



The Public Chairs' Forum

Financial Reserves Policy

The Public Chairs' Forum subscriptions are paid for by public bodies, which are funded from the public purse. Therefore, it is incumbent on the organisation to ensure that the funds are used prudently for the benefit of the organisations that are members, meeting its objective to contribute to the efficiency and effectiveness of the delivery of public services. The PCF Committee is transparent about expenditure. The Forum has updated its constitution to reflect how it currently operates and introduced annual general meetings at which annual accounts are provided for members to view and comment on.

PCF is registered for VAT and is a not-for-profit organisation. At the end of financial year 2016-2017, the reserves carried forward were £52,520. This policy sets out the level of reserves PCF wishes to maintain, and how it will use funds in excess of reserves.

The annual operating costs of PCF are circa £130k pa. This includes staff salaries; office space; cost of events, including an annual conference; audit and accounts; insurance; and website hosting.

The Forum is committed to ensuring the membership fee is not so high that it excludes organisations from joining. For small public bodies, membership fee is discounted by 50% if they have an income of less than £10m and 10 or less employees.

The Forum's management committee considers that the organisation should ensure it has sufficient reserves to enable it to continue operating in the event of a number of instances, without resorting to increasing the membership fee. Such instances include: a sharp downturn in membership; an increase in running costs; or moving premises. If membership took a downturn for a short period of time, then the Forum would like to be able to cover the costs in the short-term, to ensure the organisation can continue. Further, reserves are needed to cover any costs in the event that PCF closes down, such as redundancy and service charge commitments.

However, in the event that membership continued to drop below 45 paying organisations over six months, the management committee would consider the most appropriate course of action, either to raise the membership fee, or if they consider the Forum is unsustainable, propose dissolution as per the constitution, (see annex 1).

The Management Committee considers that it requires six months expenditure in reserve for both of these purposes, which currently amounts to £65K.

In the event that levels of reserves exceeded the agreed ceiling in a given year, for example through unexpected increase in subscription or sponsorship revenue, the subscription fee for the following year would be discounted, all other things being equal, by an appropriate amount, at a level determined by the management committee.

The management committee reserve the right to use reserves built up for other purposes that would contribute to the objectives of the organisation, to improve the efficiency and

effectiveness of the delivery of public services, for example, through the commissioning of research or employ additional staff.

The management committee would leave the reserves in a bank account, where it is at low risk and can accumulate interest, as opposed to investing the funds.

Annex 1

Dissolution of the PCF

Dissolution of the PCF is covered in part 23 of the constitution, which states:

“Any motion to dissolve the PCF must be the subject matter of a special meeting.

To be carried, any motion to dissolve the PCF shall require the votes of three-quarters of the members present at the meeting and entitled to vote thereat.

In the event that the members pass a resolution to dissolve the PCF, any property or assets belonging to the PCF shall not be distributed to the members if there is a surplus of assets over liabilities, but will be given or transferred to such other organisation or entity having similar objects to the PCF, as the members may decide upon.”