

## Document Control

Adopted date: May 2026

Next review date: May 2027

# Caistor St Edmunds & Bixley 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

## Appendix 1

### Working Balance (General Fund)

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

	Use	Budget
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment (50% of precept).	£6,942
VAT payments	The payment of VAT prior to reclaim (Vat for previous year)	£0
<b>Total</b>		<b>£6,942</b>

### Contingency (Earmarked Reserves)

The Council has considered the need for a contingency for 2025/26:

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs (Raking Pit, tree works)	£1,300
Election	The potential cost of a by-election	£2,000
External auditor	Unexpected costs	£300
Village Hall	Unexpected costs	£3,600
Legal fees	To cover the cost of legal fees	£1,000
<b>Total</b>		<b>£8,200</b>

### Earmarked Reserves

In addition to the contingency earmarked reserves the Council holds the following earmarked reserves as at 01/04/26

- £4,735.35 - CIL (Community Infrastructure Levy) receipts
- £822.09 – Relating to Litter picking, War memorial (cleaning), IT and Archive and storage of Council documents.