

Market Weston Parish Council Reserves Policy

1. In considering its reserves, reference has been made to proper practices as set out in the Practitioner's Guide 2025, published by the Smaller Authorities Proper Practices Panel (formerly known as the Joint Practitioner's Advisory Group) relating to reserves. Specifically points 5.31 - 5.39 (see relevant extract at Appendix A).
2. Specifically it is noted from the Practitioner's Guide that
 - it is essential that authorities have sufficient reserves (general and earmarked) to finance both their day-to-day operations and future plans
 - Smaller authorities have no specific right to accumulate funds via the precept
 - All reserves should be reviewed and justified regularly
 - It is good practice to transparently publish both the level and rationale of all reserves
 - The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances
 - The generally 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
 - The smaller the authority, the closer the figure may be to 12 months expenditure
 - It is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income
 - There is, in practice, no upper or lower limit to EMR/CRRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting) and should be separately identified and enumerated

General Reserves

3. In accordance with proper practices, MWPC has considered the size of its budget and the risks it faces as an organisation including to its income.
 - 3.1 Taking account of the annual precept, it's only source of income, which is set at £10,097 for the 2025/26 financial year, it is determined that MWPC is a small "Smaller Authority" and therefore it would be prudent and appropriate to **hold an equivalent of 12 months precept/income as a General Reserve.**

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- 3.2 The main risk identified to that income would be if the District Council (the collecting authority) was unable to pay the precept to the parish council in a timely manner. Specifically, with Local Government Reorganisation on the horizon and an imminent change to local authorities, this could be a potential risk in 2026.

Earmarked Reserves

4. MWPC holds funds in its earmarked reserves to provide for a contingency in respect of its responsibilities, identified risks and prudent asset management.
5. Funds held in Earmarked reserves are regularly reviewed (at least annually at budget setting) to ensure their ongoing relevancy and are assessed according to identified risks.

Date Adopted: July 2025

Date of Next Review: July 2026