Northborough Parish Council

Reserves Policy

Adopted by Council, 11th March 2026
Minute: 26.34.2.e

1. Introduction

1.1 Northborough 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 Practitioners' Guide issued by the Joint Panel on Accountability and Governance 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 predicted or known future liabilities These must be established by formal Council resolution and reviewed annually.

2.2 **General Reserves** are held by the Council to aid 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 5.61 months.

3.3 At an absolute minimum, the Council will maintain funds to cover one month's salary including PAYE, National Insurance, pension contributions 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 and 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.

5.4 The schedule of reserves shall be maintained by the Responsible Financial Officer and presented to Council during the annual budget setting process.

6. Schedule of Reserves – Forecast 2026/27

Reserve	Opening Balance	Transfers In	Transfers Out	Closing Balance	Purpose / Notes
General Reserve				£ 25,359.08	5.72 months net revenue expenditure
Earmarked Reserves:	£ -				
Office Equipment	£ -	£ 170.00	£ -	£ 170.00	Printer, etc
Burial grounds	£ -	£ 250.00	£ -	£ 250.00	Maintenance
Burial grounds capital contribution	£ -	£ 2,543.57	£ -	£2,543.57	NPC 25% contribution
Neighbourhood plan	£ 2500.00	£ -	£ -	£ 2,500.00	Received 2017/18
Asset renewals	£ -	£ -	£ -	£ -	5yr Capex plan
Land (inc car parks, fencing etc)	£ 7835.00	£ -	£ 4,835.00	£ 3,000.00	Transfer to GR
Road safety measures	£ 260.01	£ -	£ -	£ 260.01	Maintenance of VAS, etc
Miscellaneous capital projects	£ 500.00	£ -	£ -	£ 500.00	
Ecological, sustainability, wildlife	£ 500.00	£ -	£ -	£ 500.00	
Play equipment	£ 1,774.31	£ -	£ 1,774.31	£ -	Transfer to Play Equipment budget
Village events	£ 2,500.00	£ -	£ 2,500.00	£ -	Transfer to GR
Signage	£ 2000.00	£ -	£ 2000.00	£ -	Transfer to Signage budget
Recreation grounds capital contribution	£ -	£ -	£ -	£ -	
Deepings Community Leisure Centre CIC	£ -	£ -	£ -	£ -	To close April 2026
Training and conferences	£ 275.00	£125.00	£ -	£ 400.00	
Tree management	£ 500.00	£ 500.00	£ -	£1000.00	
Community Grants	£ -	£ 500.00	£ -	£ 500.00	
Totals:	**£ 18,664.32**	**£ 4,088.57**	**£ 11,109.31**	**£ 11,623.58**	

Document History and Review			
Version	**Adoption date**	**Minute Ref.**	**Notes**
1.0	8th September 2021	21.108.2	First adoption
2.0	11th March 2026	26.34.2.e	Reviewed and updated.

Next scheduled review: March 2027