**Report to Full Council 13th May 2024 by the Clerk**

Governance Committee on 8th April considered a paper from the Clerk which included draft wording for a new policy on General Reserves.

**GOV2324/104.1** **Resolved**: Subject to minor amendments on specific amounts, the General Reserve Policy should be recommended to Full Council.

**DRAFT General Reserve Policy 2024/25**

In accordance with the Joint Panel on Accountability and Governance (JPAG) 2023 section 1.13 and 5.30 ‘the authority needs to have regard to the need to put in place a General Reserve Policy and have reviewed the level and purpose of all Earmarked Reserves’ and ‘reviews them annually as part of the budget assessment process’ (AGAR Certificate section D).

**Introduction**

**Reserves:** The Town Council holds reserves for two main purposes:

i. projects approved but not yet delivered ie a form of carry forward (referred to as Earmarked Reserves).

ii. Funds against possible one-off costs arising from BTC liabilities in respect of the project ( allotments, toilets , Xmas lights etc)

It is essential that authorities have sufficient reserves (general and earmarked) to finance both their day-to-day operations and future plans.

**Policy**

* Baildon Town Council has a General Reserve of which £100,000 (2024/25) is held in a low-risk (public sector) interest bearing account. The interest will be applied annually with the first interest being applied end of March 2025.
* It is generally accepted that authorities of our size maintain a General Reserve level of between 3 – 12 months of net revenue expenditure (JPAG 5.33). Currently Baildon Town Council has c. 6-7 months in General Reserve.
* All matters with regard to the holding and disbursement of General and Earmarked reserves will be conducted in line with Financial Regulations, BTC Standing Orders, the JPAG 2023 guidance and Terms of Reference of Committees.
* Baildon Town Council believes that it its General Reserve is appropriate to its size, situation and risks. These are analysed regularly in the Council’s Risk Assessment.
* Baildon Town Council via relevant committees and then Full Council will review the General Reserves Policy and its Earmarked Reserves on a regular basis in response to internal requirements, external advice or regulatory changes.
* Baildon Town Council will ensure that the level and rationale for reserves is transparent and published.