

# BARROWBY PARISH COUNCIL

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## **RESERVES POLICY**

The Parish Council follows the guidance in the current edition of the Governance & Accountability for Local Councils – The Practitioners Guide regarding Reserves.

1. Council Reserves are divided into two main categories – Earmarked Reserves and General Reserves.
2. Earmarked Reserves are realistic amounts set aside for specific purposes and for savings for future projects.
3. General Reserves is the difference between Earmarked Reserves and the total bank balance. The General Reserve is for general working capital requirements and should also include a buffer for contingency needs of approximately 25-50% of the value of the Precept.
4. The Council will review the Reserves Policy as part of the review of Financial Regulations and reporting to the Council as part of the budget setting process.
5. The Council will have the opportunity to review the levels of Earmarked Reserves held in accordance with the Council's Financial Regulations and make recommendations for the creation of additional Earmarked Reserves as part of the annual budgeting process.

This policy was reviewed and approved by the Council at the Annual Parish Council meeting held on 12th May 2025.

Review date May 2026.

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