

Waterbeach Parish Council Reserves

At 31 March, 2017, total Council reserves as reported in the Annual Return amounted to £232,409. Of this total, £86,353 were specific S106 reserves, so that the total General reserves were £146,055.

Governance and Accountability, the 2017 edition, states:

5.166. As authorities have no legal powers to hold revenue reserves other than those for reasonable working capital needs, or for specifically earmarked purposes, whenever an authority's year-end general reserve is significantly higher than the annual precept or rates and special levies, an explanation should be provided to the auditor.

The Parish Council's reserves total 96% of the precept so we do not fall foul of this provision. Earlier editions of Governance and Accountability had recommendations on the level of balances a Council should aim for, but the extract quoted above is the only reference in the current edition.

The General Reserves increased from 2016 where the balance was £115,677 (increase of 26%). The budget for 2016-2017 did not anticipate a surplus, but careful management of expenditure, together with the lack of a Clerk for part of the year, resulting in a significant underspend in the salaries budget, led to the increase in balances.

The Council should be aware of the situation and make some decisions on the strategy to be used when setting the budget for 2018-2019. The Council might also consider putting aside some specific sums for projects that cannot be financed by S106 receipts.

Michael Williamson 12/10/2017