



ECCLESFIELD PARISH COUNCIL

Serving your Community Since 1894

Draft Reserves Policy

1: Introduction

As well as managing "operational" budgets on a year-to-year basis, Ecclesfield Parish Council (the Council) also manages its sustainable long-term future. This document explains how this would be achieved.

2: Ear Marked Reserves (EMR)

The Council has established a number of Earmarked Reserves (EMR's) to allow for future expenditure commitments.

The Council's approval is required for any expenditure from the EMR.

At the annual Budget Setting Meeting, the Council decides the values to be allocated from forthcoming year's operational expenditure into each EMR. The Council also considers whether any unallocated balances (e.g. at financial year end) should be reallocated to some / all of the EMR's. The values of the EMR's (together with income and expenditure) are reported to each Finance and Premises Committee meeting or to a Full Council meeting.

The purpose and operation of each of the EMR's is detailed below.

| EMR | Current Balance at end of financial year 22-23 |
|------------------------------------|---|
| Elections* | £5,000.00 |
| Enhancement to Chairman's Chain** | £500.00 |
| Disabled Access to Council Offices | £10,000.00 |
| Neighbourhood Plan | £5,000.00 |
| Upgrade to Fire Alarm Systems | £4,000.00 |

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|---|------------|
| Grants | £18,000.00 |
| Anti-Social Behaviour (Alan Greaves Fund) | £10,000.00 |
| King Charles III Coronation Celebrations | £2,500.00 |
| Additional Grant Funding | £15,000.00 |
| D-Day Landings Commemorations | £3,000.00 |
| Support and coordinate community galas | £2,000.00 |
| Winter Warm packs | £750.00 |
| CIL | £11,825.00 |
| Neighbourhood Plan Return | £1,200.00 |

***The Parish Council is committed to allocating £5,000.00 a year for Elections.**

****The Parish Council is committed to allocating £250.00 a year for the Enhancement to the Chairman's Chain.**

2:1 General Reserve

The Council currently holds £87,000.00 in general reserves which equates to about 3 months expenditure as general reserve.

General - It is recommended that a Parish Council should typically hold between 3 and 12 months expenditure as a general reserve.

4: Investment Strategy

The Council recognises its duty to the Council Tax-payers of the Parish to use their money wisely. Therefore, the Council seeks to maximise the interest / return on the money it holds on behalf of the local residents, without incurring inappropriate risks. This will enable the value of the money held to increase, thereby decreasing the impact on future precepts.

The value of the EMR is agreed by Full Council for short and long-term use and the funds within the EMR may be allocated as follows:

- a) Short Term Investments which are likely to result in a higher rate of return (including dividends) over an extended timeframe (e.g. 3 months or more). This may include investments in suitable approved funds.
- b) A current account for normal day-to-day running of the Council.

The Council reserves the right also to allocate EMRs funds to the below.

- a) Twelve-Month Maturity Fixed Rate Investments, which are likely to yield less than the longer-term investments, but more than shorter term investments.
- b) Six-Month Maturity Fixed Rate Investments, which are likely to yield less than twelve Month investments, but more than a current account.

The values invested and the type of investments will be reviewed before the maturity of each fixed term investment and at least every year.
The Council would reduce the risk on it's funds by splitting the investments between several different banks/investment opportunities.