



HOLYWELL TOWN COUNCIL

FINANCIAL RESERVES POLICY

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1. INTRODUCTION

As part of the annual internal control review undertaken by the Council's Internal Auditor the levels of general and earmarked financial reserves are evaluated to ensure they are appropriate, having regard to the levels of net operating expenditure.

2. GENERAL RESERVES

A minimum value of 20% to a maximum value of 50% of the annual precept shall be held in general reserve balances at the financial year end.

3. EARMARKED RESERVES

The Council may, from time to time and as the need arises, allocate funds to one or more earmarked reserves, to be used for a future specific purpose.

Any balances remaining at the financial year end over and above the minimum value required for the general reserve may be transferred to earmarked reserves, subject to Council approval.

Earmarked reserves could be used to support, for example, future capital expenditure programmes or community asset transfers from the principal local authority. Earmarked reserve funds will only be utilised to support revenue expenditure in exceptional circumstances.

All Holywell Town Council Policies are subject to an annual review