

Reserves Policy

INTRODUCTION

Purpose

The Parish Council is required to maintain adequate financial reserves to meet foreseeable needs and commitments and also to have money available in an emergency.

General Reserves

The use of this is not restricted. It can be used to smooth the impact of uneven cash flows, offset the budget requirement, or can be used to cope with unexpected events or emergencies.

It is intended to maintain the General Reserve at a level equivalent to approximately between six and twelve months precept income, but at all times sufficient to cover staff salaries to cover for long term sickness or the resignation of the Clerk, whereby the services of a locum clerk may be required.

If the balance is drawn down, replenishment will be provided for in the next annual budget.

If the General Reserve is exhausted due to extreme circumstances, the Council may make emergency borrowings from Earmarked Reserves, which will be replaced in the following financial year(s) by relevant allocations in the budget.

Earmarked Reserves

These are set up to meet known or anticipated future liabilities.

Examples of Earmarked Reserves include:

- Future projects, including restoration of village footpaths and verges
- Maintenance of land owned by the Council
- Urgent non-anticipated maintenance such as fallen/dangerous trees, fencing / gate repairs
- Elections
- Events – any profit generated by events will be earmarked for use by the events group in future financial years

Procedure

Any decision to set up an earmarked reserve must be made by the Council.

The Council will consider the following when making recommendations for each reserve:

- The reason for / purpose of the reserve
- A process and timescales for review of the reserve to ensure continuing relevance and adequacy

Expenditure from reserves can only be made by the Council and the Council will review the earmarked reserves as part of the annual budgeting process.

Earmarked reserves as approved BPC 18-XXX:

Earmarked reserves as of 01/04/2017

	Amount	Purpose	comment
Transparency	394	legal compliance (restated)	Website setup 2015-16 deducted
Playgroup	110	held in trust	
Election Cost	430	Pay for election	
Lengthsman	160	Left at year end	
Parish Plan	985	Left at year end	

Proposed earmarked reserves as of 01/04/2018

Transparency	309?	any unspent grant	
Playgroup	45	held in trust	
Elections	860		2016-2018
Parish Plan*	3000		
Anything else?*			

*The amounts for the next financial year will need to be decided at next month's council meeting.