

**STRUMPSHAW
PARISH
COUNCIL**

Reserves Policy

1. Introduction

In the last year the Parish Council has developed two new activities in addition to Buckenham Woods. These are the allotments and the Community Hall.

It would be prudent for the Council to consider its reserves policy in relation to these activities in addition to a general reserves policy.

2. Buckenham Woods

The Parish Council holds funds on behalf of the Strumpshaw Marsh Charity to assist with maintaining Buckenham Woods. These funds are restricted to this purpose. At the start of 2020/21 this amounted to £2,827.

3. Allotments

The funds raised from the allotment rents and the allotment element of the S. 106 funds from Oakland Mews and William Black Way are restricted to spending on the allotments. Holding this sum in a ring fenced allotments reserve would demonstrate that funds were being built up to be available to assist with spending on the allotments over time.

4. Community Hall

The income from hiring the community hall could well be greater than the costs of operating the hall, at least in the early years, even during the COVID 19 pandemic with its restrictions. The Parish Council should designate the surplus income to build up a repairs and renewals fund from which payments to maintain, redecorate and re-equip the community hall could be paid in future years.

5. General Reserve

Over the last few financial years there have been times when unexpected expenditure has had to be paid from the Council's funds. This has included legal fees and changing the registered address for the Community Hall and Buckenham Woods.

Advice was sought from the Norfolk Association of Local Councils who advised that a balance be held in a general reserve that would usually amount to between 3 and 6 months of normal expenditure.

It would be prudent for the Council to plan to build up and retain a general reserve equivalent to at least 3 months normal expenditure in case of any future unexpected demands.

A general reserve equivalent to 3 months normal expenditure would have amounted to £2,100 if it had been in place for the 2020/21 financial year. However, at the start of 2020/21 there was no reserve of this nature, and the balance brought forward from 2019/20 amounted to £911.

It is likely to take several years to build up a general reserve equivalent to 3 months expenditure because of the impact on the precept. If the Council were to designate a sum equivalent to 4% of the 2020/21 budget to building a reserve it would take 6 financial years to reach a reserve equivalent to 3 months normal expenditure at 2020/21 prices.

Megan Wilby,
Parish Clerk and Responsible Financial Officer

and

Hilary Hammond
Deputy Parish Clerk

Strumpshaw Parish Council adopted this report as its reserves policy on 25th November 2020, and planned to build up a general reserve equivalent to 3 months spending.

The on line version of this policy is the current version. Paper copies may not be the current version.