

Pulborough Parish Council

Reserves Policy

1. Introduction

Pulborough Parish Council (the "Council") recognises the importance of maintaining adequate financial reserves to ensure the effective operation of the Council and to safeguard its ability to deliver services and meet its statutory and contractual obligations.

This Reserves Policy sets out the purpose of the Council's reserves, defines how they will be managed, and establishes a framework for setting and reviewing the level of reserves held.

2. Purpose of Reserves

The Council holds reserves to provide financial security and resilience against unforeseen events or emergencies, ensure continuity of service provision, support cash flow management, finance major projects, and meet known or anticipated liabilities.

The Council aims to balance the need for adequate reserves with its responsibility to manage public funds prudently and avoid the accumulation of excessive balances.

3. Types of Reserves

General Reserves are held to meet unexpected expenditure, income fluctuations, or contingencies not covered by earmarked reserves.

Earmarked Reserves are set aside for specific purposes or projects approved by the Council, such as capital projects, major repairs, long-term initiatives, or anticipated liabilities.

4. Level of Reserves

The Council considers it prudent to maintain General Reserves equivalent to between three and twelve months of net revenue expenditure, reviewed annually as part of the budget-setting process.

Earmarked Reserves will be based on realistic cost estimates and reviewed regularly to ensure they remain appropriate.

5. Use of Reserves

The use of reserves requires approval by the Council through a formal resolution.

Reserves will not be used to fund recurring expenditure unless approved as part of a time-limited strategy.

6. Management and Review

The Responsible Financial Officer will monitor reserve levels and report regularly to the Council.

This policy will be reviewed annually, normally during the budget-setting process, or sooner if required.

7. Transparency

Information about reserves will be included in the annual budget, precept documentation, accounts, and financial reports to support transparency and accountability.

8. Adoption

This Reserves Policy was adopted by Pulborough Parish Council on

Minute reference: