



Reserves Policy

September 2024

Date of Review: May 2025

Introduction

This policy sets out Whaddon Parish Council's approach to setting the level of reserves required for the effective and efficient operation of the Council and the appropriate management of risk.

The Joint Panel on Accountability and Governance Practitioners' Guide (JPAG) underpins this policy.

Guidelines

1. Appropriate reserves must be held by this Council to support its operations, comprising both cover for day-to-day operations and cashflow, earmarked funds for future projects and contingency funds for unforeseen events and unusual circumstances.
2. The holding of reserves is carefully considered by this Council and reviewed annually as part of the budget setting process.
3. This Council adopts the JPAG recommendation for smaller Councils (under £200k expenditure per year) that general reserves to cover up to one year's expenditure should be held.
4. In addition to general reserves the Council carries earmarked reserves relating to specific projects or purposes.
5. Reserves may be funded from precept, self-generated income or from grants and donations, and be designated as general contingency funds or ring-fenced (earmarked) for a specific project.
6. This Council takes into consideration that self-generated income may not be depended upon and adjusts levels of reserves accordingly.
7. Reserves are held in interest-paying bank account(s) with appropriately timed access and amounts held are below FSCS protection level for secure banking purposes