Mattishall Parish Council

Reserves Policy

Introduction
The Council is required, under statue, to maintain adequate financial reserves in order to meet the needs of the organisation.

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 purposes:

- **General Reserve**
  The Joint Panel on Governance and Accountability 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 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 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) and Section 106
  - 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 07/2026
Next review 07/2027

Appendix 1

Working Balance
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 (based on 6 months)	£54,523
VAT payments	The payment of VAT prior to reclaim (based on 3 months)	£1,600
Total		**£56,123**

Earmarked Reserves

Current any anticipated earmarked reserves at the end of 2025/26:

Open Spaces	£16,100
Legacy / Bequest fund	£2,222
Professional Fees	£7,500
Church Clock	£5,750
Churchyard Wall	£7,850
Storage / meeting facility	£3,000
TOTAL	**£42,422**

S106 receipts - £99,615.36 (last updated 31.03.2026)

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