Peasenhall Parish Council

General Reserves Policy

The council keeps three types of reserve:

The General Reserves:

These are unrestricted funds for cash-flow fluctuations, unexpected costs and emergencies. Proper practices[1] direct that smaller councils should reserve a figure amounting to close to twelve months' income. Since Peasenhall Parish Council receives little income beyond the precept, it has resolved that its general reserve should equal its annual precept demand.

If General Reserves are exhausted, the council may temporarily draw on Earmarked Reserves.

Earmarked Reserves:

These are funds designated for projects and specific anticipated needs. These can only be set up, and the money in them spent, with the agreement of the full council. Money in an earmarked reserve can be carried forward from one financial year to another.

Restricted Reserves (CIL money):

These are Community Infrastructure Levy funds that must only be used to address infrastructure needs or other demands arising from development. This money must be spent within five years of receipt.

All earmarked and restricted reserves are recorded in a schedule held by the Responsible Financial Officer which lists the various earmarked reserves and the purpose for which they are held.

All the reserves, and this policy, are reviewed annually by the council as part of the budgeting process.

This Policy was adopted by the Council at its meeting held on: 18 November 2026

[1] Practioners' Guide 2026-2027, 5.35