

## GENERAL RESERVE POLICY 2022/23

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DATE & MINUTE REFERENCE (Council)	F&A 01.11.22 item 37a
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### General Reserve

As per Joint Panel on Accounting & Governance (JPEG) Practitioner's Guide

As with any financial entity, it is essential that authorities have sufficient reserves (general & earmarked) to finance both their day -to -day operations & future plans.

The general reserve of an authority comprises its cash flow & contingency funds to cover unexpected inflation, unforeseen events & unusual circumstances. The general accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three & twelve months of net revenue expenditure.

In practice, any authority with income & expenditure in excess of £200,000 should plan towards 3 months equivalent net revenue expenditure.

In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, risks and plan their budget so as to ensure that the adopted level is maintained.

Authorities with significant self-generated income (other than the precept) should take into account situations that may lead to a loss in revenue as well as increased costs & adapt their general reserve accordingly.

**Calculation****£**

3 months Net Reveune budget  
Contribution to 22/23 budget  
Income streams

73,738.25

22,188.00

74,338.00

170,264.25**Unfunded Exp. In 22/23**

Staffing less £2k EMR  
Consultant & consultancy costs less £5k EMR

14,756.00

2,500.00

187,520.25

General Reserve @ 31/03/22

181,291.00**Income stream break down****£**

Room hire  
Market stalls  
Service charge & Rent  
Allotment  
Interest

10,000.00

28,500.00

33,583.00

1,255.00

1,000.00

74,338.00

**This policy is adopted for the General Reserve calculation 2022/23.**