

Reserving Policy Review and Update

Purpose:	Approval
Author:	Director of Finance and Operations
Approver:	Chief Executive

Summary

The current reserving policy was approved in April 2021. The Funding model has changed significantly since the policy was approved and now needs to be aligned.

Recommendations

Council is requested to review and approve the updated policy.

Risk management

Insufficient reserve levels could result in volatility of fee rates should the Council be under reserved. This could result in financial and reputational risk to the CLC.

Regulatory Objectives

The following regulatory objectives are served by the decisions requested in the paper:

- RO1 - protect and promote the public interest
- RO4 - protect and promote the interests of consumers
- RO8 - promote and maintain adherence to the professional principles

Financial impact

Inappropriate reserve levels may result in the CLC having insufficient cash reserves to fund operations or weather a crisis situation.

Diversity and inclusion impact

There are no diversity and inclusion impact.

Communications requirements

This paper is for the Council only. Once the policy has been agreed this will be referenced in, for example, our Annual Accounts and PC fee application.

Background

none

Annexes

Annex A: CLC Reserving policy – July 2022

Annex B: Illustration of reserve levels

Publication

The attached report is not for publication.