

HORRABRIDGE PARISH COUNCIL

FINANCIAL RESERVE POLICY

ADOPTED –

MINUTE REF. –

CHAIR

REVIEW APRIL 2021

PURPOSE

The Horrabridge Parish Council is required to maintain adequate financial reserves to meet the needs of the parish council. The purpose of this policy is to set out how the council will determine and review either level of such reserves, and how they will be used. Local government legislation requires parishes to have regard to the level of reserves needed for meeting estimated future expenditure, when calculating their budget. However, there is no specified minimum or maximum level of reserves that an authority should hold, and it is the responsibility of Responsible Financial Officer (Clerk) to advise the Council about the level of reserves, and to ensure that there are key protocols for their establishment and use

TYPE OF RESERVES

Reserves can be categorised as earmarked or general (held to cushion the impact of uneven cash flows or unexpected events), or ring fenced (held for one purpose only and cannot be transferred)

The parish council will have both general and ring fenced reserves.

Ring fenced will be the £25k of Project Money already earmarked for the new pavilion build.

Agreed General Reserve will be £2000. Agreement of full council is required to authorize expenditure from this reserve.

Agreed Ring Fenced Reserve will be £1500 for replacement of sit on mower and £2000 for replacement of the pick up truck.

Policy Agreed

Policy Review date.