



Buckden Parish Council

Reserves Policy

The Parish Council follows the guidance in the current edition of the “Governance and Accountability for Local Councils - The Practitioners’ Guide” regarding Reserves.

Council reserves are divided into two main categories:

- Earmarked Reserves, and
- General Reserve.

Earmarked Reserves, which are set aside for specific purposes and for savings for future projects, should be realistic and approved by the Full Council. On that basis they may be spent by the RFO, working with the relevant committee/group Chairman without further reference to the Council, other than inclusion in the Payments For Sanction (PFS) list.

The General Reserve is the difference between the Earmarked Reserves and the total bank balance. The General Reserve is for general working capital requirements and should also include sufficient to provide a buffer for contingency. Current national guidance recommends that for a local Council with a turnover similar to Buckden Parish Council the General Reserves planned for each year’s budget should be approximately 50% of the Precept.

The plan for the total of the General Reserve will be annually reassessed and approved by the Council.

General Reserves cannot normally be spent by the RFO or Chairmen without the prior approval of the Full Council, based on a paper and discussion to specify the purpose for the expenditure, the rationale and the benefits and opportunity costs of spending or not spending from the General Reserves.

The Reserves policy shall be reviewed annually or when new guidance becomes available e.g. from JPAG.

Prepared by
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The listed headings for Earmarked Reserves may not be included in the budget for all financial years.

Descriptions are included here to assist understanding of potential categories for reserves to be held by Buckden Parish Council in order to meet its obligations set out under national legislation and guidance and to assist in the efficient and effective management of resources in the delivery of services.

Earmarked Reserves	Description/Purpose
Allotment deposits	Deposits from allotment tenants held by the Council. The deposit is reimbursed to the allotment holder when the plot is surrendered in good order, when a tenancy is ended. Deposits not returned at that time will be vired to the General Reserve.
Allotment minor improvements donations and sponsorship	Improvement and development of the allotments and community amenities within that area of the village
Allotment Communal Area Reserve	Communal area developments, where planned e.g. shelter and secure store
Capital Projects Reserve	Major capital projects for improvements to include playing area, allotments, cemetery, church yards/paths, street furniture or similar; Earmarked reserve to be held against designated projects including those funded by grants
Cemetery Extension Reserve	Potential purchase and preparation of land to extend the cemetery in future years
Cemetery Paths and Maintenance Reserve	Maintenance of the Buckden cemetery
Clerk Revenue Reserve	Facility to cover additional support if/when required to provide flexibility in staff budget
Community Project Funds	Specified fund lines in Earmarked Reserves, each being added when grant funding is received, to hold funds that are earmarked for externally funded projects. These are generally Restricted Reserves.
Community Project Funds - match funding	Specified fund lines in Earmarked Reserves, each being added when a project for which match funding is required is approved by Council, to ensure that match funding is available when required
Community Infrastructure Levy Reserve	To hold CIL for earmarked developments, improvements and functions. This is a Restricted Reserve and is reported on to HDC each year; if unspent in 5yrs it must be returned to HDC
Contingency Reserve for pathway management	For maintenance as agreed by the council e.g. clearance of undergrowth affecting road safety and not being addressed by HDC or CCC
Defibrillator Reserve	Maintenance, vandalism and replacement of either machine if not covered by insurance

Earmarked Reserves	Description/Purpose
Donations to other bodies	S137 and non-S137 donations <i>S137 donations total value each year limited by statute</i>
Election Expenses Reserve	Expenses for Parish elections - as advised by HDC
Equipment Renewal Funds - Handymen's	To replace existing maintenance equipment, including mowers, and minor items which are no longer fit for purpose
Equipment Renewal Funds - Office	To replace existing office equipment and other minor items which are no longer fit for purpose
Handymen's storage replacement reserve	All costs associated with the replacement of the council's maintenance equipment storage
Highways Match Funding Reserve e.g. Local Highways Initiatives and Privately funded Highways Initiatives	Reserve to be created when a Highways grant is applied for which requires match funding. Note: When Highways LHI/PFHI or grant funding is awarded to the Parish Council all funds received for this purpose must also be placed in an Earmarked Reserve
Legal and professional Fees - administration	Legal costs associated with parish council duties where insurance is not available to cover the costs
Legal and professional Fees - planning	Legal costs associated with parish council submissions/evidence on Planning Applications
Lighting Reserve	Contingency funds to replace damaged Parish Council owned street lights. Also, for the purchase of new or replacement columns as agreed by the council
Maintenance Reserve	General maintenance - items not due on a recurrent basis and in the annual recurrent budget plan.
Parish Office revenue Reserve	Office and general administration including professional advisers' fees not foreseen in the annual budget plan.
Parish Office capital items Reserve	All costs associated with furniture etc required for the efficient and effective operation of the parish office
Professional fees - Neighbourhood Plan	Professional fees associated with development, consultation on and implementation of Neighbourhood plan
Playground vandalism and replacement Reserve	Replacement or repair of playground equipment and maintenance or repair of safety surfacing
Section 106 Funds Reserve	Funds received in connection with developments in the village
Training Reserve	Costs associated with Training - Staff and Councillors but not included in the annual budget plan
Tree Maintenance Reserve	Tree maintenance and any urgent tree works required as a result of storm damage or vandalism.

Next Review date: January 2026

Headings table prepared with acknowledgement and thanks to
Mrs J Gellatly, Clerk to Little Paxton Parish Council



Buckden Parish Council Reserves Policy

Version Control Record

Version	Date	Author	Reason for update
Version 1	13 th November 2018	Cllr S Ashwell, Chairman, Finance Advisory Group	New Policy
Version 1.1	26 th February 2020	Cllr S Ashwell, Chairman, Finance Advisory Group and Clerk (RFO)	Reviewed in line with Budget arrangements agreed by Council for financial year 2020-21
Version 1.2	Finance AG 20 June 2021 Council 13 July 2021	Chairman, Finance Advisory Group and Clerk (RFO)	Reviewed in line with Budget arrangements agreed by Council for financial year 2021-22 and March 2021 JPAG guidance
Version 1.3	Finance AG 30 January 2024 Council	Clerk (RFO)	Update to match current approach to reserves, within scope of national guidance including JPAG.