Berkswell Parish Council
Reserves Policy – July 2026

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; 'Earmarked Reserves' which have been identified for a specific future purpose (which could be changed according to circumstances); and 'Restricted Reserves' which cannot be used for anything other than their specific 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', 'Earmarked Reserves' and 'Restricted 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 2025/26 was **£71,536** of which **£71,068** were classed as General Reserves.

Earmarked Reserves - are reserves carved out from general reserves. They may have come from donations, events or fees charged but they have no restrictions on what they can be used for other than the Council has designated/declared that they are being held for a specific purpose. The value of closing Earmarked Reserves for 2025/26 was **£0**

Restricted (Ring fenced) Reserves – These items are reserves which may have been raised or donated to the Council for a specific or restricted purpose which cannot be used for anything else. The value of closing Restricted Reserves for 2025/26 was **£468** being the retainer for work carried out in 2025/26 to be paid in 2026/27.

R Wilson (Clerk to Berkswell parish Council) Adopted July 2026