

Grimoldby and Manby Parish Council

To the Members of the Finance Committee of Grimoldby and Manby Parish Council:

You are hereby summoned to attend a meeting of the Finance Committee of Grimoldby and Manby Parish Council, which will be held on Wednesday 6th November 2024 at the **Pavilion**, Gibson Way, Manby from **6.00pm**. The business to be dealt with at the meeting is listed in the agenda below.

Please note that the meeting will begin at 6.00pm UNLESS any public are present in which case there will be a public forum when members of the public may ask questions or make short statements to the Committee.

Any public wishing to speak, on an agenda item or "sit in" on the meeting please contact the Clerk, using the email address below, in advance to discuss attendance arrangements. If possible, please provide written representation rather than attending in person.

Members of the public should note that they will not be allowed to speak during the formal meeting.



Mrs. L.M. Phillips

Clerk

Dated this 1st Day of November 2024

AGENDA

F1. Election of Chairman

Council to receive nominations and elect the Chairman of the Finance Committee to hold office until the Annual Meeting of Grimoldby and Manby Parish Council in 2025.

F2. Election of Vice Chairman

Council to receive nominations and elect a Vice Chairman of the Finance Committee to hold office until the Annual Meeting of Grimoldby and Manby Parish Council 2025.

F3. Apologies for Absence

To receive and accept apologies where valid reasons for absence have been given to the Clerk prior to the meeting.

F4. Declarations of Interest / Dispensations

To receive declarations of interest in accordance with the Localism Act, 2011 – these being **any** interest in agenda items not previously recorded on Members' Register of Interests. Council to consider granting dispensation(s), as per written requests received by the proper officer to councillors under section 22 of the Localism Act.

F5. Minutes

To approve as a correct record the Minutes of the Finance Committee Meeting held on 3rd November 2023 and authorise the Chairman to sign the official minutes. (Attached).

F6. Review of Risk Register

Committee to review its Risk Register and consider recommending it be approved for use by Council on 20th November 2024.

F7. Village Maintenance

Review schedule of work (to be tabled) for recommendation to Council 20th November 2024.

F8. Policies for Adoption

Committee to consider recommending to Council that the following policies be adopted and approved for use:

- a. Investment Policy
- b. Reserves Policy

F9. Budget 2025/26

Committee to receive and discuss:

- a. Earmarked Reserve Review 2024
- b. Draft 2025/26 budget (A3 copies to be available for Councillors at meeting)

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**MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF
GRIMOLDBY AND MANBY PARISH COUNCIL
HELD IN THE PAVILION, GIBSON WAY, MANBY
ON FRIDAY 3rd NOVEMBER 2023**

Present Councillor T. Knowles (in the chair)

Councillors: Mrs. E. Billings (EB), M. Bruce (MB), C. Fairburn (CF),

Councillors not present: Mrs. N. Turney (NT)

The Clerk, Mrs. L.M. Phillips was also present.

F1. Election of Chairman

It was **RESOLVED** that Cllr. Mrs. EB should be elected as Chairman of the Finance Committee to hold office until the Annual Meeting of the Council in 2024.

F2. Election of Vice Chairman

It was **RESOLVED** that Cllr. MB should be elected as the Vice Chairman of the Finance Committee to hold office until the Annual Meeting of the Council 2024.

F3. Apologies for Absence

Apologies for absence were received from Cllr. NT.

F4. Declarations of Interest / Dispensations

No declarations of interest were received.

F5. Minutes

It was **RESOLVED** to approve as a correct the record the minutes of the Finance Committee meeting held on 2nd November 2022.

F6. Budget 2023/24

a. Finance Review

The Committee received a report monitoring its finances.

b. Draft 2024/25 Budget

The Committee considered draft budget proposals for 2024/25 alongside the Finance Review. It noted current year spend, projections and the condition of its reserves. Noting that the general reserve contains the funds needed for all day to day costs and currently held a surplus for expenditure which exceeds that budgeted for and which could be used for unexpected costs or in an emergency. At 30th September the General Reserve stood at £58,818.49. £8,806.86 of which was expected to be spent on day to day expenditure in the six months to 31st March 2024. That would leave £50,011.63 surplus, 50% of which was held to cover the Council's running costs for 12 months, which is recommended practice, should an eventuality arise whereby the District Council were unable to pay over the precept. That would leave an actual surplus of £25,005.81 to cover the Council in the event of an unexpected event or emergency such as the tennis courts requiring resurfacing or the fence around the tennis courts requiring replacing or the playpark equipment requiring total renewal or extensive roof repairs being required at the Pavilion. The Committee also examined each earmarked reserve to confirm its purpose, need and balance. It also discussed arrangements regarding Village Maintenance.

c. Risk Review

The Committee considered the risks that the Council faces and ways to mitigate these.

d. It was **RESOLVED to recommend the following to Council:**

- i.** That a precept of £20,282.94 be levied in 2024/25 which equates to a 10% decrease on 2023/24 and an annual cost to a band d ratepayer of £31.25. (Council to note that these calculations are based on 2023/24 tax base figures and should decrease further when current tax base figures are released). See below.
- ii.** That in the absence of village maintenance work being undertaken by the appointed contractor in 2023/24, and as that contractor had been given the opportunity to communicate on the matter but had not, the Council should look to have some jobs undertaken by another contractor as an emergency measure in order to keep on top of some areas.
- iii.** That in 2024/25 Village Maintenance work be reevaluated, as per the schedule circulated, hours being averaged out over the year, invoiced monthly and the works being awarded under new terms.
- iv.** That the Risk Review document be noted and approved.

Draft Budget 2024/25				
	24/25 Amount to be taken from Reserves	24/25 Amount to be Precepted For	24/25 Actual Draft Budget	Notes
	£	£	£	
Opening Balance				
INCOME				
Precept	-	-	-	
VAT	-	-	-	
Bank Interest	-	-	-	
Grasscutting cont's from LCC	-	-	1,157.06	Based on 23/24 figures
HMRC	-	-	-	
Grants	-	-	-	
Allotment rent	-	-	250.00	£25 pa x 10
Pavilion Rent	-	-	600.00	£7 ph x 2 x 40 weeks
Football Club rent	-	-	250.00	As previously discussed
Cllr. T. Knowles	-	-	-	
Total	-	-	2,257.06	
EXPENDITURE				
Day to Day Running				
Salary	-	6,750.00	6,750.00	Allows for increase in hours or overtime and/or uplift
PAYE/NIC	-	2,000.00	2,000.00	Allows for above and possible inclusion in pension scheme
Rent (Mtgs)	-	100.00	100.00	Allows for 2 public mtgs at £50 each
Play Park	-	1,500.00	1,500.00	Allows for maintenance, inspection, repairs and replacements
Tennis Courts	-	-	-	
Grasscutting/maintenance of right of way footpaths	-	-	-	
Seats	-	-	-	
Bus Shelters	-	-	-	
Subscriptions	-	800.00	800.00	LALC, NALC, SLCC, Allotment Soc.,
Grants	-	600.00	600.00	Allows for 3 grants of £200 each
Publications and Training	-	300.00	300.00	
Insurance	-	1,300.00	1,300.00	Allows for possible increase due to tax and addition of assets
Audit	-	250.00	250.00	23/24 £40 internal audit, £210 external
Wreaths	-	40.00	40.00	Remembrance wreaths x 2
Speed Sign	-	-	-	
Shrub/hedge/noticeboard etc Maintenance in G&M	-	-	-	
Defibrillator	50.00	-	50.00	

Elections	-	-	-	
Allotments/Football Field/Pavilion	-	2,500.00	2,500.00	Grasscutting, power, maintenance etc.
Amenity Grasscutting	-	1,200.00	1,200.00	Allows for approx. 12 cuts with a cylinder mower and follow up strimming (weather permitting)
General Reserve	-	-	-	
Platinum Jubilee	-	-	-	
VAT	-	-	-	
Village Maintenance	-	5,200.00	5,200.00	
Admin Equipment/IT	1,500.00	-	1,500.00	
Total Day to Day Running	1,550.00	22,540.00	24,090.00	

Expenditure Total			28,240.00	
Of which to come from General Reserve			5,700.00	
Of which precepted for			22,540.00	
Income Total			2,257.06	
Precept (expenditure minus income)			20,282.94	
23/24 Cost per band d property (based on 23/24 tax base)			34.73	
24/25 Cost per band d property (based on 23/24 tax base)			31.25	
24/25 Change in band d (based on 23/24 tax base)			(3.48)	
24/25 Monthly cost per band d property (based on 23/24 tax base)			2.60	
24/25 weekly cost per band d property (based on 23/24 tax base)			0.60	
24/25 % increase/decrease (based on 23/24 tax base)			-10%	

2023/24 Tax Base 649

RESERVES

EARMARKED RESERVES				
	24/25 Amount to be taken from Reserves	24/25 Amount to be Precepted For	24/25 Actual Draft Budget	Notes
EMR War Memorial	-	-	-	
EMR Specialist .gov email addresses/IT	-	-	-	= Leave at £0

EMR Speed Sign	350.00	-	350.00	= Balance at end 2023/24 + 350
EMR Play Park	-	-	-	= Balance at end 2023/24
EMR Elections	-	-	-	= Balance at end 2023/24
EMR Audit	-	-	-	= Balance at end 2023/24
EMR Allotment/Football Field/Pavilion	500.00	-	500.00	= Balance at end 2023/24 + 500
EMR Defibrillator	800.00	-	800.00	= Balance at end 2023/24 + 800
EMR Tennis Courts	1,000.00	-	1,000.00	= Balance at end 2023/24 + 1000
EMR Contingency	1,000.00	-	1,000.00	= Balance at end 2023/24 + 1000
EMR Noticeboards	500.00	-	500.00	= Balance at end 2023/24 + 500
EMR Filing Cabinets/Office Equipment	-	-	-	= Balance at end 2023/24
Total Earmarked Reserves	4,150.00	-	4,150.00	

F7. The meeting closed at 6.35pm.

Signed _____ (Chairman) Dated _____

Grimoldby and Manby Parish Council
Risk Register 2024/25

The greatest risk facing a local authority is being unable to deliver the services and / or activities expected of that Council.

This document has been produced to enable Grimoldby and Manby Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimise them.

To conduct this assessment the following points should be followed:

- a) identify the areas to be reviewed
- b) identify what the risk may be
- c) evaluate the management and control of the risk and record all findings
- d) review, assess and revise, if required

Service	Risk	Recommendation
Insurance	Public Liability	Continue existing cover (£10m)
	Employers Liability (statutory)	Continue existing cover (£10m)
	Officers Liability	Continue existing cover (£100,000)
	Council Legal Liability and Legal Expenses	Continue existing cover (£200,000)
	Money and Assault	Continue existing cover (value limit - £250,000)
	Fidelity Guarantee (Employee / Councillor Dishonesty)	Included in Council legal liability and legal expenses. Continue existing cover (£200,000)
	Business Equipment Cover	Continue with existing cover on office equipment, tennis courts, play park, outdoor furniture and defibrillator. Ensure the terms of the lease are adhered to, particularly those relating to routine maintenance.
	Property Damage	Continue with existing cover on office equipment, tennis courts, play park and outdoor furniture. Ensure the terms of the lease are adhered to, particularly those relating to routine maintenance.

	Libel and Slander	£250,000 less 10% or £1,000 of each claim.
	Group Personal Accident	Continue with existing cover. Includes officers / members - pay-outs vary.
	Business Interruption	Continue existing cover (£10,000)
	Business Travel	Not covered. Consider adding?
	Councillors Over 80	No accident or death cover for Councillors over 80.
Payroll	Loss of data on PC due to system fault	Continue to back up data on a monthly basis and continue maintenance of hard copy payroll details.
	Loss of services of employee	Immediately advertise any permanent vacancy. Existing Clerk to prepare procedural notes for key tasks.
Administration	Agency advice	Continue with memberships of LALC and SLCC.
	Minutes/Agendas/ Notices Statutory Documents`	Minutes and agenda are produced in the prescribed manner by the Clerk and adhere to the legal requirements. Minutes are approved and signed at the next Council meeting. Agenda displayed according to legal requirements. Business conducted at Council meetings is managed by the Chair.
	Data Protection	Relevant policy and governance documents adopted and reviewed as required. Membership of ICO maintained.
	Transparency and Accountability	Council adheres to the Transparency Code for Smaller Authorities in accordance with the the Local Audit and Accountability Act 2014.

Pandemic	Staff unable to work, meetings unable to be held	Obtain administrative assistance from LALC, prepare contingency arrangements, delegate relevant authority to clerk and resolve to follow, as necessary.
Precept	Annual precept not the result of proper detailed consideration	Continue to consider Finance Committee estimates and present the budget to a meeting of the full Council.
	Inadequate monitoring of performance	Budget monitoring report (expenditure against budget) presented to Council (regularly).
	Illegal expenditure	Continue to ensure that all expenditure is within legal powers.
Accounting	Non-standard and / or non-compliant records kept.	Continue to require adequate, complete and statutory financial records and accounts.
	Non-compliance with statutory deadlines for the completion / approval / submission of accounts and other financial returns.	Continue to ensure that all accounts and returns are completed and submitted by the deadlines.
	Non-compliance with internal audit requirements.	Appoint internal auditor and ensure all recommendations made by the auditor are considered by the Council and implemented.
	Grants	Current procedures adequate: Requests for grant-aid have to be submitted on standard pro-forma application form and returned together with accounts and supporting data. All applications considered by full Council. Payments made following approval. Details of minute number and cheque number recorded on applications and kept on file.

	VAT	Recorded electronically and reclaimed annually. Copy of claim filed in VAT file, with payment slip.
	Reconciliation	Continue with bank reconciliation to be carried out on the receipt of each statement and approval by Council at each meeting.
Money and Invoices	Loss of cash	Continue not to have petty cash.
	Payment of invoices	Payment by cheque signed by two authorised signatories. Continue with requirement to report to and have cheque schedule approved by Council. All payments recorded electronically and cheque number recorded on relevant hard copy invoice which is retained on file. Council to consider introducing online banking with similar controls.
	Contractors staff	Ensure compliance of all H&S and employment matters (as per tender documentation).
Salary	Clerk	Salary set annually by NJC agreement and vote of Council. Income Tax and NIC deducted as per HMRC real-time software. All details recorded electronically and backed up.
Volunteers	Temporary volunteers	Advise insurance of use of temp volunteers. Ensure volunteers are made aware of H&S Issues.

Property	Tennis Courts and Play Park	Visually check all equipment weekly, all sheets evidencing checks to be copied to the clerk, problems noted and dealt with by the Clerk under delegated authority. Quarterly visual and hand check to be undertaken. Employ services of professional play equipment surveyor for annual full survey. Keep abreast of and abide by all Government advice.
	Village Maintenance	In the event that regular village maintenance is not carried out by the contractor in accordance with the schedule of work quoted for 1) Establish that contractor does not wish to continue, 2) Attempt to ensure that key areas are kept on top of as quickly as possible through emergency use of another contractor.
	Seating Area	Continue with regular maintenance. Keep abreast of and abide by all Government advice.
	Bus Shelters	Continue with regular maintenance.
	Notice Boards	Continue with regular maintenance.
	Seating Area	Continue with regular maintenance.
	Bulldog Crescent	Continue with regular maintenance.
	War Memorial	Check annually in May and consider maintenance work, as required.
	Village Signs	Continue with regular maintenance.
	Allotments	Continue with allotment tenancies, plot holders to keep grass tidy, undertake regular inspections. Consider nominating a Cllr. to oversee. Keep abreast of and abide by all Government and Allotment Association advice.

	Pavilion/Football Field	<p>Arrange formal paperwork for signature by football club. Ensure paperwork is supplied and completed for adhoc hire of Council room.</p> <p>Football club to cut field to the spec they require and invoice the Council for such. Keep abreast of and abide by all government advice.</p>
	Speed Sign	<p>Councillors to monitor, report to Clerk when battery is flat. Village maintenance contractor to erect etc. EMR to be maintained for purchase of new sign or charger in case of mechanical failure of existing.</p>
Members interests	Conflict of interests Register of members interests	<p>Councillors to continue to ensure that all declarations of interest (not already declared on their Register of members interests form) are declared on every occasion that they arise, at the correct point where requested on the agenda, at Council meetings.</p> <p>Register of members interests forms reviewed regularly.</p>
Council Records	Loss through theft, fire, damage or corruption of computer.	<p>Electronic records stored on the Council's laptop, backed up to the Cloud via Onedrive and also to another remote UK location managed by SCIS UK Ltd. Current procedures adequate. Last three year's financial folders and in year paper records stored at the Clerk's home. Everything else stored in the Pavilion, Audit files and Financial Folders in a lockable filing cabinet. Council to consider installation of security on the small room at the Pavilion for storage.</p>

Grimoldby and Manby Parish Council

Investment Policy

This policy establishes formal objectives, practice and reporting arrangements for the effective management and control of the Council's financial management activities and associated risks

1) INTRODUCTION

Grimoldby and Manby Parish Council acknowledges its duty to carefully manage precept payers' money and the importance of investing any temporary surplus funds held on behalf of its community safely.

This Strategy complies with the revised requirements set out in the Department of Communities and Local Government Guidance on Local Government Investments and takes into account:

- a) Section 15 (1) (a) of the Local Government Act 2003
- b) Statutory Guidance on Local Government Investments (3rd Edition)
- c) Guidance within Governance and Accountability for Smaller Authorities Practitioner's Guide March 2024.

The Local Government Act 2003 states that a local authority may invest:

- a) For any purpose relevant to its functions under any enactment;
- b) For the purpose of prudent management of its financial affairs;

The Council defines its financial management activities as:

"the management of the Council's cash flows, its banking and money market transactions, the effective control of the risks associated with those activities, and the pursuit of best value performance consistent with those risks."

2) INVESTMENT OBJECTIVES

The Council's investment priorities are:

- a) Security of its reserves (both general and earmarked) to ensure that money held is protected and in order to minimise loss;
- b) Adequate liquidity of its investments to ensure money is available when it is needed and not locked away for lengthy periods with or without financial penalty;
- c) Return on investment – the Council aims to obtain and achieve the best rates of interest on any investment whilst ensuring that the investment is low risk and easy to access

All investments will be made in pounds sterling (£).

The Department for Communities and Local Government maintains that the borrowing of money purely to invest or to lend and make a return is unlawful and the Council will not engage in such activity.

The Council will monitor the risk of loss on investments by review of credit ratings on a regular basis. The Council will only invest in institutions of high credit quality – based on information from credit rating agencies (e.g. Standard & Poor's, Moody's Investors Service Ltd; and Fitch Ratings Ltd).

Investments will be distributed over more than one provider or more than one portfolio (where appropriate) in order to minimise risk of financial loss.

3) SPECIFIED INVESTMENTS

Specified investments are those offering high security and high liquidity, made in sterling and with a maturity of no more than a year. Such short-term investments made with the UK Government or a Local Authority (as defined) or a Town/Parish Council will automatically be Specified Investments.

Grimoldby and Manby Parish Council

The Council for the sensible effective and prudent management of its treasury balances may use:

- a) Treasury Deposits with UK clearing banks
 - b) Local Authorities or other Public Authorities
 - c) Local Authority Investment Schemes – Local Authority Investment Trust (LAMIT)
- Other approved public sector investment funds (i.e. CCLA)

The choice of institution and length of deposit will be at the approval of the full Council.

The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

4) NON-SPECIFIED INVESTMENTS

These investments have greater potential risk – examples include investment of funds in:

- a) The money market
- b) Stocks and shares

Given the unpredictability and uncertainty surrounding such investments, the Council will generally not use this type of investment.

Any such investment will be subject to specific consideration and approval by full Council.

5) LIQUIDITY OF INVESTMENTS

The Council in consultation with the Responsible Finance Officer will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

Investments will be regarded as commencing on the date the commitment to invest is entered rather than the date on which the funds are paid over to the counterparty.

6) LONG TERM INVESTMENTS

Long Term Investments are defined in Guidance as being greater than 36 months. Any investment greater than 36 months will be subject to specific consideration and approval by full Council.

7) INVESTMENT STRATEGY 2024 – 2025

In the year 2024/25, the Council will seek to invest in a low risk product to achieve its investment objectives.

The Council is mindful of the need to make the administration, monitoring and reporting of investments as simple as possible, especially when considering current low rates of return and administration costs associated with managing multiple accounts or creating new accounts.

The following have been identified using Moody's and Fitch Ratings* as being suitably secure in the following scenarios:

For day to day banking including current account a high degree of liquidity is required with suitable banking arrangements [easy] access for both deposit and withdrawal.

This condition has limited the practical choice to [local] "High Street" banks.

Grimoldby and Manby Parish Council has an ongoing long-term relationship with Lloyds Bank.

The Business Current Account will continue to be held at Lloyds Bank for actual year finances plus 20% of the annual budget for cash flow purposes. Funds to be managed so as to avoid the balance ever dropping below £66,000.

Grimoldby and Manby Parish Council

A Business Deposit Account with another high street bank will be investigated and funds therein will not exceed £80,000 (amount covered by the Financial Services Compensation Scheme).

The Council is aware that it will be required to incur expenditure going forwards on its assets (e.g., The Allotments, Football Field, Pavilion, Play Park and Tennis Courts). Therefore, liquidity of funds remains a higher priority than return on investment especially when the differential in rates of interest are very modest and limited.

For general investment of reserves and other funds an interest earning account that pays a competitive return is sufficient.

The Responsible Finance Officer shall have delegated authority to make all necessary transfers between the accounts from time to time to meet the annual investment strategy.

8) REGULAR AND END OF YEAR INVESTMENT REPORT

Investment forecasts will be accounted for when budgets are prepared. The Responsible Finance Officer will report on investment activity (as appropriate) to the Council within budget (income /expenditure) reports.

9) REVIEW AND AMENDMENT OF REGULATIONS

The Annual Investment Strategy must be reviewed annually and revised if considered necessary. The Council reserves the right to make variations to the Investment Strategy at any time subject to the approval of Council. All variations will be made available to the public.

Grimoldby and Manby Parish Council

Reserves Policy

INTRODUCTION

Grimoldby and Manby Parish Council (the Council) is required to maintain sufficient financial reserves to meet the needs of the organisation. By statute it should have regard, when setting its budget, for:

1. the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure; and
2. such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.

The Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide specifies that:

“The authority needs to have regard to the need to put in place a General Reserves Policy and have reviewed the level and purpose of all Earmarked Reserves”

There are two types of reserves:

General Reserves

The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances. 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 and twelve months of net revenue expenditure. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve. In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of the level of income and expenditure but also the risks to that income. Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

Earmarked Reserves

Those reserves that are set aside for a specific purpose or to counter a specific known risk. Saving for a specific project could be managed through an earmarked reserve. None of the above in any way affects the level of earmarked and/or capital receipts reserves that an authority may or should hold. There is, in practice, no upper or lower limit to EMR/CRRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting), and should be separately identified and enumerated. Significant levels of EMRs, in particular, may give rise to enquiries from internal and/or external auditors.

POLICY STATEMENT

The Council will not allow its general reserve to fall below the minimum requirement of 3 months running costs plus 10%, calculated using the annual precept figure or the previous year's net running costs (whichever is the highest).

In 2023/24 net running costs totalled £19,355.36. The precept in 2024/25 was £20,282.94.

It follows that one month's average running costs based on the precept total £1,690.25. 3 months average running costs total £5,070.74. 10% of which equals £507.07.

Therefore, in 2024/25 the Council will ensure that the level of its general reserve remains above £5,577.81.

Checks will be undertaken by the Town Clerk who will report to the Governance and Finance Committee if this figure is not met.

GRIMOLDBY AND MANBY PARISH COUNCIL
EARMARKED RESERVE REVIEW 2024

INTRODUCTION

The Council has a legal responsibility to ensure that the finances of the Council are properly governed. This report accompanies the draft budget for 2025/26 and should assist the Finance Committee/Council to review the level and purpose of its earmarked reserves.

The following should be read in conjunction with the draft budget for 2025/26. It provides background on each EMR budget head.

General Reserves

The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances. 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 and twelve months of net revenue expenditure. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve. In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of the level of income and expenditure but also the risks to that income. Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

The Council is to consider agreeing that it will not allow its general reserve to fall below the minimum requirement of 3 months running costs plus 10%, calculated using the annual precept figure or the previous year's net running costs (whichever is the highest).

In 2023/24 net running costs totalled £19,355.36. The precept in 2024/25 was £20,282.94.

It follows that one month's average running costs based on the precept total £1,690.25. 3 months average running costs total £5,070.74. 10% of which equals £507.07.

Therefore, in 2024/25 the Council will ensure that the level of its general reserve remains above £5,577.81.

At 30th September 2024 the General Reserve stood at £57,601.05. £15,715.69 of which is expected to be spent on day to day expenditure in the six months to 31st March 2024. This would leave the general reserve at £41,885.36. If 50% of this were needed to cover the Council's running costs for 12 months, should an eventuality arise whereby the District Council is unable to pay over the precept, this would leave a surplus of £20,942.68.

Earmarked Reserves

These are those reserves that are set aside for a specific purpose or to counter a specific known risk. Saving for a specific project could be managed through an earmarked reserve. None of the above in any way affects the level of earmarked and/or capital receipts reserves that an authority may or should hold. There is, in practice, no upper or lower limit to EMR/CRRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting), and should be separately identified and enumerated. Significant levels of EMRs, in particular, may give rise to enquiries from internal and/or external auditors.

G&M PC's EARMARKED RESERVES

At 30th September 2024 the Council's earmarked reserves stood at £30,557.34. In 2025/26 it is proposed to increase this to £50,200.00 by ringfencing further funds from the General Reserve in the sum of £19,642.66.

It is proposed in the 2025/26 budget to vary these reserves slightly but that no addition to an earmarked reserve will be precepted for. Instead, these funds will be transferred from the General Reserve.

REVIEW

EMR War Memorial: It is proposed to leave this EMR at zero as work to refurbish the memorial which stands in Grimoldby Church Yard has been undertaken in the last few years and it is not recommended as best practice to undertake such work unless the War Memorial is in dire need.

EMR Specialist .gov email addresses/IT: While the Council feels currently that specialist .gov email addresses are not a necessity it must ensure that it has funds to purchase new or replacement IT/Software as needed. Therefore, it is proposed to leave this as is and let the balance at year end roll over.

EMR Speed Sign: This is a sinking fund to pay for a new speed sign should one be required either to replace the existing or as a second asset. It is proposed to leave the balance of this as is in 2025/26 and let the balance at year end roll over.

EMR Play Park: This is a sinking fund predominantly to finance replacement of equipment but which could be used for any works required to the playpark. It is proposed to add £650 to the balance of this at year end from the General Reserve.

EMR Elections: This is a sinking fund to finance elections which might be called in year. Following the elections in 2023 when both wards required an election and when the cost for such was quite low, it is proposed to leave this as is and let the balance at year end roll over.

EMR Audit: This is a 'pot' of ringfenced funds to pay for extra audit costs, should they be incurred. It is proposed to leave this as is and let the balance at year end roll over.

EMR Allotment/Football Field/Pavilion: This is a sinking fund to finance any works required to the allotments/football field/pavilion. In 2025/26 it is proposed to let the balance at year end roll over and add £500 from reserves.

EMR Defibrillator: This is a sinking fund to pay for a new defibrillator, should one be required, either to replace that located at the Village Hall or otherwise. In 2025/26 it is proposed to let the balance at year end roll over.

EMR Tennis Courts: This is a sinking fund predominantly to help finance replacement of the tarmac, fence or net but which could be used for any works required to the tennis courts. It is proposed to let the balance at year end roll over and add £500 from reserves.

EMR Contingency: This is a sinking fund which could be used to finance any eventuality such as unforeseen legal advice which might be required. It is proposed to leave this as is and let the balance at year end roll over.

EMR Noticeboards: This is a sinking fund for the replacement of noticeboards in the villages of which there are 5, located on the bus shelter on Tinkle Street, at the old Post Office on Tinkle Street, at the Village Hall, at the Post Office and on the bus shelter at Bulldog Crescent. However, it should be noted that the main Parish noticeboards have been replaced in recent years. It is proposed to let the balance at year end roll over and add £492.66 from general reserve to bring the balance to an even £3,000. The Council might then look to

replace the other 3 existing notice boards with an alternative. Perhaps one that does not lock so that parishioners may also display their posters.

EMR Filing Cabinets/Office Equipment: This is a sinking fund for the purchase/installation of new storage facilities/a secure storage facility/installation of security measures at the Pavilion in order to ensure that the Council meets its obligations towards the data it keeps. It could also be used to purchase other office equipment, if needed. It is proposed to allow the balance at year end to roll over and add £2,500 from the general reserve.

EMR Village Signs: This is a new EMR in 2025/26 whose purpose is to finance the repair/replacement of the Jet Provost Village Sign and help to fund the installation of decorative village signs at the 3 main entrances to the villages. It is proposed to add £15,000 from general reserve.

CONCLUSION

It is forecast that the Council can expect to receive £6,596.00 in income in 2025/26. It is also forecast that the Council's day to day running plus money to be set aside in EMR's will total in the region of £30,180.

Of this, £30,180, £1,950 will come from the General Reserve and £28,230 will be precepted for. However, when expected income is taken into account this brings the figure to be precepted for down to £21,634 which is an increase on 2024/25 of £1,351.06.

A precept of £21,634 will cost a band d property (based on the 24/25 tax base as current figures are not yet available) £32.92. This is a 7% increase on 24/25 of £2.05. Cost to a band d property per month would be £2.74 and weekly £0.63. However, it is hoped that when current tax base figures are issued, these will reduce the increase a little.

Draft Budget 2025/26									
	2022/23 Actual Spend	2023/24 Actual Spend	24/25 Actual Spend to end Month 6	24/25 Total Projected Spend	Budget 2024/25 + CF's / Gen Res Top Ups	25/26 Amount to be taken from Reserves	25/26 Amount to be Precepted For	25/26 Actual Draft Budget	Notes
	£	£	£	£	£	£	£	£	
INCOME									
Precept	24,802.83	22,541.87	20,282.94	20,282.94	20,282.94	-	-	-	
VAT	-	2,161.35	-	-	-	-	-	1,000.00	1/4/24 to 31/3/25
Bank Interest	-	-	-	-	-	-	-	1,000.00	
Grasscutting cont's from LCC	2,088.05	1,157.06	-	-	1,157.06	-	-	2,536.00	Based on 24/25 figure 2510.65 + 1%
HMRC	264.20	-	-	-	-	-	-	-	
Grants	2,000.00	-	-	-	-	-	-	1,000.00	From TK @ ELDC to go towards new village signs
Allotment rent	250.00	225.00	255.00	255.00	250.00	-	-	250.00	£25 pa x 10
Pavilion Rent	581.00	546.00	175.00	350.00	600.00	-	-	560.00	£7 ph x 2 x 40 weeks
Football Club rent	-	250.00	-	250.00	250.00	-	-	250.00	As previously disussed
Clr. T. Knowles	30.00	-	-	-	-	-	-	-	
Total	5,213.25	4,339.41	430.00	855.00	2,257.06			6,596.00	
EXPENDITURE									
Day to Day Running									
Salary	5,146.09	6,697.11	3,765.90	10,057.00	6,750.00	600.00	11,000.00	11,600.00	Allows for increase in hours or overtime and/or uplift
PAYE/NIC	1,483.56	1,731.76	963.36	2,000.00	2,000.00	-	2,400.00	2,400.00	Allows for above and possible inclusion in pension scheme
Rent (Mtg's)	285.00	95.00	-	-	100.00	-	100.00	100.00	Allows for 2 public mtgs at £50 each
Play Park/Tennis Courts	1,288.25	1,679.83	205.00	1,500.00	1,500.00	-	1,500.00	1,500.00	Allows for maintenance, inspection, repairs and replacements
Tennis Courts	400.00	340.00	-	-	-	-	-	-	
Grasscutting/maintenance of right of way footpaths	981.00	480.00	-	-	-	-	-	-	
Seats	85.00	120.00	-	-	-	-	-	-	
Bus Shelters	10.00	20.00	-	-	-	-	-	-	
Subscriptions	617.21	766.89	508.44	800.00	800.00	-	600.00	600.00	LALC, NALC, SLCC, Allotment Soc.,
Grants	-	600.00	200.00	600.00	600.00	-	600.00	600.00	Allows for 3 grants of £200 each
Publications and Training	-	41.40	100.00	300.00	300.00	-	300.00	300.00	
Insurance	1,086.83	1,208.92	1,267.95	1,267.95	1,300.00	-	1,500.00	1,500.00	Allows for possible increase due to tax and addition of assets
Audit	240.00	250.00	40.00	250.00	250.00	-	250.00	250.00	23/24 £40 internal audit, £210 external
Wreaths	-	-	-	40.00	40.00	-	40.00	40.00	Remembrance wreaths x 2
Speed Sign	-	-	-	-	-	-	-	-	
Shrub/hedge/noticeboard etc Maintenance in G&M	-	116.00	-	-	-	-	-	-	
Defibrillator	-	-	-	-	50.00	-	50.00	-	50.00
Elections	-	97.00	-	-	-	-	-	-	
Allotments/Football Field/Pavilion	1,593.30	784.65	1,222.23	2,500.00	2,500.00	1,000.00	2,500.00	3,500.00	Grasscutting, power, maintenance etc.
Amenity Grasscutting	840.00	573.3	500.00	1,200.00	1,200.00	300.00	1,200.00	1,500.00	Allows for approx. 12 cuts with a cylinder mower and follow up strimming (weather permitting)
General Reserve	30.00	525	996.85	996.85	-	-	-	-	
Platinum Jubilee	1,755.44	300	-	-	-	-	-	-	
VAT	998.47	628.5	559.73	-	-	-	-	-	
Village Maintenance	-	-	2,166.65	5,200.00	5,200.00	-	6,240.00	6,240.00	
Admin Equipment/IT	-	-	-	1,500.00	1,500.00	-	-	-	
Total Day to Day Running	16,840.15	17055.36	12,496.11	28,211.80	24,090.00	1,950.00	28,230.00	30,180.00	

Expenditure Total								80,380.00	
Of which to come from General Reserve								21,592.66	
Of which precepted for								28,230.00	
Income Total								6,596.00	
Precept (expenditure minus income)								21,634.00	
24/25 Cost per band d property (based on 24/25 tax base)								30.87	
25/26 Cost per band d property (based on 24/25 tax base)								32.92	
25/26 Change in band d (based on 24/25 tax base)								2.05	
25/26 Monthly cost per band d property (based on 24/25 tax base)								2.74	
25/26 weekly cost per band d property (based on 24/25 tax base)								0.63	
25/26 % increase/decrease (based on 24/25 tax base)								7%	

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RESERVES

EARMARKED RESERVES									
	2022/23 Actual Spend	23/24 Actual Spend	24/25 Actual Spend to end Month 6	24/25 Total Projected Spend	Budget 2024/25 + CF's / Gen Res Top Ups	24/25 Amount to be taken from Reserves	24/25 Amount to be Precepted For	24/25 Actual Draft Budget	Notes
EMR War Memorial	-	-	-	-	-	-	-	-	
EMR Specialist .gov email addresses/IT	-	-	-	-	1,500.00	-	-	1,500.00	= Balance at end of 2024/25
EMR Speed Sign	-	-	-	-	2,500.00	-	-	2,500.00	= Balance at end 2024/25
EMR Play Park	-	1,150.00	-	-	4,350.00	650.00	-	5,000.00	= Balance at end 2024/25 + 650 for tree report and work
EMR Elections	-	-	-	-	2,500.00	-	-	2,500.00	= Balance at end 2024/25
EMR Audit	-	-	-	-	200.00	-	-	200.00	= Balance at end 2024/25
EMR Allotment/Football Field/Pavilion	-	-	-	-	6,000.00	500.00	-	6,500.00	= Balance at end 2024/25 + 500
EMR Defibrillator	-	-	-	-	1,500.00	-	-	1,500.00	= Balance at end 2024/25
EMR Tennis Courts	-	-	-	-	5,000.00	500.00	-	5,500.00	= Balance at end 2024/25 + 500
EMR Contingency	-	1,150.00	-	-	4,000.00	-	-	4,000.00	= Balance at end 2024/25
EMR Noticeboards	-	-	-	-	2,507.34	492.66	-	3,000.00	= Balance at end 2024/25 + 492.66
EMR Filing Cabinets/Office Equipment	-	-	-	-	500.00	-	-	3,000.00	= New in 2024/25 + 2500
EMR Village Signs	-	-	-	-	-	15,000.00	-	15,000.00	= New in 2024/25 + 15000
Total Earmarked Reserves		2,300.00			30,557.34	19,642.66		50,200.00	