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

The council has determined to follow the advice set out in the Governance & Accountability for Local Councils in Wales – A Practitioners Guide (2019 Edition) jointly published by One Voice Wales and the Society of Local Council Clerks.

It is generally accepted that un-earmarked revenue reserves usually lie within the range of three to twelve months of gross expenditure. The council therefore shall endeavor to hold general reserve balances in this range 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 reserves could be used to support revenue expenditure in certain circumstances, for example future election costs.

All Holywell Town Council Policies are approved by full council and subject to an annual review.

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Town Mayor & Chairman of the Council