

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. In the interests of business continuity the organisation will retain four months' operating costs. This is considered sufficient due to the stability of the local authority funding received, which accounts for the majority of the organisation's income.

The operating costs for the current financial year, 2021/22 have been £48,000 per month. This is slightly more than the previous year due to increased salary costs. However, the continued impact of Covid-19 on operations means that travel and venue costs have been minimal.

It is anticipated that operations will return to a more normalised pattern during 2022/23 and so the reserves have been calculated based upon the 2021/22 monthly operating costs plus £2,000 to account for increased travel and venue expenditure.

The target reserves level for 2022/23 is set at £200,000. This represents an increase of £16,000.

This level is 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 2022

Responsible Officer
Chief Executive Officer of Healthwatch Cambridgeshire and Peterborough