



HORSTEAD WITH STANNINGHALL PARISH COUNCIL

Reserves Policy

Introduction

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

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.
- **Capital reserves:**
 - Money for capital projects (the purchase of buildings or land)

Notes to the Annual Accounts will detail the movement of reserves during the financial year.

The Council's specific requirements are detailed in appendix 1

Reviewed 12th June 2024
Next review June 2025

Appendix 1

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	£9860
VAT payments	The payment of VAT prior to reclaim	£2465
Total		£12325

Contingency

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

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£6162.25
Election	The potential cost of a by-election	£0
Unexpected costs	To cover the cost of unexpected events such as travellers or other community needs	£6162.25
Total		£12325

Earmarked Reserves

Current any anticipated earmarked reserves at the end of 2024/25:

CIL - £6291.14

VE Donations now D Day Donations - £107.86

Covid Grant - £1000

Playing Field Depreciation Fund - £13,206.98

Mill Repairs - £6700

Office Equipment - £1000

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