

# Thornham Parish Council

## Reserves Policy

### Introduction

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

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

Reviewed 13 December 2023  
Next review November 2024

## Appendix 1

### Working Balance

The Council has considered the need for a working balance for 2024/25:

	Use	Budget
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment	£2000
VAT payments	The payment of VAT prior to reclaim	£1000
<b>Total</b>		<b>£3000</b>

### Contingency

The Council has considered the need for a contingency for 2024/25:

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£4000
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	£3000
<b>Total</b>		<b>£9000</b>

### Earmarked Reserves

Item	£
CIL	19138.83
Working Balance	3000
Contingency	9000
Legal Fees	10000
Pavilion	5000
Election	2000
Street Lights	5000
General Maintenance	2000
Community Events	2000
Tree Costs	1000
Memorial Seats and Benches	1150
<b>EARMARKED Total 31 March 2024</b>	<b>59288.83</b>

**As at 31.10.23 Total Bank Accounts £67,249.28**

**Less Anticipated costs to 31<sup>st</sup> March 2024 - £7960.45**

**Estimated bank account 31<sup>st</sup> March 2024 – £59288.83**