



WHITTINGHAM, CALLALY & ALNHAM PARISH COUNCIL

Reserves Policy

1. Introduction

Whittingham, Callaly & Alnham (WCA) Parish Council is required to maintain adequate financial reserves to meet the needs of its operations and ensure long-term financial stability. This policy sets out the approach to establishing, maintaining, and reviewing the Council's reserves in line with guidance from the Joint Panel on Accountability and Governance (JPAG).

A prudent level of reserves is typically between three and twelve months of net revenue expenditure. For a smaller council, the aim is to maintain reserves closer to the upper end of this range.

2. General Reserves

General reserves are held to cushion the impact of uneven cashflows, offset budget requirements, and provide a contingency against unforeseen events.

WCA Parish Council will aim to maintain a General Reserve of between three and twelve months of net revenue expenditure, with a target level of approximately six months' expenditure.

The Council notes that its current General Reserve is below this target level and will review options for gradually building the reserve to an appropriate level as part of future budget setting.

3. Designated (Earmarked) Reserves

3.1 Strategic Reserves

Strategic reserves are funds held to protect against possible events that would put strain on the Parish Council's ability to function at a minimum level should those events occur:

- Delay in receiving annual precept (Cashflow Contingency) - £3,500
- Election expenses - £1,500
- Clerk Contingency (long term sickness) - £1,000
- Assets - £1500
- Insurance excess - £250



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The Council maintains Strategic Reserves with a target level of £7250. The adequacy and allocation of these reserves will be reviewed annually as part of the Council's budget-setting process.

4. Ring-Fenced Reserves

Ring-fenced reserves are external grants or contributions received for specific projects. These funds must be used only for the intended purpose or returned if unused.

WCA Parish Council currently holds the following ring-fenced reserves:

- **Parishioner Donation** £10,321.82 ring-fenced for purposes to be determined by Full Council.
- **Neighbourhood Plan** £649.52 - ring-fenced for NDP work.

5. Management and Control

- All decisions to create, use, or amend reserves must be approved by full Council
- The Responsible Financial Officer (RFO) will maintain a schedule of all reserves, updated annually
- The level and allocation of reserves will be reviewed annually as part of the budget-setting process.

6. Review

This policy will be reviewed every two years or sooner if financial circumstances or relevant guidance change.

Adopted by Whittingham, Callaly & Alnham Parish Council on: