

RINGLAND PARISH COUNCIL

Reserve Policy

Introduction

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

It is noted that the guidance contained in Governance and Accountability states that a council's general reserves should be between three and twelve months of net revenue expenditure.

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 of 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 details on **appendix 1**

Reviewed November 2024
For review November 2025

Appendix 1

Working Balance

The Council has considered the need for a working balance for 2024/2025:

	Use	Budget
Cash flow	To enable the payment of invoices prior to the receipt of the precept payment	£1,000
VAT payment	The payment of VAT prior to reclaim	£1,000
Total		£2,000

Contingency

The Council has considered the need for a contingency for 2024/2025:

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£5,000
Unexpected costs	To cover the cost of unexpected events such as travellers or other community needs	£3,000
Total		£8,000

Earmarked Reserves

Earmarked reserves as 31 December 2023:

River Green Parking	£ 700
Building Contingency	£ 600
Village Hall Car Park	£7,000
Church Green	£1,000
Election	£ 500

Any further earmarked reserves identified before the year end will be shown in the end of year accounts.