

Bourton-on-the-Water Parish Council								
Financial Reserves & Risk Management Schedule - Reserve Levels 2024-25								
GENERAL								
Major Risks:	Estimated Annual Income (net)/Sum Required	Type of risk	Mitigating action	Assessment of risk	Reserve Provision required	General Reserves	Earmarked Reserves or Budget that relate to the risk	Total Sums held
1. Precept	£193,274	Payment delayed due to administrative problems within CDC. Payment delayed beyond due date of 30th April.	Allocate reserves equivalent to 1 month's delay i.e. 1/12 of precept	Very low	£16,106	£16,106.00		£16,106.00
2. Tenant income - GCC	£26,318.58	Lease becomes vacant and PC is unable to secure a replacement tenant promptly.	Long lease (25 years) entered into with 6 month break clause to minimise risk. PC will retain a letting agent to minimise any gap between tenancies. Allocate sum equivalent to 6 month's rent which will allow 1 year to secure a new tenant.	Low	£13,159.29	£13,159.29		£13,159.29
3. Tenant Income – The Cottage	£9,070	Lease is determined until Jan 2025	PC to allocate reserves to allow for 6 month gap between tenancies. £2,000 tenant deposit held in EMR.	Medium	£4,535	£2,534.95	£2,000.00	£4,534.95
4. Tenant Income – The Old Chapel	£3,000	Lease is determined until Dec 2024	PC to allocate reserves to allow for 3 month gap between tenancies, (if tenant leaves at 18 month break clause) based on ease of attracting tenants in 2024-5. Tenant deposit held in EMR.	Medium	£750		£750.00	£750.00
5. Tenant income from commercial leases and room leases/licences – Flat 1, Rooms 1, 2 & 3	£18,557	Leases/licences are surrendered at tenancy end in 2024 and PC is unable to secure replacement tenants promptly.	Risk is spread over 3 tenants, thereby reducing the collective risk. All leases/licences renewed in 2023 or Room 3 new tenant in 2024. Allocate sum equivalent to circa 6 months' rent. Total of £3,426 held in Earmarked Reserves as tenant deposits.	Low	£9,279	£5,852.71	£3,426.00	£9,278.71
6. Tenant income – residential Flat 2	£9,576	Tenant leaves without notice and PC is unable to re-let accommodation; or tenant leaves and accommodation requires extensive repairs prior to re-letting.	Tenancy is for a fixed 1 year term, minimising the risk. However, tenants may leave without notice in which case PC only retains 1 month's deposit against unpaid rents. The rental market in Bourton is still good. PC inspects accommodation every 6 months, minimising the risk of accommodation being damaged over a long period. Allocate sum equivalent to 3 months' rent to effect any repairs and secure new tenants. Tenant deposit of £801 in Earmarked Reserves.	Medium	£4,788	£3,987.00	£801.00	£4,788.00
7. Hire of Meeting rooms	£14,000.00	Room bookings drop below current levels.	A large % of bookings are still for weekly/regular slots, thereby reducing reliance on one-off bookings. Reserve allocation of 50% of annual income. Room hiring now increasing post-Covid.	Low	£7,000.00	£7,000.00		£7,000.00
8. Elections	£6,050.91	CDC new charging system for elections from May 2023	50% charge for elections from April 2023 for 2023-24 (NB 75% charge from April 2025, 100% from April 2026). Total cost of by-election £8,101.81 and combined election £4,000. Total £12,101.81 @ 50% charge = £6,050.91. £4k held + £2k in 2024-25 budget for earmarked reserve.	Medium	£6,050.91	£50.91	£6,000.00	£6,050.91

9. Community Centre – unforeseen maintenance costs	£15,000	The building requires major unscheduled repairs i.e. to the roof, drains etc.	PC retains an Earmarked Reserve to fund works and maintain and repair the Community Centre building as well as an annual budget of £10,300. Roof replaced 2020-21. £5,968.07 currently held in addition to the £10k in EMR to fund loft work which should be completed in 2024.	Medium	£15,000.00	£9,032.00	£5,968.00	£15,000.00
10. Tree Works	£11,000	Works identified by the tree surveys and any emergency works required during the year. Damage to multiple trees could be caused by an extreme weather event.	Tree surveys planned for April 2024 following previous ones done in 2021 & 2022 and all works completed. Require funds for remedial works following survey and emergency maintenance. £6,000 in 2024-25 budget but extent of works required is unknown. Estimate an additional £5k might be required in case of damage by severe weather event.	Medium	£11,000.00	£5,000.00	£6,000.00	£11,000.00
11. Maintenance works to closed churchyard, memorials and dry stone walls	£5,000	Ensure that sufficient general or earmarked reserves exist to fund unplanned maintenance caused by extreme weather events or unexpected failing of structures.	In 2022-23 unplanned maintenance works costing approx £3,000 were required to the Len Hill Memorial and dry stone walls in the closed churchyard at St Lawrence. Memorial maintenance is required following 2024 memorial surveys of 50% of Cemetery at £2,617 to come out of 24-25 Contingency. Second tranche of testing with a budget of £2,000 will be completed in 2024 and it is anticipated that a similar sum of £2,617 will be required for remedial work. £800 available in St Lawrence budget (£2k less £1,200 for PCC grass cutting) but Matthew Joynes' dry stone walling already ordered following QQ report will cost £1,460 so St Lawrence budget will be overdrawn by £660. Work to fencing from QQ report still required and unquoted. Emergency repair to dry stone wall was required in 2023 and it is known that dry stone walls can unexpectedly fail in extreme/wet weather conditions. VEC voted not to put money in EMR for Cemetery/Churchyard at their March 2024 meeting, although this was recommended by the Clerk.	Medium	£5,000.00	£5,000.00	£0.00	£5,000.00
12. Cost of Locum Clerk or other temporary staff	£10,000	Ensure sufficient funds available in General Reserves for unplanned requirements.	In 2023 Council employed a Locum Clerk/RFO to cover staff sickness absence for several weeks. This cost £7,000 and would have been more if sourced via the SLCC or another provider of locums. Council to make provision for any similar future unforeseen emergency staffing requirements.	Medium	£10,000.00	£10,000.00		£10,000.00
<b>Estimated sums required to address risk levels</b>			<b>Total General &amp; Earmarked Reserves required</b>		<b>£102,668</b>	<b>£77,722.86</b>	<b>£24,945.00</b>	<b>£102,667.86</b>
<b>Actual sums held as at 28/03/2024</b>			<b>TOTAL 2023-24 Year End RESERVES (cash assets from Scribe)</b>		<b>£290,656</b>	<b>£138,075</b>	<b>£152,582</b>	<b>£290,656</b>
<b>Other Major Expenditure Risks</b>								
1. Committee budget overspend		Committee projects cost more than budgeted.	Works are not instructed until quotes have been approved within a pre-set budget, or the revised budget is proved affordable.	Low			Council prior approval of all expenditure	
2. Increased staff costs		Wage increases	Office staff are subject to NALC contract T&C's; wage increases are set by the industry in collaboration with unions.	Low			Provision made in budget	
		Additional staff costs	The Staffing Committee review job descriptions and appraisals before making decisions on salary increases.	Medium			Provision made in budget	

Approved by Council on 3rd April 2024

For annual review - date of next review - by 2nd April 2025