Wickwar Parish Council – Agenda Report 7th July 2021

9.2 To REVIEW and ADOPT the updated Reserves Policy

The draft policy is attached to this report at Appendix 1.

9.5 To CONSIDER and take a DECISION on a proposal to refurbish the Town Hall clockface using Community Infrastructure Levy funding and AGREE how the public should be consulted on the proposal.

CIL received at 30/04/21	**CIL expected by 30/04/23**
£118,352.36- £49,365.61 (committed/ spent)	£190,723.82 - £49,365.61 (committed/ spent)
£68,986.75 currently unallocated	**£141,358.21 estimated total unallocated**

Background

A possible CIL project that was put forward at the S106 & CIL Working Group meeting on 26th May was to refurbish the Town Hall clockface. This was last done to celebrate the Queen's Silver Jubilee in 1977. It is now looking a little worse for wear.

The Clerk has contacted the CIL Officer at South Gloucestershire Council to check if this project would be suitable for CIL. He confirmed that it would be.

The Clerk has obtained one quotation to carry out the work to inform Council discussion. A second has been requested and is due soon, but it is not anticipated that it will be possible to obtain three due to the very specialised nature of the work. This is shown below.

Please note that the Council is likely to be undertaking a repair on the broken Town Hall Clock connecting wire in the next few months, which will mean a cherry picker/ hoist is on site. It may be possible to get the clock face removed at the same time, thereby saving the cost of cherry picker hire to access the clockface. HOWEVER, it will be necessary to pay for a cherry picker for the clockface to be reinstated.

Quotation

The quotation from a reputable clockmaker is reproduced below:

Access to remove and replace - £2,732 (£1,366 x 2)

Dial restoration - £2,794

Total - £5,526 (or £4,160 if the removal can be done at the same time as the repair to the connecting wire)

Decisions required

1. The Parish Council is asked to take a decision on whether it wishes to pursue the project.
2. The Parish Council is asked how it wishes to consult residents f it decides to go ahead with the project (consultation is a CIL requirement).

Consultation could be carried out via an article in the Parish News and on the website asking for feedback on the project, or another method to be determined by the Parish Council.

9.3 To CONSIDER and take a DECISION on proposed locations for additional community benches to be funded via Community Infrastructure Levy, and AGREE how the public should be consulted on the proposals.

Cllr Carroll will circulate photos/ plans of the proposed locations separately, prior to the meeting. Unfortunately there was delay in providing these.

9.7 To CONSIDER and take a DECISION on quotations for updating the safety surfacing under the swings at King George's Field Play Area and APPROVE the use of Community Infrastructure Levy funding for the project.

Quotation 1

Option 1:- Repair edges and soft spots

• To cut out edge approx. 30.6lm existing rubber along the edges and 4m2 soft spots

• To carry out approx. 30.6lm x 100mm Black EPDM edge repair

• To carry out approx. 4m2 Black EPDM repairs

• Provisions for Duration of works

£ 978.00 (Net)   £195.60 VAT

Option 2:- Repair edges and soft spots and overlay entire area with black wet pour ramped into surrounding grass

• To cut out edge approx. 30.6lm existing rubber along the edges and 4m2 soft spots

• To carry out approx. 30.6lm x 100mm Base Rubber edge repair

• To carry out approx. 4m2 Base Rubber repairs

• To carry out full area over skim with Black EPDM approx. 62.78m2 Rolling into the Grass

• Provisions for Duration of works

£4,909.00 (Net) **£981.90 (VAT)**

Option 3:- Repair edges and soft spots and overlay entire area with autumn mix rubber mulch ramped into surrounding grass

• To cut out edge approx. 30.6lm existing rubber along the edges and 4m2 soft spots

• To carry out approx. 30.6lm x 100mm Base Rubber edge repair

• To carry out approx. 4m2 Base Rubber repairs

• To carry out full area over skim with Autumn Mix Rubber MulchTM approx. 62.78m2 rolling into the Grass

• Provisions for Duration of works

£4,721.00 (Net) **£944.20 (VAT)**

Option 4:- Cut out pcc edging, remove existing wetpour and replace with autumn mix rubber mulch (with EPDM wear pads) ramped into surround grass.

• To remove and dispose of all existing EPDM Surface

• To cut out the existing PCC edging

• To re dress, level and compact Subbase

• Supply and install Autumn Mix Rubber Mulch TM approx. 62.78m2 rolling into the Grass

• Supply and Install Colour EPDM Wear Pads under each swing seat

• Provisions for Duration of works

£8,988.00 (Net) **£1,797.60 (VAT)**

Quotation 2

Wet pour

- Cut out and remove existing rubber wet pour surfacing
- Recycle rubber
- Re bed sub stone base
- Install new black wet pour safety surface

Price: £6,700.00 plus VAT

Ecomulch

- Trench out turf around the area
- Overlay existing surface and into trench
- To cover whole area

Price: £4,987.22 plus VAT

11. To NOTE a report from the Council's insurance provider re repairs to the Town Hall clock following suspected storm damage.

Our Principal's Insured/Your Client: Wickwar Parish Council

Date of Incident: 13 March 2021 (Discovered) – Damage to clock external connecting wire

Dear xxx.

We refer to the above, together with our previous exchanges in the matter.

Having completed our initial enquiries in the matter, we would advise that the damage to the subject clock external connecting wire is said to have been discovered on 13 March 2021, this by the Insured's retained daily clock winder.

We are informed that xxx attends to wind the clock on a daily basis and that, at the time of her most recent attendance on 12 March 2021, all appeared in order.

The following day, 13 March 2021, it is reported that the clock was unable to be wound and the Insured were informed.

Having contacted the Cumbria Clock Company (CUMBRIA), retained under an annual maintenance contract, it is reported that they attended and took the attached photograph, from ground level, this clearly showing a break in the external connecting wire.

CUMBRIA have also presented the attached estimate, dated 20 May 2021. Whilst this confirms their attendance following a reported fault in the aftermath of a storm, the report itself remains silent on, and does not confirm, the believed cause of damage.

The most recent annual inspection of the clock, by CUMBRIA, took place around September 2020, as per the attached invoice. The invoice does not include any specific detail regarding maintenance works carried out at that point.

Having reviewed weather records for 12/13 May 2021, these would not tend to support damage by the reported cause of storm, particularly given we are dealing with an external cable.

Following a review of Google Street View images, as per the attached, which depicts the wire resting upon the coping stone, we consider that it is instead possible that the damage has been caused by wear and tear and/or gradual deterioration to the wire, as a result of friction every time the wire moves up and down, which would render the damage specifically excluded under the terms of the policy.

We would however caveat that, at this juncture, it would appear that no person/s have actually accessed the roof and/or formally inspected the damage to the wire in an effort to confirm causation.

In order to give the claim further consideration, and on the assumption that the Insured shall be proceeding with the work regardless of the insurance position, we would recommend that the Insured proceeds to arrange the necessary repairs, on an entirely without prejudice basis, during which more detailed photographs should be taken of the damaged wire and an opinion formed by CUMBRIA as to the exact cause of the damage to the wire.

Upon removal, we would also ask that the connecting wire be retained, should it become necessary for us to arrange an inspection in due course.

In general, we are content that the estimated costs of repair are reasonable at £525, excluding VAT, albeit which may contain some unconnected maintenance works relating to servicing the hammer and checking the bell fixings, which would fall outside the scope of the policy.

We also trust CUMBRIA would seek perhaps two estimates for comparison in relation to cherry picker/working at height access before they proceed.

In general, the claim shall be subject to a policy excess of £400 in respect of "All Other Damage", whilst we note the Insured are also in a position to recover VAT.

We trust you shall discuss the foregoing with the Insured and we shall await your further advices in due course. Alternatively, if you wish for us to discuss the above with the Insured directly, we are happy to do so.

In the interim, should you have any queries, or wish to discuss the matter, please do not hesitate to contact me.

Kind regards

xxxTechnician
Agriculture, Rural Industries and Estate Losses (ARIEL)
Crawford & Company

29. To APPROVE the creation of new earmarked reserves listed (amounts and purposes) from underspend during the financial year 2020/21

Background

In line with the Reserves Policy that the Council has been asked to approve (see Appendix 1) the General Reserve for 2021/22 needs to be reviewed and approved and it is recommended that some new Earmarked Reserves are created.

At 31/03/21 the total amount of cash held by the Council was £66,667.49 (as per the AGAR figure). This amount should be allocated between the General Reserve and Earmarked Reserves. In June 2021 the Council received its VAT S126 reclaim. This amount is not allocated in the 2021/22 budget and adds £12,221.54 to the Council’s cash balance.

Therefore, the total amount of cash that needs to be allocated to reserves for the financial year 2021/22 is **£78,889.03.**

Proposals

The table below shows reserves for the financial year 2020/21 and proposed reserves for 2021/22.

1. It is proposed that the Council retains its existing Earmarked reserves and creates <u>five</u> new Earmarked Reserves in accordance with the reserves policy.

2. It is proposed that the General Reserve is kept at 6 months Net Revenue Expenditure.

3. It is necessary to transfer any unspent CIL from the financial year 2020/21 into the CIL earmarked reserve, as this money can only be spent according to CIL rule

Reserve Purpose	Reserve Title	31/03/2020	31/03/2021	Proposed 2021/22 reserves	Notes
General reserve	General Reserve	£18,444.37	£24,385.00	**£22,707.50**	NRE (£49187-£1500-£2272)/2
	Earmarked Reserves	£42,445.09	£42,282.49	**£56,181.53**	
Other-predicted liability	Elections	£2,000.00	£2,000.00	**£2,000.00**	
Other - future project	Play Area Improvement	£15,000.00	£4,837.40	**£4,837.40**	
Other - future project	Town Hall Ground Floor Meeting Room	£10,982.20	£10,982.20	**£10,982.20**	Created using Covid 19 business support grant received 2020/21
Other - future project	Cemetery extension	£0.00	£10,000.00	**£10,000.00**	
Carry forward of underspend	CILCA*			**£750.00**	Underspend from CILCA budget plus increased cost
Renewals	Play Area capital replacement fund*			**£1,000.00**	Budgeted for each year, so will increase each year unless spent
Renewals	Burial ground wall repair fund*			**£770.00**	Is budgeted for each year, so will increase each year until spent
Carry forward of underspend	Community renewal grant fund*			**£1,338.00**	Underspend from 2020/21 grants budget which can be used to support extra community projects post Covid 19 restrictions
Other-predicted liability	Clock repairs*			**£2,805.65**	Connecting wire to bell has broken and requires repair
Developer contributions	CIL	£14,462.89	£14,462.89	**£21,698.28**	Increase by £7235,39 unspent CIL from 2020/21 allocation
Total from cash book		£60,889.46	£66,667.49	**£66,667.49**	
Additional income from VAT claim			£12,221.54	**£12,221.54**	
Total cash			£78,889.03	**£78,889.03**	

*New Earmarked Reserves

The relevant section on Earmarked Reserves is reproduced below. The purpose of each Earmarked

2.2 Earmarked Reserves 'EMR's
EMRs must be held for genuine and intended purposes and their level should be subject to annual review and justification. They should be separately identified to prevent query from internal and external auditors.
EMRs are held for several reasons and shall only be used for the purpose for which they were created:

- **Renewals** – to enable the planning and financing of an effective program of equipment replacement and property maintenance/refurbishment. The funds required are built up incrementally over several years when taking into account asset conditions and asset life. They are a mechanism to smooth expenditure without the need to vary budgets.

    - **Carry forward of underspend on an uncompleted project** – expenditure committed to a project but not spent in the budget year. Reserves can be used as a mechanism to carry forward those resources.

- **Developer Contributions** – proceeds from developers which can only be used for specified purposes e.g. Community Infrastructure Levy funding allocated by South Gloucestershire Council. This funding can ONLY be used in accordance with CIL regulations - refer to South Gloucestershire Council CIL Officer for current requirements.

Other Earmarked Reserves – these may be set up from time to time to meet known or predicted liabilities, or to fund future projects.

Where the purpose of an Earmarked Reserve becomes obsolete, or

Appendix 1

Created: July 2019
Revised: July 2021
Adopted: July 2021
Next review: July 2022

Wickwar Parish Council Reserves Policy - DRAFT

1. Introduction

Wickwar Parish Council is required to maintain adequate Financial Reserves to meet the needs of its operations and to ensure financial security. The purpose of this policy is to set out how the Council will determine and review the level of reserves.

The Joint Panel on Accountability and Governance Practitioners Guide (JPAG) (2021 edition – 5.31) advises:

"As with any financial entity, it is essential that authorities have sufficient reserves (General and Earmarked) to finance both its day-to-day operations and future plans. It is important, however, given that its funds are generated from taxation/public levies, that such reserves are not excessive."

Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no specific minimum level of reserves which an authority should hold, and it is the responsibility of the Responsible Financial Officer to advise the Parish Council about the level of reserves and to ensure that there are procedures for their establishment and use.

2. Types of Reserves

These may be categorised as either General or Specific.

2.1 General Reserves

General Reserves are funds which do not have any restrictions on their use. They cushion the impact of uneven cash flows, offset budget requirements, if necessary, or can be held in case of unexpected events or emergencies. Setting the level of General Reserves is agreed with the Annual Budget.

JPAG (2021 edition – 5.32) advises:

"The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure (NRE)."*

NRE (subject to any planned surplus or deficit) is effectively Precept\Levy less any Loan Repayment and/or amounts included in Precept\Levy for Capital Projects and transfers to Earmarked Reserves

The primary means of building General Reserves will be through a reallocation of funds (underspend on a completed project) and allocation from the annual budget. This will be in addition to any amounts needed to replenish reserves which have been spent in the previous year. If in extreme circumstances General Reserves were exhausted due to major unforeseen spending pressures within a particular financial year, the Parish Council would be able to draw down from its EMRs to provide short term resources.

2.2 Earmarked Reserves 'EMR's

EMRs must be held for genuine and intended purposes and their level should be subject to annual review and justification. They should be separately identified to prevent query from internal and external auditors.

EMRs are held for several reasons and shall only be used for the purpose for which they were created:

- **Renewals** – to enable the planning and financing of an effective program of equipment replacement and property maintenance/refurbishment. The funds required are built up incrementally over several years when taking into account asset conditions and asset life. They are a mechanism to smooth expenditure without the need to vary budgets.
- **Carry forward of underspend on an uncompleted project** – expenditure committed to a project but not spent in the budget year. Reserves can be used as a mechanism to carry forward those resources.
- **Developer Contributions** – proceeds from developers which can only be used for specified purposes e.g. Community Infrastructure Levy funding allocated by South Gloucestershire Council. This funding can ONLY be used in accordance with CIL regulations - refer to South Gloucestershire Council CIL Officer for current requirements.
- **Other Earmarked Reserves** – these may be set up from time to time to meet known or predicted liabilities, or to fund future projects.

Where the purpose of an Earmarked Reserve becomes obsolete, or where there is an over-provision of funds, the excess may, on the approval of the Parish Council, be transferred to other budget headings within the revenue budget, to General Reserves or to one or more other Earmarked Reserves.

EMRs will be established on a "needs" basis in line with anticipated requirements and these are to be reviewed annually when the budget is agreed. They may also be reviewed after the end of the financial year.

Any decision to set up an EMR must be approved by Parish Council. If the EMRs are used to meet short term funding gaps, they must be replenished in the following financial year. However, EMRs which have been used to meet a specific liability would not need to be replenished, after having served the purpose for which they were originally set up.

Created: July 2019
Revised: July 2021
Adopted: July 2021
Next review: July 2022

3. Management and Control of Reserves

Movements in Earmarked Reserves and General Reserves shall be reported to the Parish Council at least annually at the end of the financial year and at monthly meetings as and when required. The use of Reserves shall be approved by the Parish Council.

The level of General Reserves shall be reviewed on an annual basis during the annual budgetary review and agreed by the Parish Council. A further review may be required at the end of the financial year. The minimum level of General Reserves shall be recommended to the Parish Council by the Responsible Financial Officer. This will form part of the recommendations for the Annual Budget and Precept request by the Parish Council.

The current level of General Reserves to be held by the Council is set at equal to six months Net Revenue Expenditure.

Earmarked Reserves shall be reviewed on an individual basis. This review will also be undertaken as part of the Annual Budgetary Review. A further review may be required at the end of the financial year. Approval for the creation, amendment, cessation or continuation of Earmarked Reserves will be given by the Parish Council.