

Agenda Item 10

Reserves Allocation

Report Type:	Public Report for Decision
Purpose of Report:	To consider earmarking forthcoming capital projects in the Town Councils reserves
Recommendations:	It is RECOMMENDED that: The Town Council: (a) The committee considers the proposals to earmark monies to Earmarked Reserves from the unspent General Fund those projects identified and resolve accordingly such sums. (b) Recommends to Full Council the sums to add to the Earmarked Reserves .
Wards:	All Wards
Contact Officer:	Daniel Lucas – Town Clerk

1. BACKGROUND

Current Earmarked Reserves

1.1. Council has previously set aside earmarked reserves for the following:

Town Hall roof repair:	£230,000
Town Hall internal redecoration:	£17,825
Druitt Hall windows:	£40,000
Community Infrastructure Levy:	£44,000

Furthermore, at Full Council on 17th January 2022 Members decided to earmark £85,000 for Scotts Hill Lane Play-park subject to a lease extension for 80 years. Therefore, the total amount committed to those future projects equates to £416,825.

Summary Financial Position

1.2. Council has approved the Annual Return for the Council which is now subject to external audit. The end of the financial year 2021/2022 saw the total value of cash and short terms investments at £802,022.16 with an adjustment carried forwards into this financial year for BCP Council as a creditor for the Service Level Agreement for the year 2021/2022 forecasted to be in the sum of £53,179. Net Assets therefore as at the end of the financial year equates to £757,988.14.

1.3. This consists of:

General Fund Balance:	£277,503.02
Capital Reserves:	£63,660.12
Earmarked:	£416,825.00

Further Identified Projects and Commitments

Elections 2023

- 1.4 The Town Council has “all out” elections next May (2023) and since inception has maintained an election budget-line as follows: 2019/2020 - £8k, 2020/2021 - £8.4k, 2021/2022 - £8.4k and 2022/2023 - £5k. Total = £29.8k.
- 1.5 However, the Town Council in its first term has had to finance the first election to the Town Council £23,626.18 (invoice date 8/4/2020), two by-elections with invoices paid to the Principal Authority equating to: £14,937.93 (Jumpers and St Catherine’s Ward by-election, invoice date 25/8/2021)) and £6,926.86 (Grange Ward by-election, invoice date 18/11/2021) total = £45,490.97
- 1.6 Unfortunately the first budget set by Officers of the outgoing Borough Council vastly underestimated the first election costs and did not forecast accurately the cost of the first election. With this in mind it is recommended that Members move to ear-marked reserves £25k to covert the all-out elections for 2023. This means the £5k revenue budget line shall remain intact during this financial year which will cover some, but not all of the costs associated with a by-election. It is hoped that we shall not see any further casual vacancies arise so close to next year’s election.

RECOMMENDATION: allocate £25k to earmarked reserves for all out elections 2023.

Christmas Light Additional Offer

- 1.7 The Town Council currently has a live tender open for the award of the contract for Christmas lights. This provides for the base offering across the Town Centre. However, the tender allows for an “Additional Offer” where key sites could be illuminated, for example the Bandstand at the Quay is the obvious candidate as could indeed be some of the trees along the Quay water frontage. This additional offer is not currently budgeted for, and it is for Members to decide whether they would wish to earmark extra monies into reserves to allow for the additional offer to be worked-up with the winning contractor. At this stage it would be wise to allocate £20k into the additional offer to accommodate the extra lighting offer and/or a Town Council led switch on event.

RECOMMENDATION: allocate £20k to earmarked reserves for the additional offer for the festive season 2022/2023.

Barrack Road Recreation Ground

- 1.8 Much has been said publicly about the Barrack Road Recreation Ground. BCP has recently published the statutory notices required to start the asset transfer process. It is right therefore that the Town Council begins to prepare financially for the transfer. The issue as to whether the Town Council now wishes to take the transfer of the asset is not for this committee and would be for Full Council to decide the principle. However, in readiness if Members were minded to take the asset it is recommended we begin to earmark reserves.
- 1.9 The Town Council raised a budget line over the financial years for Barrack Rd Recreation Ground as follows: 2019/20 - £20,285, 2020/21 - £25,000, 2021/22 - £25,000, 2022/23 - £12,500. Total - £82,785.
- 1.10 The pavilion at Barrack Rd is now probably beyond repair and would require consideration. As such there is a need to consider this as a capital project for potential re-build subject to Council agreement. At this stage it is difficult to forecast without knowing Members’ intentions and indeed subject to public consultation. However, as a very tentative figure £100k would seem a fair surmise at this stage and could be re-visited once the Town Council has established certain principles about this asset going forwards.

RECOMMENDATION: allocate £100k to earmarked reserves in readiness for the transfer of Barrack Rd.

Mudeford Cricket Pitch Renewal

- 1.11 Mudeford Cricket Club finds itself in a difficult position. The Team has progressed beyond the capability and standard of the pitch/outfield and cannot now be promoted due to the state of the pitch. It has been recommended to the Town Council via the Chairman of the Hampshire Cricket League Ground Committee that the outfield needs immediate attention. In following up with the Chairman it has been suggested that approximately £45,000 should be considered as a respectable capital project sum to bring forward enhancements to the pitch and its standards.

RECOMMENDATION: allocate £45,000 to earmarked reserves to provide for pitch improvements at Mudeford Cricket Club.

Total Earmarked Reserves Committed

- 1.12 If Members decide to commit to the above capital projects this shall equate to £190,000 being committed of the General Fund of £277,503.12. leaving a balance of £87,503.12

Legal

- 1.4. None.

Environmental

- 1.5. None directly from this report.

Financial and Risk

- 1.6. None.

Equalities

- 1.7. None directly from this report.

Consultation and Engagement

- 1.8. No consultation required as the decision does not impact upon the running of services to the public at large.

2. CONCLUSION

- 2.1. Members are asked to consider the report and to approve the recommendations outlined.

Appendices:

None.