

GENERAL RESERVES POLICY 2025/2026

VERSION NUMBER V	V4
DATE & MINUTE REFERENCE (Council)	F&A 09/12/25 (TBC)
DATE OF NEXT REVIEW	November 2026

General Reserve

As per Smaller Authorities Proper Practices Panel (SAPPP) 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 as well as future plans.

The General Reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and 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 and twelve months of net revenue expenditure.

In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months' equivalent net revenue expenditure. Through all of this it is important that each authority adopts, as a General Reserve Policy, the level appropriate to their size and number of risks, planning 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, adapting their general reserve accordingly. For example, if the net budget rises then the reserves requirement must increase to match it.

<u>Calculation</u>	<u>£</u>	<u>Income stream breakdown</u>	<u>£</u>
3 months Net Revenue budget	106,396.00	Room hire	19,000.00
Income stream	84,332.00	Market stalls	32,850.00
	190,728.00	Service charge & rent	30,109.00
		Allotment	1,343.00
		Mobile phone reimbursement	30.00
		Interest	1,000.00
General Reserve @ 31/03/25	<u>181,969.00</u>		<u>84,332.00</u>

Recommendation:

To adopt the above policy for the General Reserve calculation 2025/26.

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2nd December 2025