to that earmarked reserve. The Council will set a target level for each earmarked reserve, which is reviewed annually. Once an earmarked reserve reaches its target level, any underspend against budgets linked to that earmarked reserve will be redirected into the General Reserve.

3.2 Any decision to set up or extinguish redundant reserves must be reviewed by the Finance and Governance Committee and recommended to full Council for formal approval. The Council will be required to identify the following when making recommendations for each reserve:

1. The reason/purpose of the reserve
2. How and when the reserve can be used
3. Any procedures for the management and control of reserves
4. A process and timescales for review of the reserve to ensure continuing relevance and adequacy

3.3 Expenditure from reserves can only be authorised by Full Council, either directly or through such delegations to Committees, Sub-Committees, or officers as may be in place at the time. Reserves should not be held to fund ongoing expenditure, except in the context referred to at 2.2.

3.4 All Earmarked reserves are recorded by the Responsible Financial Officer and include the purpose for which the earmarked reserve is held. See Appendices for details of current Earmarked Reserves held by Lowestoft Town Council.

3.5 Reviewing the Council’s Financial Risk Assessment is part of the annual budgeting by the Finance and Governance Committee and the year-end accounting procedures. Part of this process identifies planned and unplanned expenditure items and thereby indicates an appropriate level of reserves.

3.6 A general reserve will be held by the Town Council to cushion the impact of uneven cash flows, and the impact of unexpected, unforeseen, emergency and uninsured situations. See Appendices for details of the General Reserve held by Lowestoft Town Council.

3.7 The level of general reserves is a matter of professional judgement and so this policy does not attempt to prescribe that a specific level will always be appropriate for this Council. Based on its circumstances, the Council aimed within its initial year of operation to achieve three months’ worth of precept. The policy from thereon, is to achieve 4 months’ worth of precept for any given year. There is recognition of the difficulty in



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achieving this within the first 5 years of operation given the number of unforeseen costs that have already arisen and are likely to arise, owing to the way in which the Council was set up by the District Council. After the first year of operation, there remain significant gaps in information about the assets and services which have been transferred on 1 April 2017 by unilateral decision of the District Council. See 6.1 for further details.

- 3.8 The primary means of building a general reserve will be through direct allocation from the annual budget, or where there is an underspend against budget and the applicable Earmarked Reserve has already reached its target level.
- 3.9 If, in the most extreme circumstances, general reserves were exhausted due to major unforeseen spending pressures within a particular financial year, the Council would be able to draw down from its earmarked reserves to provide short-term resources. The Council must at all times keep a minimum balance sufficient to pay two month's salaries to staff and associated expenses e.g. National Insurance, tax contributions and pensions.

4.0 Principles to Assess the Adequacy of Balances and Reserves

- 4.1 A considerable degree of professional judgement is required in making any financial assessment and the Responsible Financial Officer can only be expected to provide advice with the help and possible guidance from councillors and other advisory sources.
- 4.2 Setting the budgets is the responsibility of the Council on the advice of the Finance and Governance Committee and the Responsible Financial Officer. This forms the foundation of setting the precept.
- 4.3 In order to assess the adequacy of reserves when setting the budget, both the Responsible Financial Officer and the Committee should take account of the strategic, operational and financial risks facing the Council. The financial risks should be assessed in the context of the Council's overall approach to risk management.
- 4.4 The Responsible Financial Officer should ensure that the Council has put in place effective arrangements for internal audit of the control environment and systems of internal control.
- 4.5 Setting the level of reserves is just one of several related decisions in the formulation of the long and medium term financial strategy as well as the budget for a particular year. Account should be taken of the key financial assumptions underpinning the budget alongside a consideration of the Council's financial management arrangements.
- 4.6 Balancing the annual budget by drawing on general reserves must be viewed as a legitimate short term option only. General reserves must be viewed as a short-term resolution of unexpected costs, they must not be used to finance recurrent expenditure or to finance foreseeable or anticipated projects. Foreseeable or anticipated project costs should be properly budgeted for and included in earmarked reserves.
- 4.7 Such reserves must not be deployed to finance recurrent expenditure or to finance anticipated or foreseeable projects. Adjustments to the budget and precept must take account of the financial needs of the Council and the need to maintain required earmarked reserves and general reserves in line with the Council's policy.



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5.0 Governance Concerning the Balances and Reserves

5.1 The policy on balances and reserves will be reviewed annually as part of the review of Financial Regulations by the Finance and Governance Committee and reported to the Town Council as part of the budget-setting process. This will include a report from the Responsible Financial Officer on the adequacy of the reserves (earmarked and general) taking into account the forthcoming financial year and the Council's medium and long-term financial plans or projects.

5.2 The Responsible Financial Officer and the Finance and Governance Committee should review the levels of earmarked reserves held and recommend extinction of redundant earmarked reserves and creation of new earmarked reserves as part of the annual budgeting process. Any recommendations will then be taken to Full Council for formal consideration and approval.

6.0 Reserves Currently Maintained

6.1 The Council is working towards achieving a target level of general reserves on a two-stage basis. As a first step: to achieve a target reserve no less than the equivalent of four months' worth of precept for that particular year. As the ultimate target: to achieve a target reserve no less than the equivalent of six months' worth of precept for that particular year.

As the precept will typically change year on year, these General Reserves targets are very much moving targets. Based on the 2021/22 precept of £1,765,245, the General Reserves targets would be £588,415 (equivalent of 4 months' precept) and £882,663 (equivalent of 6 months' precept) respectively. However, the 2021/22 precept represented a reduction on the 2020/21 precept (£1,837,731), and as it will take the Council a number of years to reach its General Reserves targets it would seem prudent to calculate the initial General Reserves targets by reference to a notional precept of £2,000,000 i.e. £666,667 (equivalent of 4 months' precept) and £1,000,000 (equivalent of 6 months' precept) respectively.

With this in mind, the Council will budget to reach the interim General Reserves target of £666,667 (equivalent of 4 months' precept assuming a notional precept of £2,000,000) within a maximum of 3 years i.e. by 2024/25, and the ultimate General Reserves target of £1,000,000 (equivalent of 6 months' precept assuming a notional precept of £2,000,000) within a maximum of 7 years i.e. by 2028/29.

There are of course many variables and unknown quantities. As the Council reaches its Earmarked Reserves targets, any underspend against corresponding budgets can be redirected into the General Reserve, potentially contributing towards earlier-than-projected attainment of those targets. On the other hand, the Town Hall and Marina projects will be going through critical phases during the same period, and the Norse contract will expire with the result that the Council has to go out to tender on a major service contract (or consider alternatives). All of this will need to be factored into the transition to 5-year budgeting, and contingency planning will be essential.

Revisions



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Date	Amendment
April 2021	Added at point 1.3 – ‘and in all circumstances the Council and relevant committees must be alerted if the reserves are at 3 month’s or at realistic risk of reaching 3 months of the precept for the relevant year’
April 2021	Ahead of point 3.2 added the heading ‘Budgeted and Intended Earmarked Reserves for 2021-22’
April 2021	At point 6.1 amended four months to six months and added ‘This aspiration is to be embedded within a five year budget plan.’
July 2021	Text revisions at 2.1, 2.3, 3.1, 3.3, 3.4, 3.6, 3.7, 3.8 & 6.1. Appendices added.
May 2022	Second sentence added at 2.1. 3 additional sentences added at 3.1. ‘either directly or through such delegations to Committees, Sub-Committees, or officers as may be in place at the time’ added at 3.1. All text added at 6.1. Reference to appendix added at 3.4 and 3.6. 3.8 added. Wording changed at 3.3. Final sentence added at 3.7.



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APPENDIX 1 - GENERAL RESERVE

Commentary (Public):

- The General Reserves represent the Town Council's "working balance" i.e. money which is not earmarked for specific purposes but rather a sum of money held in anticipation of uneven cash flow or to deal with unexpected events and emergencies.
- The Town Council is working initially towards a General Reserves target of £666,667 (equivalent of 4 months' precept assuming a notional precept of £2,000,000), with the aim of reaching this target by 2024/25 (TBC).
- The Town Council is working towards an ultimate General Reserves target of £1,000,000 (equivalent of 6 months' precept assuming a notional precept of £2,000,000), with the aim of reaching this target by 2028/29 (TBC), and thereafter to maintain General Reserves at a level equivalent to 6 months' precept.

Any expenditure from General Reserves should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the General Reserves balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of General Reserves expenditure where this is spread across more than one year.

The following should be credited directly to General Reserves: Budget Contingency and General Reserves Contribution; General Reserves recovery; Tingdene Property Lettings.

No underspend against specific budgets should be credited to General Reserves. However, this will change once the target reserve is attained on each EMR, at which point any underspend against specific budgets linked to that EMR can be redirected to General Reserves.

Additional Commentary (confidential at this stage):

The Town Council will also need to be guided in what capital financial provision it needs to make for certain parks and open spaces by the outcome of negotiations that are in progress with the cricket and tennis clubs (Denes Oval) and Jesters (Normanston Park). At present, no capital investment has yet been approved in either case, although amounts of £60K (Jesters) and £80K (Denes Oval) have been provisionally ring-fenced within General Reserves. Any expenditure from General Reserves on capital investment for Jesters or/and Denes Oval would need to be replenished at the earliest opportunity.



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APPENDIX 2 - REPAIRS AND MAINTENANCE (UNDESIGNATED ASSETS) EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's repair and maintenance commitments (including condition and site/ground surveys) across its assets.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Repairs and Maintenance (undesignated assets) EMR target: TBC (suggest £300K).

Repairs and Maintenance (undesignated assets) EMR balance: £255,659.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Repairs and Maintenance (undesignated assets) EMR: Repairs and Maintenance (undesignated assets) EMR contribution; Repairs and Maintenance (undesignated assets) EMR recovery.

Any underspend against the following budgets should also be credited to this EMR: Repairs and Maintenance (undesignated assets); Asset Compliance Costs.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs and maintenance, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Repairs and Maintenance (undesignated assets) EMR.



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APPENDIX 3 - CAPITAL WORKS (UNDESIGNATED ASSETS) EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's capital works commitments across its assets.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Capital Works (undesigned assets) EMR target: TBC (suggest £500K).

Capital Works (undesigned assets) EMR balance: £408,832.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Capital Works (undesigned assets) EMR: Capital Works (undesigned assets) EMR contribution; Capital Works (undesigned assets) EMR recovery.

Any underspend against the following budgets should also be credited to this EMR: Capital Works (undesigned assets); Public Works loan repayments (undesigned assets).

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Capital Works (undesigned assets) EMR.

Additional Commentary (confidential at this stage):

There is considerable uncertainty currently surrounding the Town Council's legal, moral, and financial liability regarding capital repairs to the Jubilee Bridge. At present, no capital expenditure has yet been approved, although an amount of £300K has been provisionally ring-fenced within the Capital Works EMR. At the most recent assessment (May 2021 Full Council), one tentative option put to the Town Council was that it might wish to consider making a one-off capital repair contribution of £190K followed by smaller contributions of around £10K per annum towards a repair and maintenance fund



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for the Bridge; another was that the Town Council might wish to consider making a greater (unspecified) one-off capital repair contribution in return for ESC taking on full ownership so that the Town Council has no ongoing liability. Any expenditure from the Capital Works EMR on capital repairs to the Jubilee Bridge would need to be replenished at the earliest opportunity.



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APPENDIX 4 - COMMUNITY SAFETY EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's commitment to community safety, including covid relief/recovery and potential CCTV provision.
- Town Council's commitment to promote and increase Defibrillator provision across its assets, through both direct provision/funding and match-funding.
- Town Council's duty to pay due regard to preventing crime and disorder as part of relevant decisions.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Community Safety EMR target: £100K.

Community Safety EMR balance: NIL, but any underspend against £25K budgeted 2018/19 for CCTV Investment + £50K budgeted 2020/21 for Community Safety & CCTV to be transferred to this EMR, with a further £50K budgeted for 2021/22.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. Community Safety, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Community Safety EMR (without ring-fencing): CCTV (Capital Investment); Community Safety EMR recovery.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Community Safety & CCTV.

The following should be credited directly to the ring-fenced "Defibrillators" component of the Community Safety EMR: Defibrillators EMR recovery.

Any underspend against the following budgets should also be credited to the ring-fenced "Defibrillators" component of this EMR: Defibrillators.



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The assets register and criminal damage/vandalism reports should be reviewed at least once annually to facilitate identification and prioritisation of assets where protection is required, and budgeting for appropriate measures e.g. CCTV, wardens, PCSO, private security. CCTV. Every effort should be made to minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Community Safety EMR.

Additional Commentary (confidential at this stage):

If and as the Town Hall project proceeds, the Town Council will need to consider Community Safety requirements and costs (security of a high-value asset); safety of staff, Councillors, and members of the public who will be using the building or passing in the vicinity (I.e. Town Hall project, in conjunction with other initiatives, aims to increase footfall on the High Street and contribute to the night-time economy.

Similarly with grant-funded aspirations and plans for the Triangle Market and Marina Theatre.



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APPENDIX 5 - CLIMATE EMERGENCY & ECOLOGICAL EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's declaration of a Climate Emergency, and its commitment to achieve net zero carbon emissions by 2030.
- Town Council's duty to pay due regard to conserve biodiversity as part of relevant decisions.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Climate Emergency EMR target: £50K.

Climate Emergency EMR balance: NIL, but £25K (Climate Emergency) + £7.34K (Electric Vehicle and Bikes) budgeted for 2021/22.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. Climate Emergency, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Climate Emergency & Ecological EMR: Climate Emergency & Ecological EMR recovery.

Any underspend against the following budgets should also be credited to this EMR: Climate Emergency & Ecological; Electric Vehicles and Bikes.

In terms of meeting its net zero carbon emissions target, the Town Council will need to use the carbon emissions report to inform its assessment of where it currently stands, where it needs to get to, and what it needs to do to get there. The Town Council can in turn use this assessment to plan, schedule, and budget accordingly.

Every effort should be made to minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Climate Emergency EMR.



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Additional Commentary (confidential at this stage):

If and as the Town Hall project proceeds, the Town Council will need to consider the Climate Emergency implications of this Victorian building (even after Renovation), and factor the challenges and costs into its plans and budgeting.



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APPENDIX 7 - PARKS AND OPEN SPACES EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of various parks and open spaces across the town (Waterways/Ponds, Play Areas & Public Conveniences are each linked to their own distinct EMRs, rather than to the Parks and Open Spaces EMR, even where the asset in question is situated within a park).
- Town Council's part-ownership and -maintenance of the Grade II Victorian era Jubilee Bridge.
- The Town Council's commitment to carry out an initial 5-year programme of capital development across its parks and open spaces.
- Transition of Ness Park from occupation by ESC/Concertus to direct management by the Town Council.
- Town Council's ownership and maintenance of various allotment sites across the town, and its commitment to promote and potentially expand sites given over to use as allotments, community gardens, and community orchards.
- Town Council's management of its relationship with tenants operating in its parks and open spaces.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Parks and Open Spaces EMR target: £75K (to be reviewed: does not account for Ness Park or capital development work under consideration for Denes Oval and Normanston Park).

Parks and Open Spaces EMR balance: £36,663 + 2020/21 underspend £39,317 + £97,359 Tingdene rental income for 2020/21 + ring-fenced "Ness Park" component (underspend against cumulative sum budgeted £115.9K) + ring-fenced "Normanston Park" component (underspend against cumulative sum budgeted £23,559) + ring-fenced "Allotments, Community Gardens & Community Orchards" component = £312,798.

Ring-fenced for expenditure from EMR: 65 benches in Year 1 of 5-year capital development programme, will deplete Parks and Open Spaces EMR balance + 2020/21 underspend.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.



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The following should be credited directly to the Parks and Open Spaces EMR (without ring-fencing): Parks and Open Spaces (capital investment); Parks and Open Spaces EMR recovery; Links Road Car Park trader income; Kensington Gardens Property Lettings.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Parks Development and Infrastructure; Horticultural; Raphael Walk; 4 High Street; Land Adjacent to 119 Notley Road; Links Road Car Park Maintenance; Links Road Car Park Business Rates; Great Eastern Linear Park Rent; Great Eastern Linear Park Maintenance; Amenity Land Delius Close; Land North of Hollow Grove Lane; The Parklands; Kensington Gardens Utilities; Kensington Gardens Park Maintenance.

The following should be credited directly to the ring-fenced “Ness Park” component of the Parks and Open Spaces EMR: Ness Park (capital investment); Ness Park EMR recovery.

Any underspend against the following budgets should also be credited to the ring-fenced “Ness Park” component of this EMR: Ness Park (Maintenance); Drying Racks Management Fee.

The following should be credited directly to the ring-fenced “Denes Oval” component of the Parks and Open Spaces EMR: Denes Oval (capital investment); Denes Oval EMR recovery.

Any underspend against the following budgets should also be credited to the ring-fenced “Denes Oval” component of this EMR: Denes Oval Utilities; Denes Oval Park Maintenance.

The following should be credited directly to the ring-fenced “Normanston Park” component of the Parks and Open Spaces EMR: Normanston Park (capital investment); Normanston Park EMR recovery; Normanston Park Property Lettings.

Any underspend against the following budgets should also be credited to the ring-fenced “Normanston Park” component of this EMR: Normanston Park Utilities; Normanston Park Maintenance.

The following should be credited directly to the ring-fenced “Sparrows Nest” component of the Parks and Open Spaces EMR: Sparrows Nest (capital investment); Sparrows Nest EMR recovery; Sparrows Nest Property Lettings.

Any underspend against the following budgets should also be credited to the ring-fenced “Sparrows Nest” component of this EMR: Sparrows Nest (Repairs and Maintenance); Sparrows Nest Utilities; Sparrows Nest Park Maintenance; Sparrows Nest Bowling Club Maintenance.

The following should be credited directly to the ring-fenced “Belle Vue Park & Jubilee Bridge” component of the Parks and Open Spaces EMR: Belle Vue Park & Jubilee Bridge (Capital Investment);



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Belle Vue Park & Jubilee Bridge EMR recovery; Belle Vue Park Property Lettings; Jubilee Bridge (Sinking Fund Contribution).

Any underspend against the following budgets should also be credited to the ring-fenced “Belle Vue Park & Jubilee Bridge” component of this EMR: Belle Vue Park Maintenance; Jubilee Bridge (Planned Maintenance).

The following should be credited directly to the ring-fenced “Allotments, Community Gardens & Community Orchards” component of the Parks and Open Spaces EMR: Allotments, Community Gardens & Community Orchards (capital investment); Allotments, Community Gardens & Community Orchards EMR recovery; Allotments Rental Income.

Any underspend against the following budgets should also be credited to the ring-fenced “Allotments, Community Gardens & Community Orchards” component of this EMR: Allotments Administration Fee; Allotment Maintenance.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of maintenance and capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Parks and Open Spaces EMR.

Additional Commentary (confidential at this stage):

As the Town Council approaches the end of its current service contract with Norse, it should ascertain exactly what work is carried out by Norse on its parks and open spaces vs what services it would like to secure under a new contract, and factor this into the tendering exercise and future budgeting. For example, exactly what services do Norse provide for the huge parks maintenance charges on Sparrows Nest (£72.1K), Kensington Gardens (£77.7K), Denes Oval (£65.6K) & Normanston Park (£86.6K), especially as we are only paying £14.9K for Belle Vue Park and have been quoted a similar amount for Ness Park, and we are only paying £4.5K for Fen Park (does this relate only to the play area or to the park as a whole)?

The Town Council will also need to be guided in what capital financial provision it needs to make for certain parks and open spaces by the outcome of negotiations that are in progress with the cricket and tennis clubs (Denes Oval) and Jesters (Normanston Park). At present, no capital investment has yet been approved in either case, although amounts of £60K (Jesters) and £80K (Denes Oval) have been provisionally ring-fenced within General Reserves. Any expenditure from General Reserves on capital investment for Jesters or/and Denes Oval would need to be replenished at the earliest opportunity.



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APPENDIX 8 – WATERWAYS/PONDS EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of various waterways/ponds across the town (Waterways/Ponds, Play Areas & Public Conveniences are each linked to their own distinct EMRs, rather than to the Parks and Open Spaces EMR, even where the asset in question is situated within a park).
- The Town Council's commitment to carry out a programme of works across its waterways/ponds, following ecological assessments which it commissioned in late 2020. Management of waterways/ponds is not included in the current Norse service contract.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Waterways/Ponds EMR target: TBC.

Waterways/Ponds EMR balance: £22,882 (including £4,545 ring-fenced for capital work on Fen Park PCs). Cumulative amount of £12,982 precepted for Fen Park PCs (£17,527 less £4,545 already transferred) being transferred to Waterways/Ponds EMR, increasing EMR balance to £35,864 (including £17,527 ring-fenced for expenditure on Fen Park pond).

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Waterways/Ponds EMR (without ring-fencing):
Waterways/Ponds (capital investment); Waterways/Ponds EMR recovery.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Waterways/Ponds.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of maintenance and capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Waterways/Ponds EMR.



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Additional Commentary (confidential at this stage):

As the Town Council approaches the end of its current service contract with Norse, it should ascertain exactly what work is carried out by Norse on its waterways/ponds vs what services it would like to secure under a new contract (e.g. waterways/ponds management including periodic de-silting or dredging), and factor this into the tendering exercise and future budgeting. The transition to 5-year budgeting will facilitate this process.



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APPENDIX 9 – PLAY AREAS EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of various play areas across the town (Waterways/Ponds, Play Areas & Public Conveniences are each linked to their own distinct EMRs, rather than to the Parks and Open Spaces EMR, even where the asset in question is situated within a park).
- The Town Council's commitment to carry out a capital refurbishment programme across its play areas, initially including at least one major refurbishment per annum, and to maintain them to a high standard of quality.
- Transition of Ness Park Play Area from construction by ESC/Concertus to direct ownership/management by the Town Council.
- The Town Council's commitment to explore the possibility of providing Outdoor Gym Equipment on some of its assets.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Play Areas EMR target: £150K (to be reviewed: does not account for Ness Park Play Area).

Play Areas EMR balance: £150K.

Ring-fenced for expenditure from EMR: Whitton Green Play Area £80K. Adult Gym Equipment £30K.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Play Areas EMR (without ring-fencing): Play Areas (capital investment); Play Areas EMR recovery.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Play Area Refurbishment; Kirkley Fen Park and Play Area; Pollard Piece Play Area; Marshams Piece Play Area; Turnberry Close Playground; Britten Road Play Area; Cotman Close Play Area; Gunton Community Park Play Area; London Road Play Equipment; Nightingale Road Play Area; Parkhill Play



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Area (Bentley Drive); Rosedale Park inc play area; St Margarets Play Area; Thirlmere Walk Play Area; Stoven Close; Clarkes Lane; Whitton Green Play Area.

The following should be credited directly to the ring-fenced “Ness Park Play Area” component of the Play Areas EMR: Ness Park Play Area (capital investment); Ness Park Play Area EMR recovery.

The following should be credited directly to the ring-fenced “Outdoor Fitness Equipment” component of the Play Areas EMR: Outdoor Fitness Equipment (capital investment); Outdoor Fitness Equipment EMR recovery.

Any underspend against the following budgets should also be credited to the ring-fenced “Outdoor Fitness Equipment” component of this EMR: Outdoor Fitness Equipment.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs & maintenance and capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Play Areas EMR.

Additional Commentary (confidential at this stage):

As the Town Council approaches the end of its current service contract with Norse, it should ascertain exactly what work is carried out by Norse on its play areas vs what services it would like to secure under a new contract, and factor this into the tendering exercise and future budgeting.

The Town Council will also need to be guided in what capital financial provision it needs to make for adult gym equipment by what commitment it makes regarding the provision of such equipment.

The transition to 5-year budgeting will facilitate this process.



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APPENDIX 10 – PUBLIC CONVENIENCES EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of various Public Conveniences across the town (Waterways/Ponds, Play Areas & Public Conveniences are each linked to their own distinct EMRs, rather than to the Parks and Open Spaces EMR, even where the asset in question is situated within a park).
- The Town Council's commitment to carry out a capital refurbishment programme across its Public Conveniences, at the initial rate of two PCs per annum, and to maintain them to a high standard of quality.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Public Conveniences EMR target: £100K.

Public Conveniences EMR balance: £15,605. Additional amount of £7,500 precepted for Fen Park PCs in 2018/19 being transferred to Public Conveniences EMR, increasing EMR balance to £23,105.

Ring-fenced for expenditure from EMR: Entire balance of £23,105 ring-fenced for capital refurb of Fen Park PCs.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Public Conveniences EMR (without ring-fencing): Public Conveniences (capital investment); Public Conveniences EMR recovery; any reimbursement of Business Rates paid by the Town Council on its Public Conveniences.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Public Conveniences refurbishment; Sparrows Nest Business Rates; Kensington Gardens Business Rates; Kensington Gardens Toilet Maintenance; Triangle Market Toilets Maintenance Charge; Triangle Market Business Rates; Pakefield Street PC Utilities; Pakefield Street PC Business Rates; Pakefield Street PC Maintenance Charge; Kirkley Cliff Road PC Maintenance Charge; Lowestoft Cemetery PC Utilities; Lowestoft Cemetery PC Maintenance Charge.



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Any underspend against the following budgets should also be credited to the ring-fenced “Fen Park” component of the Public Conveniences EMR: Fen Park Public Conveniences.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs & maintenance and capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Public Conveniences EMR.

Additional Commentary (confidential at this stage):

If capital refurb expenditure on the Triangle Market Public Conveniences is approved, funding could potentially be sourced from the Public Conveniences budget/EMR or the Triangle Market EMR (or both).

However, before any capital refurb expenditure on the Triangle Market Public Conveniences is approved, the agreed outcomes from the ESC-led Triangle Market and Scores Feasibility Study and ESC’s plans for Towns Fund investment in the Triangle Market and neighbouring parts of the High Street and Scores should be checked to ensure that there is no overlap or conflict, resulting in avoidable/unnecessary expenditure from the Public Conveniences budget/EMR or the Triangle Market EMR (or both).

Review at least once annually, as project progresses, including any transitional considerations. In addition, as the Town Council approaches the end of its current service contract with Norse, it should ascertain exactly what work is carried out by Norse on its Public Conveniences vs what services it would like to secure under a new contract, and factor this into the tendering exercise and future budgeting. The transition to 5-year budgeting will facilitate this process.



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APPENDIX 11 – COMMUNITY HALLS EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of several community/residents halls across the town.
- Town Council's management of its relationship with the Trustee/management bodies who manage these halls on its behalf, and the residents/groups who use the halls.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Community Halls EMR target: TBC.

Community Halls EMR balance: NIL.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Community Halls EMR (without ring-fencing): Community Halls (capital investment); Community Halls EMR recovery; Whitton Estate Meeting Hall income; Uplands Children's Centre Property Lettings; Substation Rent.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Gunton Residents Hall Maintenance; Uplands Maintenance; Whitton Residents Hall Repairs & Maintenance; Whitton Residents Hall Maintenance.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs & maintenance and capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Community Halls EMR.

Additional Commentary (confidential at this stage):

As the Town Council approaches the end of its current service contract with Norse, it should ascertain exactly what work is carried out by Norse on its community halls vs what services it would like to



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secure under a new contract, and factor this into the tendering exercise and future budgeting. The transition to 5-year budgeting will facilitate this process.

APPENDIX 12 – MARINA THEATRE EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of the Marina Theatre building, and its operational agreement with the Marina Theatre Trust.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Marina Theatre EMR target: £100K.

Marina Theatre EMR balance: TBC (possibly £12,521). Underspend against the 2020/21 Marina Repairs & Maintenance budget (£10,200-£7,852) and the 2020/21 Marina Planned Maintenance budget (£2,800) being transferred from Repairs and Maintenance (undesignated assets) EMR to Marina Theatre EMR, increasing EMR balance to TBC (possibly £17,669). This has already been depleted by two Marina expenditure items received very early in 2021/22. Contribution to Marina Theatre alarm system upgrade: £8,800, to be funded from EMR. Marina Theatre roofing works: TBC, extinguish Marina Theatre EMR (TBC possibly £17,669 less £8,800 expenditure on preceding item = £8,869), with balance expenditure to come from the Repairs and Maintenance (undesignated assets) EMR.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Marina Theatre EMR: Marina Theatre (capital investment); balance remaining from rental income after deduction of public works (Box Office) loan repayment; Marina Theatre EMR recovery.

Any underspend against the following budgets should also be credited to this EMR: Marina Theatre Trust Management Fee; Marina Theatre (Repairs and Maintenance); Marina Theatre (Planned Maintenance).



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The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs & maintenance and capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Marina Theatre EMR.

Additional Commentary (confidential at this stage):

Before any expenditure from the Marina Theatre EMR is approved, ESC's plans for Towns Fund investment in the Marina Theatre and adjacent ESC-owned land should be checked to ensure that there is no overlap or conflict, resulting in avoidable/unnecessary expenditure from the Marina Theatre EMR.

If capital grant funding is forthcoming, the Town Council would need to ensure that adequate capital funding provision is contained within the Marina Theatre EMR. During the development and delivery phases of the project, the Town Council would also need to co-ordinate and synchronise budgeting for the Marina Theatre with operation of the Marina Theatre EMR e.g. to finance initial cashflow expenditure from the capital funds established for that purpose (i.e. the Marina Theatre EMR), submit reimbursement claims to the external funding bodies, and credit the reimbursement payments to the Marina Theatre EMR.

Review at least once annually, as project progresses, including any transitional considerations. The transition to 5-year budgeting will facilitate this process.



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APPENDIX 13 – TRIANGLE MARKET EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of the Triangle Market site, and its commitment to operate/facilitate a market on the site.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Triangle Market EMR target: £75K.

Triangle Market EMR balance: £56,170.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Triangle Market EMR: Triangle Market (capital investment); Triangle Market EMR recovery; Triangle Market income.

Any underspend against the following budgets should also be credited to this EMR: Triangle Market Maintenance Charge; Triangle Market Utilities.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs & maintenance and capital works, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Triangle Market EMR.

Additional Commentary (confidential at this stage):

Before any expenditure from the Triangle Market EMR is approved, the agreed outcomes from the ESC-led Triangle Market and Scores Feasibility Study and ESC's plans for Towns Fund investment in the Triangle Market and neighbouring parts of the High Street and Scores should be checked to ensure that there is no overlap or conflict, resulting in avoidable/unnecessary expenditure from the Triangle Market EMR.



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If capital grant funding is forthcoming, the Town Council would need to ensure that adequate capital funding provision is contained within the Triangle Market EMR. During the development and delivery phases of the project, the Town Council would also need to co-ordinate and synchronise budgeting for the Triangle Market with operation of the Triangle Market EMR e.g. to finance initial cashflow expenditure from the capital funds established for that purpose (i.e. the Triangle Market EMR), submit reimbursement claims to the external funding bodies, and credit the reimbursement payments to the Triangle Market EMR.

Review at least once annually, as project progresses, including any transitional considerations. In addition, as the Town Council approaches the end of its current service contract with Norse, it should ascertain exactly what work is carried out by Norse on the Triangle Market (including the Public Conveniences) vs what services it would like to secure under a new contract, and factor this into the tendering exercise and future budgeting. For example, if the Triangle Market Toilets Maintenance Charge is £11.4K pa, exactly what services do Norse provide for the separate £14.7K pa Triangle Market Maintenance Charge? The combined charge of £26.1K pa seems extraordinarily high for a site the size of the Triangle Market site, especially as there is no grass/horticultural maintenance element. The transition to 5-year budgeting will facilitate this process.



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APPENDIX 14 – TOWN HALL EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's ownership and maintenance of the Town Hall.
- Development, delivery, and ongoing operation and funding of the Town Hall project.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Town Hall EMR target: £200K.

Town Hall EMR balance: £200K, but of that £78,508 is ring-fenced within the Capital Works EMR and would need to be replenished at the earliest opportunity.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Town Hall EMR: Town Hall (capital investment); Town Hall EMR recovery.

Any underspend against the following budgets should also be credited to this EMR: Town Hall Repairs and Maintenance; Town Hall Utilities; Town Hall Business Rates; Town Hall BID Levy.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs and maintenance, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Town Hall EMR.

Additional Commentary (confidential at this stage):

If and as the Town Hall project proceeds, the purpose, aims, and operation of the Offices & IT EMR will need to be co-ordinated and synchronised with those of the Town Hall EMR to reflect gradual disengagement from the Hamilton House lease and associated agreements (including any severance costs) and transition to occupancy of the Town Hall. It is anticipated that, once the transition is complete, the Offices & IT EMR will be absorbed within the Town Hall EMR.



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If capital grant funding is forthcoming, the Town Council would need to ensure that adequate capital funding provision is contained within the Town Hall EMR (MossKing Associates has recommended that the Town Council maintains a float of £200K during the initial development phase). The Town Council has set aside £200K derived as follows: £46,492 precepted 2021/22 for Town Hall investment + virement of £75K originally precepted 2021/22 for possible public works loan (undesignated assets) + balance £78,508 ring-fenced within the Capital Works EMR. If the grant applications are approved, the Town Council should virement the ring-fenced component in the Capital Works EMR to the Town Hall EMR, and then recover the expenditure from the Capital Works EMR through the precept (see commentary under Capital Works EMR re policy/procedure relating to recovery of expenditure from EMR).

During the development and delivery phases of the Town Hall project, the Town Council would also need to co-ordinate and synchronise budgeting for the Town Hall with operation of the Town Hall EMR e.g. to manage public sector works loan repayments; to finance initial cashflow expenditure from the capital funds established for that purpose (i.e. the Town Hall EMR), submit reimbursement claims to the external funding bodies, and credit the reimbursement payments to the Towns Fund EMR.

Review at least once annually, as project progresses, including any transitional considerations. The transition to 5-year budgeting will facilitate this process. The Town Council should not enter into renewal of the Hamilton House lease or other contractual agreements with ECCH until transitional considerations have been evaluated.



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APPENDIX 15 – OFFICES & IT EMR

Commentary (Public):

This EMR exists to underpin:

- The Town Council's tenancy of and operations out of Hamilton House, and its lease and service agreement with ECCH.
- Temporary and contingency arrangements when the Town Council is unable to operate from Hamilton House (e.g. during covid).

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Offices & IT EMR target: £100K.

Offices & IT EMR balance: Office (£77,920) + ring-fenced "IT" component (£1.5K)
+ ring-fenced "Amplification" component (£16K) = £95,420.

Underspend against the "Allotments, Open Spaces & EofE - Equipment" ("one off cost for community wardens") budget (£4K) and the 2020/21 "Administration - IT and Telephones" budget (£10,421) being transferred to Offices & IT EMR, increasing EMR balance to TBC.

Ring-fenced for expenditure from EMR: Ring-fenced "Amplification" component (£16K).

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Offices & IT EMR (without ring-fencing): Offices - Capital Investment; Offices - Income from Meeting Room Lettings.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Offices - Business Rates; Offices – Rent; Offices – Parking; Offices - Capital Repayment; Offices - Service Charge; Offices - Repairs and Maintenance; Offices - Furniture and Equipment; Administration – Equipment; Administration - Office Supplies and Postage.

The following should be credited directly to the ring-fenced "IT" component of the Offices & IT EMR: "IT (Tablet Replacement)" EMR balance; IT (Capital Investment - Replenishment).

Any underspend against the following budgets should also be credited to the



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ring-fenced “IT” component of this EMR: Administration – IT and Telephones; Offices - Amplification Equipment.

The following should be credited directly to the ring-fenced “Amplification” component of the Offices & IT EMR: “Amplification” EMR balance. The recording and amplification equipment for Hamilton House should be funded from the ring-fenced “Amplification” component of this EMR. Any underspend should then be transferred to the ring-fenced “IT” component of the Offices & IT EMR, following which ring-fencing for “Amplification” should be removed.

Additional Commentary (confidential at this stage):

If and as the Town Hall project proceeds, the purpose, aims, and operation of the Offices & IT EMR will need to be co-ordinated and synchronised with those of the Town Hall EMR to reflect gradual disengagement from the Hamilton House lease and associated agreements (including any severance costs) and transition to occupancy of the Town Hall. It is anticipated that, once the transition is complete, the Offices & IT EMR will be absorbed within the Town Hall EMR.

Review at least once annually, as project progresses, including any transitional considerations. The transition to 5-year budgeting will facilitate this process. The Town Council should not enter into renewal of the Hamilton House lease or other contractual agreements with ECCH until transitional considerations have been evaluated.



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APPENDIX 16 – STAFF, TRAINING & DEVELOPMENT EMR

Commentary (Public):

This EMR exists to underpin:

- The Town Council's staff payroll operations.
- Training and development for Town Council staff.
- Training for Town Councillors.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Staff, Training & Development EMR target: Staff (TBC - awaiting revised target recommendation from Shona) + Training (£30K) = TBC.

Staff, Training & Development EMR balance: Staff (£230,542) + Training (£18,342) = £248,884.

Ring-fenced for expenditure from EMR: Staff Increases – Cost-of-Living Contingency (TBC); Staff Increases - Discretionary (Year 1 costs of most recent increase i.e. £6,318); Training & Development - Staff (2021/22 training budget i.e. £15,479).

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the reeplenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Staff, Training & Development EMR (without ring-fencing): Staffing Reserve; Staffing Contingency.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Salaries; Employer National Insurance Contributions; Employer Pension Contributions; Apprentices; Administration - Travel Expenses; Administration - Meeting Expenses.

For 2021/22, the Chancellor has declared a public sector pay freeze for all staff earning >£24K per annum. The Town Council has ring-fenced a "Staff Increases – Cost-of-Living contingency" component within the Staff, Training & Development EMR, to fund any retrospective cost-of-living increase that may be awarded in future, so it is not faced with having to fund a multi-year "catch-up" increase from a single year's precept. Any 2021/22 cost-of-living pay award for staff earning ≤£24K per annum should be funded from this ring-fenced component.



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The Town Council awarded discretionary (incremental) pay increases to all staff, effective from 2021/22. One member of staff received an additional discretionary (incremental) pay increase with effect from January 2020, for professional qualification. The 2021/22 cost of these increases is being funded from the 2020/21 staff budget underspend, and for this purpose the Town Council has ring-fenced a “Staff Increases – Discretionary” component within the Staff, Training & Development EMR. The 2021/22 year-end EMR balance should be adjusted to reflect expenditure against this ring-fenced component, following which ring-fencing for “Staff Increases – Discretionary” should be removed.

The following should be credited directly to the ring-fenced “Training & Development – Staff” component of the Staff, Training & Development EMR: “Training” EMR balance. The 2021/22 staff training budget is being funded from the 2020/21 staff budget underspend, so an additional amount of £15,479 should also be included within this ring-fenced component. The 2021/22 year-end balance of both the EMR and the ring-fenced “Training & Development – Staff” should be adjusted to reflect expenditure against this ring-fenced component.

Any underspend against the following budgets should also be credited to the ring-fenced “Training & Development – Staff” component of the Staff, Training & Development EMR: Training & Development – Staff; Professional Fees and Subscriptions.

Any underspend against the following budgets should also be credited to the ring-fenced “Training - Town Councillors” component of the Staff, Training & Development EMR: Training - Town Councillors.

Staffing levels and recruitment/retention planning should be reviewed at least once annually to facilitate prioritisation and budgeting of staff-related costs, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Staff, Training & Development EMR.

Additional Commentary (confidential at this stage):

If and as the Town Hall project proceeds, the purpose, aims, and operation of the Staff, Training & Development EMR may need to be reviewed to reflect governance arrangements and staffing levels under the new structure, including transition from NLHF funding of salaries to direct funding through the Town Council payroll.

Review at least once annually, as project progresses, including any transitional considerations. The transition to 5-year budgeting will facilitate this process.



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APPENDIX 17 – PROFESSIONAL SERVICES EMR

Commentary (Public):

This EMR exists to underpin:

- The Town Council's contracts and other professional arrangements with third parties including legal advisers, banks, insurers, consultants, auditors, and ESC Democratic Services.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Professional Services EMR target: Legal Costs (£100K) + Elections (£50K) + Consultancy (£50K) = £200K.

Professional Services EMR balance: Legal Costs (£37,775) + Elections (£69,690) + Consultancy (£14,725) = £122,190.

Ring-fenced for expenditure from EMR: Cost of 2021 by-elections (TBC). Neighbourhood Plan consultancy £8,005.20 (£6,671+VAT).

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Professional Services EMR (without ring-fencing): Professional Services EMR recovery.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Insurance; Bank Charges; Internal Audit; External Audit.

The following should be credited directly to the ring-fenced "Legal" component of the Professional Services EMR: Legal EMR recovery; Ness Park (Legal/Self-Insurance) EMR recovery. Monitor/manage the Ness Park element separately.

Any underspend against the following budgets should also be credited to the ring-fenced "Legal" component of this EMR: Legal Costs; Ness Park (Legal/Self-Insurance). Monitor/manage the Ness Park element separately.



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The following should be credited directly to the ring-fenced “Consultancy” component of the Professional Services EMR: Consultancy EMR recovery.

Any underspend against the following budgets should also be credited to the ring-fenced “Consultancy” component of this EMR: Consultancy.

The following should be credited directly to the ring-fenced “Elections” component of the Professional Services EMR: Elections EMR contribution; Elections EMR recovery. The purpose of this ring-fenced component is twofold: to ensure that the Town Council has capital funds in place to cover the costs of any by-elections that may arise, and to set aside sufficient capital funds to cover the costs of the next scheduled ordinary elections (2023).

Any underspend against the following budgets should also be credited to the ring-fenced “Elections” component of this EMR: Elections.

Legal, consultancy, and election expenditure and requirements should be reviewed at least once annually to facilitate budgeting for professional services, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Professional Services EMR.

Additional Commentary (confidential at this stage):

If and as the Town Hall project proceeds, the purpose, aims, and operation of the Professional Services EMR will need to be co-ordinated and synchronised with those of the Town Hall EMR to reflect gradual disengagement from the Hamilton House lease and associated agreements (including any severance costs) and transition to occupancy of the Town Hall. Legal, insurance, and consultancy requirements will potentially change markedly during and following this process.

Review at least once annually, as project progresses, including any transitional considerations. The transition to 5-year budgeting will facilitate this process. The Town Council should not enter into renewal of the Hamilton House lease or other contractual agreements with ECCH until transitional considerations have been evaluated.

The Town Council may also need to review the adequacy of its Legal/Self-Insurance budget and ring-fenced EMR component if it adopts a policy of pursuing civil litigation in the event of wilful destruction of or damage to its property (including both buildings and trees).



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APPENDIX 18 – CIVIC AND CEREMONIAL, EVENTS & GRANTS EMR

Commentary (Public):

This EMR exists to underpin the:

- Town Council's support for and participation in major events and festivals, both regular (e.g. First Light, Heritage Open Days, Armed Forces Day) and ad-hoc.
- Town Council's support for and participation in commemorative and other events, both regular (e.g. Remembrance, Holocaust Memorial Day) and ad-hoc.
- Town Council's commitment to support local community groups, projects, and initiatives through its Grant Awarding Policy.
- Town Council's commitment to support Lowestoft Rising through contributory funding and a seat on the partnership/management board.
- Town Council's commitment to support community engagement initiatives which are not explicitly covered by other budgets and EMRs.
- Provision and operation of festive lights in various locations across the town, and compliance with the associated contract.
- Storage, maintenance, and periodic replacement of civic and ceremonial robes & regalia.

This will include the funding of any unforeseen and unbudgeted costs associated with the above.

Civic and Ceremonial, Events & Grants EMR target: Civic and Ceremonial (£30K) + Festive Lights (£45K) + Grants (£50K) = £125K.

Civic and Ceremonial, Events & Grants EMR balance: Civic and Ceremonial (£15,872) + Festive Lights (£15,063) + Grants (TBC) = TBC.

Underspend against the 2020/21 "Grants" budget (£70K) being transferred to Civic and Ceremonial, Events & Grants EMR, increasing EMR balance to TBC.

Ring-fenced for expenditure from EMR: cost of new civic robes (TBC).

The following should be credited directly to the Civic and Ceremonial, Events & Grants EMR (without ring-fencing): Civic and Ceremonial (Capital Investment); Civic and Ceremonial EMR recovery.

Any underspend against the following budgets should also be credited to this EMR (without ring-fencing): Civic and Ceremonial robes & regalia.

Any underspend against the following budgets should also be credited to the ring-fenced "Events" component of the Civic and Ceremonial, Events & Grants EMR: Remembrance and Holocaust Memorial Day; Events; Major Events.

The following should be credited directly to the ring-fenced "Festive Lights" component of the Civic and Ceremonial, Events & Grants EMR: Festive Lights (contract renewal). The purpose of this ring-fenced component is twofold: to comply with the current contract during the period that it is in force,



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and to set aside sufficient capital funds over the same period to renew the contract when the current contract expires.

Any underspend against the following budgets should also be credited to the ring-fenced “Festive Lights” component of the Civic and Ceremonial, Events & Grants EMR: Festive Lights (current contract).

The following should be credited directly to the ring-fenced “Grants & Community Engagement” component of the Civic and Ceremonial, Events & Grants EMR: Grants EMR recovery.

Any underspend against the following budgets should also be credited to the ring-fenced “Grants & Community Engagement” component of the Civic and Ceremonial, Events & Grants EMR: Grants; Community Engagement; Lowestoft Rising; Wherry Lines Community Rail Partnership (Community Rail Norfolk); East Suffolk Lines Community Rail Partnership – North.

Additional Commentary (confidential at this stage):

If and as the Town Hall project proceeds, the purpose, aims, and operation of the Civic and Ceremonial, Events & Grants EMR may need to be reviewed to reflect the museum and heritage hub & community engagement components of the project: including the including support for and joint activities with local museums and arts/heritage organisations, and the events/activities programme.

Review at least once annually, as project progresses, including any transitional considerations. The transition to 5-year budgeting will facilitate this process.



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APPENDIX 19 – ARTS, HERITAGE & MUSEUMS EMR

Commentary (Public):

This EMR exists to underpin the maintenance and enhancement of:

- The Lowestoft Collection (including that part of the collection which is on long-term loan to the Lowestoft Museum).
- The Town Hall artefacts.
- Any heritage or commemorative plaques which are in the Town Council's ownership or custody.

This will include the funding of any unforeseen and unbudgeted costs associated with the above e.g. storage, preservation, and security; condition surveys, audit, valuation, and insurance; and acquisition of additional items to supplement and enhance the collection.

Arts, Heritage & Museums EMR target: £100K.

Arts, Heritage & Museums EMR balance: £43,932.

Any expenditure from this EMR should be approved by Full Council, either directly or through such delegations to relevant Committees (e.g. AID, F&G) and officers as may be in place at the time. Such expenditure outside budget should be replenished on an agreed structured basis through the precept (except where this would cause the EMR balance to exceed the target reserve): ideally in the following year's precept. However, the Town Council recognises that recovery may need to be spread over two or more years in certain circumstances e.g. the amount to be recovered is particularly large, there are competing demands on the precept, extraordinary external pressures are impacting on the Council tax base. The transition to 5-year budgeting will facilitate the replenishment of EMR expenditure where this is spread across more than one year.

The following should be credited directly to the Arts, Heritage & Museums EMR: Arts, Heritage & Museums EMR recovery.

Any underspend against the following budgets also be credited to this EMR: Lowestoft Collection; Civic storage (Town Hall artefacts); Heritage/commemorative plaques.

The assets register and condition survey reports should be reviewed at least once annually to facilitate prioritisation and budgeting of repairs and maintenance, and minimise/mitigate the risk of unforeseen and unbudgeted expenditure requirements creating pressure on the Arts, Heritage & Museums EMR.

Additional Commentary (confidential at this stage):



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If and as the Town Hall project proceeds, the purpose, aims, and operation of the Arts, Heritage & Museums EMR may need to be reviewed to reflect the museum and heritage hub component of the project, including support for and joint activities with local museums and arts/heritage organisations.

Review at least once annually, as project progresses, including any transitional considerations. The transition to 5-year budgeting will facilitate this process.