



Policy on Council Reserves

1. This policy sets out Stirchley and Brookside Parish Council's approach to the level of reserves held by the Council.
2. This policy should be read in conjunction with the Council's investment strategy and updated in the case of any significant long term investments.
3. The general recommendation is that reserves should be held at between three and twelve months Net Revenue Expenditure (NRE) depending on the size of the council.
4. NRE is the amount of precept less loan repayments, amounts included for capital expenditure and reserves earmarked for specific project.
5. In practice any Council with an NRE in excess of £200,000 should plan on three months equivalent; £50,000.
6. Significant levels of earmarked reserves may give rise to enquiries from auditors.
7. Auditors are entitled to enquire into and comment on the level of a council's general reserves, and require an increase or reduction in precept.
8. Stirchley and Brookside Parish Council will maintain a reserve of 4 months NRE.
9. This policy will be reviewed annually.

Approved: July 2020

Review: July 2021