

Killamarsh Parish Council

Report to Members of the Parish Council

TO:	Finance Committee
MEETING DATE:	8 th April 2024
SUBJECT:	Parish Suite Refurbishment end of project report
REPORT AUTHOR:	Gail Blank - Clerk

Item 8b

Purpose of Report:

To provide the Committee with an end of project report

Background

The Parish Council undertook to refurbish the Parish Suite in April 2023. The Clerk successfully managed to secure grant funding towards the project from the FCC Communities Foundation Grant of £99,410.

The total estimated cost of the project was £208,600 which included the replacement of the Parish Suite Doors. The breakdown was as follows:

Parish Suite refurbishment	£166,260.00
External Signage	£ 600.00
New Equipment	£ 7,140.00
New automated doors	£ 9,600.00
Contingency	<u>£ 25,000.00</u>
Total	£208,600.00

The Council agreed that the project would be funded as follows:

NED Village Hall Grant for doors	£ 6,668.00
FCC Grant funding	£ 99,410.00
EMR Parish Suite reserve	£ 84,962.11
EMR Capital Pot reserve	<u>£ 17,559.89</u>
Total	£208,600.00

Outcome

The project was completed in January 2024, but the suite was able to host a number of events in December 2023. The project came in under budget as follows:

Parish Suite refurbishment	£152,575.00
External Signage	£ 0.00
New Equipment	£ 5,948.33
New automated doors	£ 9,600.00
Contingency	<u>£ 0.00</u>
Total	£ 168,123.33

The project came in under budget by £40,476.67.

Outstanding Work

The signage and redecoration of the exterior to the Suite is still outstanding but will require permission from NEDCC and a building control application which the Clerk will be looking into.

Some decoration works in the cellar, storage room, rear corridor and kitchen are outstanding, but these costs should be minimal as the Councils own staff are to be used.

The Council has also been advised that it should have applied for Building Control approval which will need to be completed retrospectively, a fee will be applicable, and the Council may need to pay for official drawings to be completed, again the Clerk is looking into this.

The Clerk is also looking into the cost of replacing the current cooking appliances from Gas to Electric following NEDCC disconnecting the gas supply to the Suites kitchen.

Conclusion

I hope Councillors agree that it has been a worthwhile project and that the end result meets the Councils expectations.

Recommendations

That the balance of the EMR Parish Suite reserve of £13,645.90 is left for future maintenance and an amount is allocated to the reserve annually for future building maintenance and refurbishments.

Killamarsh Parish Council

KPC 50 – Grants or Donations to Organisations

DETAILS OF POLICY	
Policy No	KPC 50
Policy Title	Grants & Donations to Organisations
Committee/Working Party Responsible	Finance / Full Council
Last Reviewed	April 2024
Next Review Date	March 2026

The Policy

1. INTRODUCTION

Killamarsh Parish Council has a commitment to encourage, support and promote volunteer organisations and charities within Killamarsh for the benefit of the village. The Parish Council makes an annual budget provision for Community Grants to help meet its aims.

Community grants come from taxpayer funds and a key principle of the policy is to ensure that grant expenditure is open and transparent.

2. GENERAL NOTES

For the purposes of this policy, donations and grants differ only in that a donation is given without the need to be specific about how it is used, whereas a grant must be spent specifically for the purpose agreed. For example, a donation may be given to a village hall towards the general running costs without being specific about what it is spent on, whereas a grant would be given towards the cost of specific project such as installation of a new security system.

Most applications under this policy will be defined as a grant and be subject to the following considerations.

The parish council's aim is to ensure that all our award-making activity is:

- **Open
- **Transparent
- **Fair
- **Competitive
- **Supports local organisations

Our awards are open to established voluntary or community groups, as well as new or

informal groups of parishioners who are or intend by the date of application to become formally constituted.

2. PARISH COUNCIL POWERS and SECTION 137

A parish council has a number of powers granted under various Acts of Parliament which enable it to spend money. Since 2008 the “Power of Wellbeing” and more recently the “General Power of Competence, Localism Act 2011” allow parish councils more flexibility in how they spend money within the local community. In order to use either of these powers it is necessary that the council has a qualified Clerk/Proper Officer, and at least two thirds of its Councillors have been elected rather than co-opted or appointed. Currently Killamarsh Parish Council does meet these criteria.

Should there be a point when the Parish Council no longer meets the criteria, all donations and grants will then fall under the statutory power of Section 137 of the Local Government Act 1972, which permits it to spend up to a certain limit on anything which, in the opinion of the council, is in the interests of the parish, or any part of it, or is in the interest of all or some of its inhabitants.

This amount is limited to a figure per head of the electorate on the electoral role on 1st January before the commencement of the financial year. The figure is given to the Council, via the Clerk/Proper Officer on an annual basis.

The parish council has no obligation to spend all or any of the money available under S.137. This money is not ‘gifted’ to the parish council; it forms part of the Precept which the parish council makes on the District Council. The cost of any grants or donations is therefore reflected in residents’ council tax bills.

3. WHO CAN APPLY?

To be eligible for the award of a grant under Section 137 an organisation must:

- be established for charitable, benevolent, social, cultural, recreational, or philanthropic purposes,
- have a constitution, or set of rules, which define its aims, objectives and operational procedures,
- be able to provide a copy of its latest annual accounts and/or most recent bank statement. Accounts are to be checked and signed by a person independent of the group,
- have a bank account operated by a minimum of at least two joint signatories.

4. WHAT CAN BE FUNDED?

- the project should be something that makes the local community a better place in which to live, work or visit
- it should benefit people who live in the parish
- there must be clear evidence that local people support the project and are involved in carrying it out
- applications do not have to be from groups that already exist

- each group may only make one application per financial year
- applications will be considered for day-to-day running costs and individual projects

5. THE FOLLOWING ARE NOT ELIGIBLE

- Support for individuals or private business projects.
- Projects that are the prime responsibility of other statutory authorities.
- Projects that improve or benefit privately owned land or property.
- Projects that have already been completed or will have been by the time the grant is made.

6. CONDITIONS OF SUPPORT

The council may make the award of any grant subject to all or some of the following conditions. Required conditions will be at the discretion of the council and take into account your organisation's individual circumstances.

- The application must be made using the official Killamarsh Parish Council application form which is available from the Parish office or the Parish Council website at www.killamarsh-pc.gov.uk
- Where expenditure on a specific project exceeds £2,000 quotes from at least three providers must have been received, where external contractors are to be used to carry out the work.
- A detailed breakdown of the cost of the project should be provided with each application.
- Details must be provided of the extent to which funding has been sought or secured from other sources or own fund-raising activities.
- Funding must only be used for the purpose agreed with the Parish Council and if the monies are not spent on the items agreed, they must be returned.
- Funding must be spent within the financial year awarded and cannot be added wholly or partly to your reserves.
- If your project costs are more than you anticipated on your application, any shortfall must be met by you – Killamarsh Parish Council will not make up any shortfall.
- To fully understand your project or activity the Parish Councillors may wish to visit your project or activity, prior to the project or activity commencing. They may also wish to conduct a site visit once your funded project is underway.
- The need to provide evidence of expenditure (receipts/receipted invoices) to the Clerk/Proper Officer to the Council on completion of your project will be discretionary – based on the amount given and the purposes given. (If required, this evidence of expenditure should be equal to, or more than, the total of the amount of the grant detailed on your application.)
- Any unused funds at the end of the financial year in which the grant is paid out must be returned to Killamarsh Parish Council.
- You must acknowledge Killamarsh Parish Council's support in all publications, publicity, and annual reports.
- You should show the funding awarded separately in your published financial accounts and Killamarsh Parish Council should have access to your financial records, on request,

where appropriate.

- A representative of your organisation must give a report at the Annual Parish Meeting (held on an evening between March and May each year) on how you spent the money and if appropriate how your project went.

7. WHEN TO APPLY

The parish council prepares its annual budget during November/December each year. The Parish Council have agreed a figure of £5,000 to be included in the 2023/24 budget and will award up to 10 grants up to a maximum of £500, or less should the organisation require an amount less than £500. Organisations can write/apply only during the months of April and October in time to be considered for a grant. Any award granted would become available for payment around May and November of the same financial year.

This is a competitive process against other bids and the quality of each bid is important. All groups will be treated equally. If an organisation has had a grant previously, they are not guaranteed to receive financial support again but are not excluded from applying again. A fresh application will be required each time.

Ad-hoc requests can be made during other months. However, there is no guarantee that any funds will remain available.

8. HOW WILL DECISIONS BE MADE?

All bids will be judged after the closing date on the last day of April and October each year. The applications will be reviewed, and recommendations will be made by a committee of 3 Parish Councillors, to the full Council. Full Council will vote, and their decision is final. Unfortunately, we may not be able to fund all projects as there may be more applications than there is money available. However, all applications will be considered carefully. Due account will be taken of the extent to which funding has been sought or secured from other sources or own fund-raising activities.

9. HOW TO APPLY

Applications should be made in writing. Please apply to the Parish Office for a standard application form or download one from the parish council website at www.killamarsh-pc.gov.uk.

Killamarsh Parish Council

KPC 01 Council Reserves and Contingencies Policy

DETAILS OF POLICY	
Policy No	KPC 01
Policy Title	Council Reserves and Contingencies Policy
Committee/Working Party Responsible	Finance Committee / Full Parish Council
Last Reviewed	April 2024
Next Review Date	April 2026

The Policy

1. Introduction

Killamarsh 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) (March 2023 edition) 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.

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 and Finance Committee to advise Full 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 (March 2023 edition) 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).” 3 “The smaller the authority, the closer the figure should be to 12 months NRE, the larger the authority the nearer to 3 months. In practice, any authority with an NRE in excess of £200,000 should plan on 3 months equivalent.”

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.
- Developers Contributions – proceeds from developers which can only be used for specified purposes.
- Other Earmarked Reserves – these may be set up from time to time to meet known or predicted liabilities.

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 Full 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.

Any decision to set up an EMR must be approved by Full 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.

3. Management and Control of Reserves

Movements in Earmarked Reserves and General Reserves shall be reported to the Finance Committee as part of the quarterly Budget Report and at the following Full Council meeting. The use of Reserves shall be approved by the Full Council.

The level of General Reserves shall be reviewed on an annual basis during the annual budgetary review and agreed by the Parish Council. 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 between three and six months of predicted expenditure.

Earmarked Reserves shall be reviewed on an individual basis. This review will also be undertaken as part of the Annual Budgetary Review.

Approval for the creation, amendment, cessation or continuation of Earmarked Reserves will be given by Full Council.

