

MULBARTON PARISH COUNCIL

Reserves Policy

Introduction

The Council is required, under statute, to maintain adequate financial reserves (see appendix 1) in order 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
- **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

Agreed: August 2023
Review August 2024

Appendix 1

Working Balance

The Council has considered the need for a working balance for 2023/24:

	Use	Budget
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment	£8,000
VAT payments	The payment of VAT prior to reclaim	£5,000
Total		£13,000

Contingency

The Council has considered the need for a contingency for 2023/24:

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£12,500
Election	The potential cost of a by-election	£3,500
Unexpected costs	To cover the cost of unexpected events or other community needs	£20,000
Total		£36,000

Earmarked Reserves

Anticipated earmarked reserves at the end of 2023/24:

Tree maintenance - £15,000

Play Equipment - £20,000

Community Hub - £30,000

Earmarked reserves identified before the year end will be shown in the end of year accounts.