

Rodney Stoke Parish Council – Financial Reserves Policy

The Reserves Policy

The Council should have sufficient Reserves (General and Earmarked) to finance both its day to day operations and future plans. It is important, however, given that its funds are generated from taxation/public levies, that such reserves are not excessive.

General Reserve The generally accepted recommendation from the Joint Panel on Accountability and Governance Practitioner's Guide, with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months net expenditure. The smaller the authority the closer the figure should be to 12 months.

The Parish Council intends general reserves will be maintained at a level in line with the precept figure.

Earmarked and Other Reserves General reserves do not affect the level of Earmarked and/or Capital Receipts Reserves (EMR/CRRs) that the Parish Council may or should hold. There is, in practice, no upper or lower limit to EMR/CRRs save only that they must be held for genuine and intended purposes, and their level should be subject to regular review and justification (at least annually), and should be separately identified and enumerated.

The Parish Council's Earmarked Reserves shall be reviewed annually when considering the budget.

Earmarked Reserves will be identified on the regular financial statements.

Establishing an Earmarked Reserve must be approved by full Council.

Funds from Earmarked Reserves may be reallocated to General Reserves in an emergency subject to the approval of full Council and subject to the funds being replaced in the next budget.

16th July 2020