

Highworth Town Council
Reserves and Balances Policy

1. Policy on Minimum Reserves

When considering medium term financial plans and preparing the annual budget, the Council will aim:

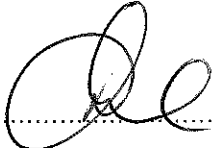
- To maintain a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing (overdraft) e.g. prior to receipt of precept, referred to as the General Fund;
- To maintain earmarked reserves, to meet known or predicted liabilities, known as the Earmarked Reserves Fund.

2. General Fund

The General Fund will be maintained at a level no less than 20% and no more than 50% of the Council's annual gross expenditure. This fund also includes working capital. Annual review, determination of the precept and an assessment of risks facing the Council will determine whether the fund is at the upper or lower limit of this scale.

3. Earmarked Reserves Fund

The Council maintains a fund for specific capital expenditure and the re-investment into its assets. This is known as the Earmarked Reserve and is part of the ongoing Council Rolling Programme. The current allocations have been designated to the various cost headings relating to the Council's areas of responsibility. New projects agreed by the Council may be added to the programme from time and will be accompanied by agreement to transfer allocation in full or in part instalments from the General Fund.

Signed.......... Print Name David Lane
Position in Highworth Town Council..... Town Clerk.....
Date..... 23-MARCH-2019.....
To be reviewed..... 2022.....