



Cantley with Branton Parish Council

RESERVES POLICY

Aim of Policy

To ensure the appropriate level of reserves are maintained.

Policy Objectives

Cantley with Branton Parish Council (the 'Council') is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation. Section 50 of the Local Government Finance Act 1992 requires local precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

Reserves comprise two types:-

Earmarked

Those reserves that are set aside for a specific purpose or to counter a specific known risk. Saving for a specific project could be managed through an ear marked reserve.

General Reserve

The General Reserve is there to safeguard the Council against unexpected and unbudgeted events or emergencies. Whilst these are unknown events, risk management activities can assist in identifying the types, scale and frequency of risks that may occur.

The Governance and Accountability for Smaller Authorities in England guides that the General Reserve should be kept at a level of between three and twelve-months Net Revenue Expenditure. There is a wide range to reflect the large variation in size of Councils and their individual circumstances taking into consideration risk levels. Net Revenue expenditure is classified as the precept less any loan repayment or capital expenditure.

Policy

The Council will maintain its General Reserve at the lowest level above the recommended minimum that is commensurate with its assessed level of risk as calculated annually at budget setting time.

Ear marked reserves will be for specific purposes set out at the time of establishment and reviewed annually at budget setting time.

Implementation

The Council will review The Reserves Policy as part of the review of Financial Regulations and reported to the Parish Council as part of the budget setting process.

The Council will have the opportunity to review the levels of Earmarked Reserves held in accordance with the Parish Council's Financial Regulations and make recommendations for the creation of additional Earmarked Reserves as part of the annual budgeting process.

The Council will be required to identify the following when making recommendations for each reserve:

- The reason for/purpose of the reserve
- How and when the reserve can be used
- Procedures for the reserve's management and control
- A process and timescales for review of the reserve to ensure continuing relevance and adequacy

General Reserve balances will be held by the Parish to cushion the impact of uneven cash flows and the impact of unexpected, unforeseen, emergency and uninsured situation and will be reviewed annually.

Monitoring

The policy will be monitored in the following ways:

| Monitoring Activity | Person Responsible |
|--------------------------------|--------------------------|
| Quarterly checks on compliance | RFO/ Clerk/ Full Council |

Policy Consultation

A copy of the policy has been given to all staff and Councillors.

Related Policies and Strategies

Standing Orders
Financial Regulations
Action Plan
Risk Assessment

Policy Date: October 2023
Approved: 1st November 2023
Next review date: October 2024

This document shall be reviewed annually or upon any changes to legislation or subject to the requirements of Cantley with Branton Parish Council.