

DOVER TOWN COUNCIL

POLICY ON RESERVES

(Adopted by Dover Town Council on 5th August 2020 – Minute No. 7b)

1. Introduction

The Council complies fully with Statutory Requirements regarding reserves and gives due regard to non-statutory guidance issued by regulatory authorities.

The Practitioner's Guide issued by the Joint Panel on Accountability and Guidance issued in March 2020 and applicable to accounting periods commencing 1 April 2020 includes the requirement at 1.13 that the Council have regard to putting in place a General Reserve Policy and to review the level and purpose of all Earmarked and other reserves.

This policy demonstrates the Council's compliance with the requirement.

The general principle is that the Council should have sufficient funds (both Earmarked and General) to deal with both day to day operations and future plans. It is important, however, that given the funds are generated from public precept that such reserves are not excessive.

2. General Reserves

The level of General Reserve will be maintained at a level appropriate to the Council's size and situation and the budget setting and review process will ensure that the adopted level is maintained.

It is recognised that changes in activity levels and range of services provided will lead to changes in the requisite minimum level of General Reserve in order to provide working capital for those activities.

3. Earmarked and Other Reserves

Earmarked and Other Reserves must be held for genuine and intended purposes. They must be separately identified and enumerated. The level of such reserves will be subject to regular (at least annual) review and approval by the Council.