

## **Financial Reserves and Funds Policy 2026-27**

Agreed and Adopted at Annual Council Meeting on 11.5.26 (Minute 26/008)

(To be reviewed at the Annual Meeting each year)

PSE Community Council holds three pools of funds within the accounts, aside from the routine revenue expenditure. These three ear marked reserves are for identified non-revenue or occasional purposes:

### **1. General Reserve**

The Community Council is required to hold sufficient reserve of funding to enable the Council to cover its operating costs and liabilities in the event that usual income ceases, and as a contingency fund for unexpected and significant expenditure. A general reserve is usually accepted to cover a period within a range of **three to twelve months** of gross expenditure. At the start of 2026-27 financial year the general reserve stands at approximately 33% of annual budget, so would cover four months of gross expenditure.

### **2. Community Grants Fund**

The Community Council offers grants to support projects, activities or events organised by local non-profit organisations for the benefit of residents of Peterston super Ely. Details of the criteria for community grants, the procedure and application form are provided in separate documents on the Community Council website:<https://www.peterstonsuperely.org/>

Income to this fund comes from 2 sources:

1. An annual grant for community support awarded through the Planning System section 106 from the wind turbine development near St Brides super Ely;
2. A funding contribution agreed by the Community Council annually when the budget is set in May each year.

The current allocation of funding is the amount of £2000 annually. If the full amount is not taken up by grant applications in any year the balance may be carried forward to the next financial year in addition to the usual annual sum of £2000 - up to a maximum of £3000 for the following year. If the balance carried forward exceeds the £3000 maximum, then the surplus funding will be transferred to the Community Benefit ear marked reserve.

### **3. Community Benefit Fund**

The Community Council set up this Fund to provide a means for the Community Council to carry out projects or improvements which will benefit the people and the environment of Peterston super Ely, in addition to the usual services provided by the Council. Expenditure from the Fund will be guided by the ideas and priorities of the Community Action Plan which is agreed in consultation with residents, as well as by suggestions or demands arising during the 3 year period of a Community Action Plan.

Income to this fund comes from several sources:

1. Fees earned from hire of the playing field or other assets of the Community Council;
2. Grants applied for by the Community Council and awarded by other bodies;
3. Income earned from events organised by the Community Council;
4. Any transfer of unused funding from the Community Grants Fund;
5. Any occasional surplus at year end from the budget for routine expenditure.