

# HOPESAY PARISH COUNCIL SUMMARY of RESERVES

July 2019

## WORKING BALANCE / GENERAL FUND

Council has agreed that a general fund equal to between 6 – 9 months (50% - 75%) annual expenditure is about right.

Council's General Reserve at year-end 2018/19 was £7,325 – about 51.5% of 2018/19 total payments (£14,220), or just under 54% of the payments excluding VAT.

Although the RFO recommends a preferred target of between 55% - 70% (of annual expenditure) for the general fund; because Council is currently holding £6,954 in earmarked reserves, the RFO is not uncomfortable with a slightly lower figure. If the general fund were to drop below 50%, or if the earmarked reserves total reduces significantly, Council should risk assess its financial position, and monitor the level of the general fund until it has recovered.

## EARMARKED RESERVES

**Aston Green Earmarked Reserve** – the reserve was formed from 2 previous Aston Green earmarked reserves one of which was 'amenity' (£2,431 at 31/3/2014) of which some of the funds came from outside organisations in the form of grants specifically for Aston Green. In addition, some of the funds in the current reserve come from donations from 3<sup>rd</sup> parties specifically for Aston Green (but not to pay for grass cutting).

This reserve can only be used for Aston Green purposes and is available for improvement projects as well as maintenance (excluding paying for grass cutting).

The reserve gets topped up by donations most years and should be used rather than kept.

The reserve is currently **£1,797** with £500 of this allocated to the 2019/20 Aston Green budget.

**Election Earmarked Reserve** – this is a 'perennial' reserve built up to hold sufficient funds to pay for a contested election (Shropshire Council estimated this would cost around £1,000).

The reserve is currently **£1,200**. No increase recommended. It could be reduced by £200 maximum if funds were to be needed elsewhere, but £1,000 minimum should be kept in reserve for a contested election.

**P3 Reserve** – the small amount of money (**£19**) in this reserve is the remains of an outside body grant some years ago given specially to the P3 group; which makes it an earmarked reserve. Dissolve once spent.

**Arbor Tree Enclosure Reserve** – this was formed at the end of 2017/18 following Council's December 2017 decision to dissolve the footway light earmarked reserve and use the funds on improvements to the Arbor Tree enclosure. It holds **£587** which is allocated to the 2019/20 enclosure budget and once used up and the enclosure improvements completed, the reserve should be dissolved.

**Arbor Tree Maintenance Reserve** – this is a 'perennial' reserve added to each year, to provide adequate funds for biannual or triannual tree pruning. The reserve stands at **£350**, which is allocated to the 2019/20 budget for tree pruning this winter.

**Parish Maintenance Reserve** – set up in July 2018 to fund irregular / periodic general parish maintenance, tree works, and repairs, and to thereby reduce the impact of meeting the full expenditure in any one year. It is anticipated that the reserve will be topped up each year by £50 or so until it has reached the recommended £500 maximum. **Currently £450.**

**WW1 Centenary Reserve** – set up purely to carry forward specific funds from 2018/19 to 2019/20. It stands at **£385**, £300 of which should be repaid to the donor if the anticipated expense the donation was for does not materialise.

## **STATUTORY EARMARKED RESERVES**

**Community Infrastructure Levy (CIL) Neighbourhood Fund Earmarked (Statutory) Reserve** – this reserve holds the proceeds from the CIL Neighbourhood fund paid to Hopesay Parish Council by Shropshire Council. It can only be used in accordance with CIL regulations - refer to Shropshire Council CIL Team for current requirements.

The reserve is currently **£2,167**, available to spend on CIL eligible projects. £1,127 is already allocated to the 2019/20 enclosure improvements budget.