

Eastoft Parish Council

FINANCIAL RESERVES POLICY

ADOPTED 13 July 2020

MINUTE REF 16.6 20/21

CHAIR Cllr R Burke

REVIEW July 2021

PURPOSE

The Eastoft 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 the 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.

Types of Reserves

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

Earmarked and general reserves are held for the expenditure necessary for the effectiveness of the parish council.

Ring fenced reserves. None held.

Agreed General reserve sum to be £4000. Agreement from full council is required to authorise expenditure from this reserve.

Earmarked reserves. None.

The village hall is accessing windfarm funding taking financial pressure away from the parish council.

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Policy Review date July 2021