

Great and Little Plumstead 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
- **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

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

Adopted 14-06-2021
Next review 2025

Appendix 1

Working Balance and Contingency

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	£67355.48
VAT payments	The payment of VAT prior to reclaim (for the previous year)	£5580.07
Total		£72,935.55

Earmarked Reserves

Current earmarked reserves at the end of 2024/25:

Asset Replacement Fund	£32940.71
Parish Project Fund	£25700.22
CIL Monies	£190601.71
New Homes Bonus	£29902.08
Astley Road	£3727.96
Sepping Way	£13682.80
Tree and Hedge Fund	£9075
Allotment Fund	£0
Staff Contingency	£17.14
Highways	£10,682.98
Rosebery Road CIL	£46,111.73
Broadland District Council Deposit	£270.27

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