

LOOE TOWN COUNCIL

K O N S E L T R E L O G H

Reserves Policy



Re-Adopted by Council:
15th May 2023

Next Review due: 31st May 2024

LOOE TOWN COUNCIL



RESERVES POLICY

Introduction

Looe Town Council recognises the possibility of unplanned events having the potential consequence of high levels of expenditure and loss of income and to that effect has formulated this policy to provide for the financial mitigation of such events.

Additionally, the Town Council recognises the need to hold in reserve designated funds to cover, from time to time, the cost of planned projects.

Reserves Policy Statement

Within the unrestricted funds the Town Council will maintain two separate, designated reserves namely:

- a. A Property Reserve representing 10% of the estimated value of its property assets in order to provide protection against any uninsured repairs, losses and other property maintenance outside of the normal course of operations.
- b. An Operating Reserve: This separate designated reserve will hold 50% of the annual operating costs as protection to ensure that the Council can continue to pursue its objectives in the event of unforeseen circumstances.

Project Reserves may be set aside from time to time, for active major projects or planned developments to be paid for out of capital reserves.

Reserves may, or may not, be included in the Town Council's Annual Budget, at the discretion of the Council.