

Reserves Policy

1. Council will remember that, during the discussion of the 2017-18 budget, concern was expressed by a number of members about the level of council reserves.
2. Broadly speaking, the setting of the level of operational reserves is an outcome of the risk management activity of the council.
3. In the absence of clear risk management activity council was advised to set its level of operational reserves as follows

2017-18	50% of budget
2018-19	40% of budget
2019-20	30% of budget
2020-21	25% of budget

4. Council is recommended to formally adopt this approach, and to review its reserves policy as part of the 2018-19 budget process in September 2017.