

COLLINGHAM WITH LINTON PARISH COUNCIL

RESERVES POLICY

Adapted from the original non-version control CLPC document in July 2025

Version: FINAL V1.0 02/09/2025

This Reserves Policy was reviewed and adopted by the council at its meeting held on 17th September 2025.

Signed : Marianne Moses

Chair

Date: 17/09/2025

Review Date: September 2026

1. Introduction

As well as managing "operational" budgets on a year-to-year basis, the Parish Council also manages its sustainable long-term future. This document explains how this would be achieved.

2. Operational Money Management

The Parish Council keeps an operationally appropriate fund in its ongoing transactions and commitments this includes its general reserves*. These funds are allocated as follows:

- a) In the region of one month's transactions value held at all times in a current account for the normal day-to-day running of Collingham with Linton Parish Council.
- b) Further funds in an instant access Business money manager account {which attracts a lower interest rate, whilst offering immediate access}.

*The Parish Council has agreed to target a general reserve sum in the region of £50,000 after taking into consideration funds required for operational expenditure and those being allocated under earmarked reserves for future spending.

3. Ear Marked Reserves (EMR)

Collingham with Linton Parish Council has established a number of Earmarked Reserves (EMR's) to allow for future expenditure commitments. The Council's express approval is required for any expenditure from the EMR. At the annual budget setting meeting, the Parish Council decides the values to be allocated for forthcoming year's operational expenditure. The Parish Council also considers whether any unallocated balances should be reallocated to the EMR's. The values of the EMR's are regularly reported to the finance committee and to full council.

4. Investment Strategy

The Parish Council recognises its duty to the Council Tax-payers of Collingham with Linton Parish to use their money wisely. Therefore, the Parish Council seeks to maximise the interest / return on the money it holds on behalf of the local residents, without incurring inappropriate risks. This will enable the value of the money held to increase, thereby decreasing the impact on future Precepts. The value of the EMR is agreed by Full Council for short and long-term use and the funds within the EMR may be allocated as follows:

- a) Longer Term Investments which are likely to result in a higher rate of return (including dividends) over an extended timeframe (e.g 5-years or more). This may include investments in suitable approved funds.
- b) Twelve-Month Maturity Fixed Rate Investments, which are likely to yield less than the longer-term investments, but more than shorter term investments.

- c) Six-Month Maturity Fixed Rate Investments, which are likely to yield less than twelve-month investments, but more than a current account.
- d) A 90 Day Notice Deposit Account which will attract a higher interest rate, used for holding the EMR.
- e) The values invested and the type of investments will be reviewed before the maturity of any fixed term investment and at least every year.
- f) The Parish Council will reduce the risk on the Council's funds by splitting the investments between several different banks/investment opportunities.