



## Reserves Policy

### Introduction

The Council is required, under statute, to maintain adequate financial reserves to meet the needs of the organisation.

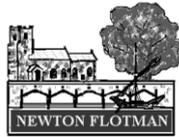
The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three main purposes:

- A **working balance** to help cushion the impact of uneven cash flows, such as the time lag between the start of the new financial year and the receipt of the first precept payment and the upfront payment of VAT prior to reclaiming
- A **contingency** to cushion the impact of unexpected events or emergencies
- **Earmarked reserves:**
  - A means of building up funds, to meet known or predicted requirements
  - Money held for specific purposes such as CIL (Community Infrastructure Levy)
  - Money pledged but payments unmade

The Council's specific requirements are detailed on appendix 1

Reviewed February 2024  
For review January 2025



## Working Balance

The Council has considered the need for a working balance for 2024/25:

	Use	Budget
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment	£1,000
VAT payments	The payment of VAT prior to reclaim	£1,000
<b>Total</b>		<b>£2,000</b>

## Contingency

The Council has considered the need for a contingency for 2024/24:

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£2,000
Election	The potential cost of a by-election	£2,000
Unexpected costs	To cover the cost of unexpected events such as travellers or other community needs	£2,000
<b>Total</b>		<b>£6,000</b>

## Earmarked Reserves

Below are the currently anticipated earmarked reserves at the end of 2023/24, any changes will be shown in the end of year accounts.

Project to improve Village Centre ditches	£640.00
Access to Smockmill Common	£1,000.00
Neighbourhood Plan (approximate at 31/01/24)	£7,500.00