

Yarpole Group Parish Council – Reserves Plan

Background

1. Yarpole Group Parish Council (YGPC) is required to maintain adequate financial reserves to meet the needs of the organisation.
2. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no specified minimum level of reserves that an authority should hold and it is the responsibility of the Responsible Financial Officer (RFO) to advise the Council about the level of reserves and to ensure that there are procedures for their establishment and use.
3. Reserves can be categorised as general or earmarked. General reserves are funds which do not have any restrictions as to their use. These reserves can be used to smooth the impact of uneven cash flows, offset the budget requirement if necessary or can be held in case of unexpected events or emergencies. HALC advises that A Parish Council of the size of YGPC should hold about £5,000 in general reserves.
4. Earmarked reserves are for a specified purpose. A fund to cover potential election costs needs to be included within this, but the Parish Council can also seek to build and allocate funds for specified project.

Reserves Plans

5. The proposed reserves plan for adoption by YGPC is as follows:

General Reserves -	£ 5,000
Earmarked Reserves – Election Costs	£ 2,000
Community Projects	£20,000
Traffic Calming Schemes	<u>£13,000</u>
TOTAL	£40,000

Current Status

At the end of the financial year 2016/17 the Parish Council had had £27,084 in reserve and by current forecast this will be £35,084 by end of £2017/18. The 2018/19 budget includes £3000 towards reserves although this may increase/decrease depending on actual receipts and payments during the financial year.

Future Review

The status and of the reserves, and items identified within earmarked reserves, will be reviewed and reported on at the end of the financial year and when setting the budget for the next financial year.

Agreed 5th December 2017