

## RESERVES POLICY

### **Background**

Colburn Town Council banks with the Bank of Ireland UK and previously operated with a deposit account and a current account. Interest was earned on the deposit account, and the bulk of the balance was held in this account, transferring to the current account as necessary to pay monthly bills. The deposit account option was closed by the BOI in May 2019 and the sum of £162,056.11 was transferred to the current account. The Town Council looked for a safe account into which they could deposit money and earn regular interest.

The sum of £60,000 was agreed for investment at the Town Council meeting held on Mon 21<sup>st</sup> October 2019 and an account was opened with CCLA under their Public Sector Deposit Fund on 11<sup>th</sup> November 2019.

The CCLA investment account has paid interest in the region of £2750 per annum except for the Covid years when little interest was paid at all. The £60,000 investment is part of the Assets registered and shown on the List.

### **Reserves**

The current account has since 2019 contained a cash balance around the £100,000 - £125,000 level dependent on the time of the year and the Precept payments made to the account at the end of April and September.

The general rule accepted by the Town Council at the time of making the CCLA investment was that a Parish/Town Council should have **between 3 & 12 months of net revenue expenditure** in its bank account to act as a Reserve fund. The precept has remained at the £163,000 level = 3 mths reserve £41,000, 6 mths reserve £81,500.

The published monthly receipt and expenditure figures show the closing balance, which consists of a General Reserve of £53,000 with an additional £10,000 for Play Park equipment repair/replacement. The **Reserves have been maintained at £63,000** with the balance of the account shown as cash in hand.

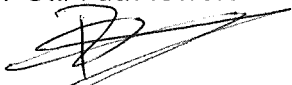
### **Managing and Reviewing Reserves**

- All reserves will be reviewed annually as part of the budget-setting process in October/November.
- Any transfers to or from the reserves must be approved by the Council and recorded in the Minutes.
- The Council will ensure that reserves remain proportionate to their responsibilities, assets and future plans.

### **Policy Approval**

This policy was approved by Colburn Town Council on 15<sup>th</sup> June 2026

Chair: Cllr Paul Towers



Clerk/RFO: Philippa Graves

