



SAXLINGHAM NETHERGATE PARISH COUNCIL

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Reserves Policy

Introduction

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

It is noted that the guidance contained in Governance and Accountability states that a council's general reserves should be between three and twelve months of net revenue expenditure.

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

At the end of 2025/26, it is anticipated that the Council's general reserves will be around £10,000, £2,000 short of the specific requirements details in appendix 1. £1,500 was added to the budget for 2025/26 and it is anticipated that the reserves will be made back up to around £12,000 by 2027/28.

Reviewed November 2025
For review November 2026

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 | £2,000 |
| VAT payments | The payment of VAT prior to reclaim | £2,000 |
| Total | | £4,000 |

Contingency

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

| | Use | Budget |
|-----------------------|---|---------------|
| Parish Council Assets | To cover unexpected maintenance costs | £3,000 |
| Election | The potential cost of a by-election | £2,000 |
| Unexpected costs | To cover the cost of unexpected events or other community needs | £3,000 |
| Total | | £8,000 |

Earmarked Reserves

Earmarked reserves at 1 November 2025:

| | |
|-----------------------|---------|
| Play area improvement | £188.27 |
| Allotment deposit | £275.00 |
| Litter-pick receipts | £220.00 |

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