

Kirby Bellars Parish Council

Reserves Policy

Kirby Bellars Parish Council is required to maintain adequate financial reserves to meet the needs of the Parish Council.

There are two types of reserves: General Reserves and Ear-marked Reserves.

General Reserves

General Reserves do not have any restrictions on their use. These reserves can be used to smooth the impact of uneven cashflow, offset the budget requirement if necessary or can be held in case of emergencies or unexpected events. The level of reserves is a matter of judgement. The council must build and maintain sufficient working balances to cover key risks and likely future expenditure. The council should aim to carry sufficient general reserve to meet its commitments for at least six months.

Ear-marked Reserves

Ear-marked Reserves will be established on a “needs” basis. Possible reasons for ear marking reserves are:

- to plan & finance the purchase or replacement of equipment
- to carry forward an underspend that is committed to a project
- to meet a predicted liability e.g. a claim against the council.

Any decision to set up an ear-marked reserve must be made by the parish council.

Reviewed: May 2023