

# **Report to Stanwick Parish Council meeting 21<sup>st</sup> July 2022**

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## **Medium to long term financial planning strategy**

### **1. Background**

1.1 The Joint Panel on Accountability and Governance Practitioners Guide March 2021 states:

“5.168. As authorities have no legal powers to hold revenue reserves other than those for reasonable working capital needs, or for specifically earmarked purposes, whenever an authority’s year-end general reserve is significantly higher than the annual precept or rates and special levies, an explanation should be provided to the auditor”

1.2 Historically, the Parish Council has held reserves for specifically earmarked purposes. These are (with current balances):

Green Projects Fund	£5765.00
Cemetery Fund	£53,378.00
Playground Fund	£1945.00
Election Fund	£2411.40
Parish Fields	£2007.96
Church Wall Fund	£1,500.00
Total	£67007.36

1.3 These sums are held in the deposit account with an amount of ‘general reserves’, cash reserves that are not specifically earmarked.

1.4 General reserves are also held within the current account alongside the working capital.

### **2. Ear marked reserves**

2.1 Green Projects Fund - a new fund for the purpose of supporting actions under the Council’s green strategy

2.2 Cemetery Fund – initially established to hold the levy on memorial applications to fund repairs to cemetery memorials where and owner cannot be traced. Minute 150 18<sup>th</sup> March 2004: a charge of £20.00 should be added to the fee for the erection of memorials to generate a fund of money to offset future costs.

It is also now used to support the extension of the cemetery.

2.3 Playground Fund – to support costs connected to repairs at the playground. This will be used in full towards the replacement of the safer surfacing under the large climbing frame

2.4 Election Fund – to meet any election costs incurred. The Council’s policy has been to include £500.00 in each budget until a fund of £2500.00 is held.

2.5 Parish Fields – to meet costs connected with Parish Fields and the allotments. When the Parish Council secured Big Lottery Funding for the ‘Stanwick Outdoors’ project, it was a condition of the grant to raise a sum in each years budget for maintenance costs during the first 5 years after the grant was awarded (2015). This is the residual sum and is used to support any costs incurred for site maintenance.

2.6 Church wall fund – this fund was set up to support costs incurred when an uninsured driver/unknown driver hits the wall and causes damage. The wall is now insured on the Parish Council policy and a claim has been made against this risk (2019).

### **3. Budgeting for ear marked reserves**

3.1 There has not been any active budget allowance or precepting (tax levy) for adding to the earmarked reserves since 1 April 2016.

3.2 In the budget setting in November 2021 for the financial year 1<sup>st</sup> April 2022 the surplus between proposed budget and the previous years precept was added to the repairs and renewals cost heading.

3.3 The precept raised by the Parish Council has kept at £71545.00 since 2019/20.

#### **4. Other sources of funding for significant costs**

4.1 If the Council were to initiate a project of significant cost, for example, works associated with extending the cemetery, there is the option for borrowing from the Public Works Loan Board.

#### **5. Short term expenditure**

5.1 The 'Repairs and Renewals' cost heading has a start of year budget of £7810.00

##### 5.2 Expenditure that is authorised under repairs and renewals (all amounts are net)

£4214.00 repairs to footpath between Spencer Parade and Mansfield St (invoice received)

£4517.50 renew of safer surfacing under large climbing frame

£1700.00 upgrade of church flood lights (could be assigned to green projects)

Fence and gate repairs at Parish Fields

##### 5.3 Expenditure expected under repairs and renewals not yet approved

Repair of church wall

Repair of central path at the church (waiting for dialogue with Diocese)

Relaying of path to the east of the church (expenditure previously approved but contractor no longer working)

Repair of bus shelter panel (expenditure previously approved but contractor no longer working)

Repairs for safety matting and other items at the recreation ground

Repairs to yellow gate at recreation ground

##### 5.4 Expenditure under other cost headings approved

£700.00 'Stanwick – please drive carefully signs'

£1000.00 bollards for High Street – grant applied for

##### 5.5 Expenditure not yet approved but required

Tree survey (grounds maintenance budget)

Works to trees in cemetery (grounds maintenance budget)

#### **6. Moving money between funds**

6.1 Where a council raise money via the precept for a specific purpose i.e. ear marked reserves, to use the money for another purposes, the council should make a deliberate resolution to move the money between funds.

#### **7. Action required by Council**

7.1 Preliminary discussion to identify ongoing costs that are likely to be incurred where an earmarked fund would be beneficial to assist with budget setting.