Llandybie Community Council

Reserves Policy

1   The amount of money held in General and Earmarked Reserves shall be identified at the end of each financial year and reported to the Full Council at the same time as the statutory Statements of Accounts. Where Earmarked Reserves include Capital Reserves and Unspent Loans, they will be specifically identified.

2   Earmarked Reserves

        The Council will keep such sums in earmarked reserves as shall be considered necessary to support future expenditure on specific projects or as funds built up towards significant future revenue expenditure or to meet anticipated liabilities. These reserves should be recommended by the Finance Committee having taken due regard of work required arising from the Community Development Committee.

3   General Reserves

3.1   The Council shall maintain a prudent level of general reserves sufficient to ensure it can meet its on-going commitments, respond to any need for emergency or unplanned expenditure, and overcome any cash flow difficulty which might arise.

3.2   The Council will normally aim to maintain general reserves at around 60%, within the range 55 to 65%, of net budgeted annual running costs, excluding growth items and items on which expenditure will be met by use of earmarked reserves. In years, when the general reserves exceed the 60%, the Full Council must resolve to agree to the Finance Committee's recommendation to the amount of general reserves held.

        "Net budgeted annual running costs" means the expenditure which each committee has estimated it will spend on its on-going services in the following year, less the income it expects to receive, after any adjustments to the budgets have been made by the Finance and General Policy Committee for any reason.

        "Growth items" are additional discretionary items specifically identified by Council.

The policy was recommended by the Policy Committee on the 7th February, 2018 and approved by the full Council on 28th February, 2018. It will be reviewed in 12 months' time.

        Chair: _____   Clerk: _____