

# Ashby St Mary Parish Council

## Reserves Policy

### Introduction

The Council is required, under statute, to maintain adequate financial reserves 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 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

**At the end of 2024/25, it is anticipated that the Council's general reserves will be around £1400.00, £1700.00 short of the specific requirements details in appendix 1. £500 has been added to the budget for 2025/26 and therefore the general reserves of the council will be around £1900.00. It is anticipated that the reserves will be made back up to around £4,000 by 2029/30 if council continues to ear mark £500.00.**

The Council's specific requirements are detailed in appendix 1

Adopted May 2025

To be reviewed November 2025

## Appendix 1

### Working Balance

The Council has considered the need for a working balance for 2025/26:

	Use	Budget
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment	£3000
VAT payments	The payment of VAT prior to reclaim	£100
<b>Total</b>		<b>£3100</b>

### Contingency

The Council has considered the need for a contingency for 2026/27:

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£1000
Election	The potential cost of a by-election	£1000
Unexpected costs	To cover the cost of unexpected events or other community needs	£1000
<b>Total</b>		<b>£3000</b>

### Earmarked Reserves

Earmarked reserves at the end of 2024/25: £790.00

CIL receipts - £0.00

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