

Charitable Reserves Policy

Author of the Report / Paper: David Michael

Owner of the Report / Paper (if different):

Purpose of the Report / Paper: For the Board to approve its policy in relation to its charitable reserves

Report / Paper previously presented to (if relevant):

Audit and Risk Committee

Financial Planning Committee

The issue of charitable reserves was discussed in the Financial Planning Committee (FPC) on 14 August 2020. The FPC discussed the appropriate level of reserves (£10M) and updating the uses to which they can be put. A Charitable Reserves Policy is a requirement of the Charity Commission.

Summary of the Report / Paper:

The draft policy is attached for comment/amendment by the Board. The table in 3.1 in the policy identifies the commitments currently made from Private Funds totalling £2.4M. Of this total, £1M is included for financing the costs of redundancy payments. This issue was discussed in the FPC and was agreed in principle, subject to it being clarified in the reserves policy that use of private funds in such circumstances was acceptable. The following bullet point has been added to section 1.1 of the reserves policy:

- To provide revenue funding to finance exceptional costs such as restructuring;

Financial Obligations (if relevant): Yes

No

Contributes to Strategic Targets (where relevant):

Recommendations:

It is recommended that:

- *The Board reviews the Charitable Reserves Policy and approves subject to any amendments,
- *The use of up to £1m to finance redundancy costs if approved

Status of the Paper / Report:

Requires approval

For information only