

CHERINGTON PARISH COUNCIL

GENERAL RESERVE POLICY

CHERINGTON PARISH COUNCIL recognises the need to budget for expenditure outside of the normal every-day running costs.

To this end, the Council now puts in place a 'General Reserve Policy', in which it outlines potential issues which may require expenditure above the norm, and how this expenditure will be afforded should those circumstances arise.

The amount of funding set aside for each purpose identified, will be recorded in the Budget each Financial Year, and placed in reserve in the Parish Council accounts. The Parish Council reserves the right to redirect funding reserved for one purpose, to another considered more critical, should the need arise.

PURPOSES IDENTIFIED BY LOCAL AUTHORITY FOR WHICH FUNDS SHOULD BE ALLOCATED

- **CONTESTED ELECTIONS**

In 2022, Cotswold District Council advised all Parish Councils in the District that it would no longer pay the costs associated with contested elections in the Parishes. The anticipated cost of such an election, where more candidates stand for election to the Parish Council than there are places available, now falls to individual Parish Councils. The cost was estimated by Cotswold District Council to be approximately £1,200.

The amount of £1,200 from existing reserves available at December 2023 was accounted for in the 2024/2025 Budget and is held in reserve for this possible eventuality.

PURPOSES IDENTIFIED BY PARISH COUNCIL

During each Financial Year, the Parish Council will monitor Parish owned assets and list those which are identified as possibly requiring an allocation of funding to maintain or improve them in the future.

COMMUNITY INFRASTRUCTURE LEVY

Amounts received by the Parish Council, via the Community Infrastructure Levy, can be used to maintain or improve Parish owned assets, to mitigate the impact on local resources brought about by development in the area. The Parish Council is required to use these funds within specific time frames, for the benefit of the community, and amounts received are held in reserve until a suitable use is identified. This funding is relatively small, however, it can assist the Parish Council to afford improvements to Parish owned assets.

GENERAL RESERVE AMOUNT

The Parish Council retains a **general reserve amount**, of not more than £2,500, not allocated to any specific issue, as contingency in case urgent repairs to parish owned assets are needed.

POLICY REVIEW

This Policy is to be reviewed each financial year. The amount of funds that can be 'earmarked' for specific purposes will be determined by Parish Council and recorded as part of the Budget and precept setting process undertaken each December, preceding the next financial year.

The purpose of 'earmarking' funds and placing them in reserve is to demonstrate responsible financial management, taking into account potential future capital outlay. Every effort will be made to meet the cost of unforeseen eventualities, without placing an unrealistic burden on residents through increases in the precept. However, this may be inevitable as costs rise. Alternative funding will be sourced wherever possible.

(Policy adopted by Cherington Parish Council at full Council Meeting 16/01/2024)