Marlingford and Colton Parish Council

Reserves Policy

Introduction
The Council is required, under statue, 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 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 November 2025
Reviewed November 2026
Next review November 2027

Appendix 1

Working Balance
The Council has considered the need for a working balance for 2027/28

	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	£1000
Total		**£4000**

Contingency
The Council has considered the need for a contingency for 2027/28

	Use	**Budget**
Parish Council Assets	To cover unexpected maintenance costs	£2000
Election	The potential cost of a by-election	£2000
Unexpected costs	To cover the cost of unexpected events such as travellers or other community needs	£2000
Total		**£6000**

Earmarked Reserves

Anticipated earmarked reserves at the end of 2026/27:

CIL receipts - £0
Colton Amenity Area - £417.03
Ditch set aside - £2960
Defib replacement - £0
Amenity Area maintenance - £0

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