

RINGLAND PARISH COUNCIL

FINANCIAL RESERVES POLICY

1. PURPOSE

The Parish Council is required to maintain adequate financial reserves to meet foreseeable needs and commitments and to have money available in an emergency.

2. GENERAL RESERVES

The use of this is not restricted. It can be used to smooth the impact of uneven cash flows, offset the budget requirement, or can be used to cope with unexpected events or emergencies.

It is intended to maintain the General Reserve at a level equivalent to twelve months precept income, but at all times should be sufficient to cover staff salaries to cover for long term sickness or the resignation of the Clerk, whereby the services of a locum clerk may be required. If the balance is drawn down, replenishment will be provided for in the next annual budget.

If the General Reserve is exhausted due to extreme circumstances, the Council may make emergency borrowings from Earmarked Reserves, which will be replaced at the next annual budget.

3. EARMARKED RESERVES

These are set up to meet known or predicted liabilities.

Examples of Earmarked Reserves include:

- Future projects such as replacement of equipment
- Maintenance of land & property owned by the Council, such as The Village Hall
- Expenditure for accidents not covered by insurance (eg fallen/dangerous trees)
- Possible election in event of casual vacancy and contested elections

4. PROCEDURE

Any decision to set up a reserve must be made by the Council.

The Council will be required to consider the following when making recommendations for each reserve:

- The reason for/purpose of the reserve
- How and when the reserve can be used
- Procedures for the reserves management and control
- A process and timescales for review of the reserve to ensure continuing relevance and adequacy

Expenditure from reserves can only be made by the Council.

The reserves will be reviewed by the Council as part of the annual budgeting process.

The Responsible Financial Officer will maintain a detailed schedule of all reserves which will form part of the accounts.

SCHEDULE OF FINANCIAL RESERVES

Ear Marked Reserve	2025/26	2026/27
Election	500	500
Building Contingency	600	600
Village Hall Car Park	7000	600
Sign on commons	0	250
Fencing on Commons	0	1500
River Green Parking	700	0
Church Green	0	100
	8800	3550
General Reserve		
Projection for end of 25/26	12800	7650
Projected deficit in budget for 26/27		-1600

Adopted November 2025

Review November 2026