**East Chinnock Parish Council**

**Reserves Policy**

The Local Government Act of 1992 states that ‘adequate reserves’ must be kept but gives no further guidelines. There are two types of Reserves. Earmarked Reserves are for specific projects. General Reserves are a contingency amount set aside for such things as unexpected budget overspends and unbudgeted expenses such as an insurance claim excess.

**Earmarked Reserves**

Current Earmarked Reserves are as per the attached List

**General Reserves**

General Reserve amounts vary from council to council depending on their size and areas of responsibility. East Chinnock Parish Council has very few assets and the main area of liability has been identified as the Playing Field which is rented from the Bath and Wells Diocesan. Most of the play equipment is quite old and provision had previously been made for maintenance and repair costs but plans are currently been made to refurbish the area which should reduce the potential liability.

The Council have decided that a General Reserve of around 25% of the Precept would be adequate for the Parish requirements and have therefore currently set aside a sum of £2,319 to be held as a General Reserve and Contingency Fund.

It is intended that all reserve amounts will be regularly reviewed to ensure they remain adequate for the Parish requirements.

Maureen Randell, March, 2021

Clerk and RFO