

Healthwatch Cambridgeshire and Peterborough Reserves Policy

Healthwatch Cambridgeshire and Peterborough is committed to following good practice in all financial matters.

This policy sets out the amount of reserves that will be maintained to enable Healthwatch Cambridgeshire and Peterborough to meet its obligations in terms of outstanding pay, statutory redundancy payments and any other liabilities in respect of contracted services and leased premises.

It is accepted good practice that organisations maintain three to four months' operating costs.

The operating costs for the current financial year, 2020/21, are forecast to average at £44,000 per month. This is slightly less than the previous year due to the impact of Covid-19 on operations. Monthly operating costs for 2019/20 were £46,000.

In the interests of stability and business continuity the organisation will retain four months' operating costs.

Operations will return to a more normalised pattern during 2021/22 and so the reserves have been calculated based upon the 2019/20 monthly operating costs.

The target reserves level for 2021/22 will be therefore be £184,000.

This level will be reviewed annually by the General Purposes Group who will recommend the target reserves level to the Board of Directors for approval.

Approved by Healthwatch Cambridgeshire and Peterborough Board of Directors
Date: March 2021

Responsible Officer
Chief Executive Officer of Healthwatch Cambridgeshire and Peterborough