Deeping Gate Parish Council

Reserves Policy

To be adopted, 10th March 2026
Minute: 26.27.2.e

1. Introduction

1.1 Deeping Gate Parish Council is required to maintain adequate financial reserves to meet the needs of the organisation and ensure financial stability.

1.2 This policy follows the JPAG Practitioners' Guide and NALC guidance. The Responsible Financial Officer (RFO) is responsible for advising the Council on the adequacy of reserves.

2. Types of Reserves

2.1 **Earmarked Reserves (EMRs)** are funds set aside for specific projects or known future liabilities (e.g., IT replacement, village assets). These must be established by formal Council resolution and reviewed annually.

2.2 The **General Reserve** is the Council's working balance held to smooth cash flow and provide a contingency for unforeseen events. It must not be used to fund ongoing recurring expenditure.

3. Level of General Reserves

3.1 In line with JPAG guidance, the Council will normally maintain a General Reserve within the range of three to twelve months of net revenue expenditure.

3.2 The specific target for each year will be set during the budget process. For the 2026/27 year, the Council has set a target of 3.3 months.

3.3 At an absolute minimum, the Council will maintain funds to cover one month's gross salary and essential statutory costs.

4. Use of Reserves

- Transfers between reserves must be approved by Council resolution.
- Earmarked Reserves used to meet a specific liability do not need replenishing once that purpose has been fulfilled.
- Where General Reserves are used to cover a short-term funding gap, a replenishment plan must be agreed by resolution.

5. Review and Transparency

5.1 Reserves will be reviewed during annual budget setting, at financial year end, as part of the Annual Governance and Accountability Return (AGAR).

5.2 The schedule of reserves will be subject to internal audit review annually.

5.3 This policy and schedule of reserves will be published on the Council's website.

6. Schedule of Reserves – Forecast 2026/27

Reserve	Opening Balance	Transfers In	Transfers Out	Closing Balance	Purpose/ Notes
General Reserve				£2,274.72	3.3 months cover of net revenue expenditure of £8,277.43
Earmarked Reserves:					
PCC Rural projects grant	£ 1,796.82	£ -	£ 600.00	£ 1,196.82	Christmas Sing-Along event
IT fund balance	£ 595.00	£ -	£ -	£ 595.00	Laptop / software
Training fund	£ 225.00	£ 145.00	£ -	£ 370.00	For Clerk, Councillors, Chair
Office Equipment	£ 50.00	£ 50.00	£ -	£ 100.00	Printer
Village Assets	£ 651.60	£ 100.00	£ -	£ 751.60	Street furniture
Bench (mini forest) - PECT 30for30 Grant	£ 128.23	£ -	£ -	£ 128.23	Installation pending
Fund for Nature Grant	£ -	£ -	£ -	£ -	To close at April 2026
CLF Grant	£ -	£ -	£ -	£ -	To close at April 2026
Village maintenance	£ -	£ -	£ -	£ -	To build, subject to Council resolution
Neighbourhood Plan	£ -	£ 1,000.00	£ -	£ 1,000.00	Pending consultation and Council decision

Document History and Review			
Version	**Adoption date**	**Minute Ref.**	**Notes**
1.0	10th March 2026	26.27.2.e	First adoption

Next scheduled review: March 2027