



WINSFORD TOWN COUNCIL

RESERVES POLICY

INTRODUCTION

The Town Council is required to maintain adequate financial reserves to meet the needs of the organisation, and this Policy is to set out how the Council will determine and review the level of these reserves.

The Council's general reserves include revenue income and expenditure which is accounted for but do not include earmarked reserves.

The Local Government Finance Act 1992 requires the Council to have regard for the level of reserves required when setting the budget to deal with unexpected areas of expenditure.

There is, however, no specified minimum or maximum level of reserves that a council should hold and it is the responsibility of the council's Responsible Financial Officer (RFO) to advise the council about levels of reserves and to ensure there are correct procedures in place for their use.

TYPES OF RESERVES

Reserves can be categorised as general (to cushion the impact of uneven cash flows and/or unexpected events) or earmarked (held for a specific purpose).

Earmarked reserves can be held for various reasons including trading accounts; insurance reserves; and carry forwards of underspends.

General reserves (or working balances) are funds which do not have any restrictions on their use.

FACTORS/ISSUES

Earmarked reserves can be established based on specific need and are established by the Council as such.

General reserves and their level are a matter of judgement for the council and may be established through an allocation from the general budget.

Such considerations may be included in a medium-term financial strategy and also in the annual budget setting process.

In setting a level for general reserves, a number of factors will be taken into consideration including inflation; demand-led pressures on the council; financial risks; and the availability of other funds.

EXISTING RESERVES

Winsford Town Council has several accounts in place which contain reserves.

Overall, the Council does maintain balances on the current account which can be used as a general reserve and has several other general/earmarked reserve accounts: -

- *Capital Accounts/Investments* – capital reserves
- *Capital Project Account* – capita reserves projects
- *Silver Jubilee Account* – set up as a general reserve
- *First Reserve Account* - general reserves and projects
- *Allotments Projects* – to fund work on allotments

The Council has earmarked reserves set out in Appendix A of this document and these are reflected in the above accounts. Capital reserves are placed in the capital accounts listed above and the earmarked reserves are placed in the other accounts.

In addition, the Council does not generally include a specific amount of money as part of the annual budget setting process which is dedicated to reserves.

REVIEW

This Policy will be reviewed by the Council on an annual basis.

The Council may wish to review any aspect of this Policy in conjunction with the RFO.

APPENDIX A - APRIL 2025 – LEVEL OF RESERVES

CURRENT LEVEL OF FINANCIAL RESERVES

CAPITAL RESERVES	£150,000.00
EARMARKED RESERVES	£100,000.00
GENERAL RESERVES	£150,000.00
TOTAL	£400,000.00

EARMARKED RESERVES

PROJECTS – CAPITAL RESERVES	
Brunner Guildhall (Staffing and Assets Committee)	£50,000
Town Centre Toilets (Staffing and Assets Committee)	£30,000
Barton Stadium (Staffing and Assets Committee)	£10,000
Delamere Street Cross (Staffing and Assets Committee)	£5,000
SUB-TOTAL (CAPITAL)	£95,000
PROJECTS – EARMARKED RESERVES	
Rilshaw Meadows	£20,000
Solar Panels – Pavilions	£10,000
Townfields	£3,000
Planting Schemes	£4,000
CCTV	£10,000
Tennis Courts	£20,000
SUB-TOTAL	£67,000