Reserves Policy

21st July 2026

1. Purpose

The District Trustee Board maintains reserves to protect the continuity of Scouting, manage unforeseen financial pressures and meet identified future commitments. The policy balances financial resilience with the active use of charitable funds to deliver and develop Scouting in Worthing. This policy is based upon Charity Commission guidance CC19; The Scouts Policy, Organisation and Rules (Chapter 5c).

2. How District funds are classified

Free reserves. Unrestricted funds readily available for the District's general charitable purposes, excluding funds tied up in fixed assets or set aside for specific purposes.

Designated funds. Unrestricted funds that the Trustees have earmarked for particular activities, commitments or risks. They remain under Trustee control and can be redesignated by a recorded decision where appropriate.

Programme and unit funds. Funds held for Explorer Scout Units, Scout Network, Gang Show, Target Sports and Jamboree activities. These are generally managed on a multi-year basis, are designated by the trustees, and are included in the District's financial oversight rather than treated as general free reserves. If a programme or unit ceases to operate, the District remains responsible for its outstanding liabilities and will retain any remaining funds or assets for use in accordance with the District's charitable objectives.

Legally restricted funds may only be used in accordance with the restrictions applying to them.

3. Free reserves

The Trustees aim to maintain free reserves of £8,000–£12,000, with a central target of £10,000. The lower end of the range (£8,000) is the minimum planning level for financial resilience, not an absolute prohibition on using reserves where necessary.

This range reflects the District's routine running costs, potential short-term shortfalls in income and unforeseen general expenditure. Larger, identified commitments and risks are provided for separately through designated funds. The Trustees review the appropriateness of the range against the budget and risk register at least annually.

4. Designated funds

The Trustees have identified the following purposes and target allocations:

Designated fund	Purpose	Target
Glebe Road property	Lease renewal, refurbishment and property contingency	£35,000
Network relaunch	Strategic development of Scout Network	£5,000
Jamboree contingency	Potential participant fundraising shortfalls	£3,000
Kandersteg contingency	International trip financial and currency risks	£7,000
Membership subscriptions	Timing or shortfalls in payments due to County	£12,000
Minibus contingency	Running costs, insurance and unexpected repairs	£5,000
Total of the listed designated targets		**£67,000**

Programme and unit funds have variable balances and are additional to the targets above. Targets do not represent the amounts actually held at a particular reporting date.

Scouts Worthing

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5. Use of reserves

The Trustees may authorise the use of free reserves to meet unforeseen expenditure, manage temporary financial pressures or protect the delivery of Scouting. Any use of designated funds should be consistent with their purpose, unless the Trustees make a recorded decision to redesignate them. Legally restricted funds cannot be redesignated for general use.

Where free reserves are above the upper end of the target range, the Trustees will consider using the surplus to support growth of Scouting, volunteer development, inclusion and accessibility, programme delivery and other agreed strategic priorities.

If free reserves fall below the target range, the Trustees will assess the reasons, consider appropriate changes to expenditure or income, and agree how reserves should be rebuilt over time.

6. Use of reserves for grants and loans to Scout Groups

The District recognises that it operates as part of a federation of independent Scout charities, and that individual Scout Groups may, from time to time, experience unexpected or exceptional financial pressures.

Scout Groups are independent charities and are normally responsible for meeting their own financial commitments.

In line with its charitable objectives and the requirements of Policy, Organisation and Rules (POR), the District may use its reserves to provide grants where appropriate, or loans where repayment is feasible and in the best interests of Scouting.

Funding is discretionary, not an automatic entitlement.

When support may be appropriate

Such support is intended to:

- Enable Groups to continue the safe and effective delivery of Scouting
- Address unforeseen or exceptional financial circumstances
- Support the sustainability of Scouting within the District

The Trustees will ensure that any such support:

- Is based on a clear assessment of need
- Represents a proportionate and appropriate use of District funds
- Does not place the District's own financial stability at undue risk

What the District will not normally fund

The District will not normally provide funding for:

- Routine or planned maintenance
- Ongoing operational deficits
- Expenditure that should reasonably be met from a Group's own income or reserves

Trustee decisions and safeguards

The Trustees will determine, on a case-by-case basis whether support is provided as a grant or a loan and what conditions apply, including repayment terms where applicable

All such decisions will be properly recorded, subject to appropriate oversight and reviewed as part of the District's financial governance.

The Trustees may set an overall limit on the level of reserves allocated to such support at any one time.

7. Oversight and review

The Trustees monitor reserves during the year and review this policy and the purpose and adequacy of each designated fund at least annually. The Trustees' Annual Report will explain the policy and report the actual level of free reserves and material designated funds held at the reporting date.

Approved by the District Trustee Board: 21st July 2026