



# HACKINGTON PARISH COUNCIL

Representing Our Community, Preserving Our Heritage

## Hackington Parish Council General Reserves Policy

### 1. Purpose of this Policy

This General Reserves Policy sets out how Hackington Parish Council determines, maintains, and reviews the level of its **General Reserve** in accordance with the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide.

The policy ensures that the Council holds an appropriate level of unallocated funds to meet unforeseen expenditure, manage financial risks, and maintain operational stability.

### 2. Background and Context

Hackington Parish Council serves a small rural parish of less than **600 residents**. The Council has a **very limited asset base**, consisting primarily of a small meadow, and does not own or manage parks, village halls, street lighting, or other high-liability infrastructure.

The Council does **not** currently hold any **Earmarked Reserves**.

Given the size and risk profile of the authority, the General Reserve represents the Council's primary financial buffer.

### 3. Definition of General Reserve

The **General Reserve** is the Council's working balance that is not allocated or earmarked for specific projects. It exists to:

- Provide a contingency for unexpected events or emergencies
- Smooth cash flow during the financial year
- Protect the Council against unplanned expenditure
- Support continuity of service in the event of delays in income or unforeseen cost pressures

General Reserve funds may be used only with the approval of the Council.

### 4. Determining the Appropriate Level of General Reserve

JPAG guidance states that the level of General Reserve should be based on the Council's **local circumstances, risks, and future spending plans**.

Given Hackington Parish Council's small size and low-risk asset base, the Council considers it appropriate to maintain a General Reserve within the range of:

#### **3 to 12 months of net revenue expenditure**

The Council will normally aim to hold a General Reserve that provides:

- A **minimum** buffer equivalent to around **three months** of routine expenditure
- A **maximum** buffer equivalent to around **twelve months**, unless specific circumstances justify a temporary variation

This range is considered proportionate to the Council's responsibilities and risk exposure.

## 5. Review of Reserves

The level of the General Reserve will be:

- Reviewed **annually** as part of the budget-setting process
- Reported in the year-end accounts and bank reconciliation
- Considered when assessing the Council's financial risks and forward planning

If the General Reserve falls below the minimum level, the Council will plan to rebuild it over the following financial year(s). If it rises above the maximum level, the Council will consider whether funds should be used to reduce the precept or support one-off community projects.

## 6. Earmarked Reserves

Hackington Parish Council currently holds **no Earmarked Reserves**.

Should the Council decide in future to create Earmarked Reserves for specific projects or liabilities, these will be established by formal resolution and reviewed annually.

## 7. Governance and Transparency

The Council will ensure that:

- The level and purpose of all reserves are clearly reported in the annual accounts
- The General Reserve is used only with Council approval
- Any movement in reserves is recorded in the minutes
- This policy is reviewed **every three years**, or sooner if required by changes in legislation or local circumstances

## 8. Adoption

This General Reserves Policy was adopted by Hackington Parish Council at its meeting held on **8<sup>th</sup> July 2026**.

Approval Date: 09/07/26 Minutes 6.1

Signature: SIGNED COPY RETAINED

*Samantha Paterson*

Role: Clerk/RFO

Signature: SIGNED COPY RETAINED

*Ania Bobrowicz*

Role: Chair