



# RESERVES POLICY

This policy was reviewed on 21 May 2019 Minute Reference 19/67.2

## Introduction

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. The purpose of this policy is to set out how the Council will determine and review the level of reserves.

## RESERVES POLICY

1. 'Total Reserves' consist of 'General Reserves' and 'Earmarked Reserves'.
2. The target level of closing **General Reserves** will be within the range of 75% - 100% of the precept for the year. The Council will ensure its medium term forecasts are consistent with this target when approving its budget for the year.
3. **Earmarked Reserves** are to be created only for items in the following categories:
  - Specified projects within the Fishbourne Neighbourhood Plan Implementation Programmes
  - Other items that require specific expenditure at a determinable time later than that covered by the annual budget.
  - A long-term build up of funds to replace / renew assets at an unspecified time.

The creation of an Earmarked Reserve requires Parish Council approval.

This policy adopted by Fishbourne Parish Council on 18<sup>TH</sup> October 2016.