

Berkswell Parish Council

Reserves Policy – July 2023

This document sets out the reserves policy for Berkswell Parish Council.

Purpose of a Reserves Policy

The purpose of this reserves policy is to ensure the Council recognises risk relating to its income streams, degree of commitment to expenditure and the overall risk environment in the delivery of the Council's role and statutory responsibilities.

The Council has categorised its reserves as; 'General Reserves' to support the ongoing financial viability of the Council and may be used generally to further the Council's objectives; and 'Earmarked Reserves' which have been ring-fenced for a particular future purpose.

Reserves Policy

The following is the Council's reserves policy:

General Reserves – The Annual Governance and Accountability Return requires, inter alia, that Parish Councils should provide a confirmation of its "balances carried forward" at the end of each financial year. There is also a requirement to provide an explanation of "High Reserves" analysed between the 'General Reserve' and 'Earmarked Reserves'. It is the Council's policy to maintain its general reserve at a level commensurate with the value of the annual budget. In order to maintain general reserves at this level Council will, during the Annual Budget Setting process, consider using reserves to reduce the Precept Charge for a given year and make a contribution out of reserves to fully fund the annual budget. The total value of closing reserves for 2022/23 was **£49,660** of which **£28,660** were classed as General Reserves.

Earmarked Reserves – it is the Council's policy to earmark reserves to meet possible future demands on its resources from on-going issues where timing and scope is not sufficiently defined to enable provision to be made in the Council's budget and financial forecasts.

The earmarked reserves declared for the commencement of the 2023/24 financial year are:

• Deferred Grant to Churches together payable in 2022/23	£500
• Possible contribution to War Memorial renovation	£2,000
• Deferred grant to Balsall Common Festival	£1,500
• Possible contribution to flashing speed sign	£5,000
• Possible cost of well fencing replacement	£7,000
• Possible cost of professional advice re NDP enforcement	£5,000
Total Earmarked Reserves	£21,000