Mautby Parish Council

Reserves Policy

1. Introduction

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

1.2 The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

2. The Purpose of Reserves

The Council will hold reserves for these three purposes:

2.1 General Reserve

The Joint Panel on Accountability and Governance (JPAG) states the appropriate minimum level of general reserves should be maintained at between three and twelve months of net revenue expenditure. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards a minimum of 3 months' equivalent general reserve. A general reserve will include:

- 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, the upfront payment of VAT prior to reclaiming or the funding of a grant funded project, prior to the grant being received or claimed.

- A **contingency** to cushion the impact of unexpected events or emergencies

2.2 Earmarked reserves:

- A means of building funds, to meet known or predicted requirements

- Money held for specific purposes such as Section 106 planning obligations or the Community Infrastructure Levy (CIL)

- Money pledged but payments unmade

2.3 Capital reserves:

- Money held for capital projects (the purchase of buildings or land, this could be from a previous disposal of an asset, land or property.

Notes to the Annual Accounts will detail the movement of reserves during the financial year, both monies received and paid out.

The Council's specific requirements are detailed in appendix 1

Adopted: July 2026

Reviewed

Next review: November 2027

Appendix 1

General Reserves

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

	Working Balance/Contingency	
Cash Flow	With uneven cash flow to ensure payment of invoices is made promptly	
Parish Council Assets	To cover any unexpected maintenance costs and any unexpected community needs, events or emergencies.	
Total	**To work towards a general reserve figure of 6 months revenue expenditure, £8,000.**	**Gen Res at 1st April 2026** **£7,500**

Earmarked Reserves

Current earmarked reserves at 1st April 2026:

Staff Contingency	£3,000
Election Costs	£1,300
Village Hall Contingency	£4,700
Village Hall Repairs	£2,240.86
Concurrent Functions Mitigation	£2,900

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

Capital Reserves

None held