

Purpose

The Parish Council is required to maintain adequate financial reserves to meet foreseeable needs and commitments, and to have money available in the event of unexpected costs.

General Reserve

The use of this is not restricted. It is available to smooth the impact of uneven cash flows, offset the budget requirement if necessary or can be held in case of unexpected events or emergencies.

It is intended to maintain the General Reserve at an amount between six and nine months precept income.

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 in the next annual budget.

Earmarked Reserves

These will be established on a “needs” basis to meet known or anticipated requirements and reduce the impact of meeting the full expenditure in one year.

Procedure

Any decision to set up a reserve must be made by the Council, following a recommendation by the Finance Group

Expenditure from reserves can only be authorised by the Council, following a recommendation by the Finance Group

Reserves will be reviewed by the Finance Group as part of the annual budgeting process to ensure continuing relevance and adequacy and recommendations made to the Council

The Responsible Financial Officer will maintain a detailed schedule of all reserves

Recommendations 2024/2025 Financial Year

The Reserves were approved in May minute **24/25 – 12.2. VAT refund added to general when received.**

SPARSHOLT PARISH COUNCIL – RESERVES POLICY

SUMMARY OF RESERVES AND HELD FUNDS		
RESERVES		
General Reserve		£ 16,930.87
Legal and Planning Costs		£ 6,000.00
Election Costs		£ 6,000.00
Street Furniture and Play Equipment		£ 11,205.00
Community Projects		£ 17,047.75
Total RESERVES		£ 57,183.62
HELD FUNDS		
Ham Green		£ 2,153.42
Defibrillator		£ 110.88
Total HELD FUNDS		£ 2,264.28
TOTAL RESERVES AND HELD FUNDS		£ 59,447.90

Adopted June 2018

Reviewed 21 May 2020 Minute reference 20/21 011c

Reviewed 21 September 2023 Minute reference 23/24-49j

Reviewed 19 September 2024 Minute reference 24/25-49f3