Parish Council Meeting on the 12\textsuperscript{th} January 2016.

Thoughts on a longer term approach to accumulate funds to benefit the community – Contingency and Reserves.

1. \textit{Matched Funding Opportunities}: HCC & BDBC create several matched funded community welfare project opportunities each year. These opportunities tend to be short lived, generally limited to the current financial year. It is envisaged as the financial squeeze progresses on the local authorities the availability of these funds, particularly for the smaller projects, e.g. the Countryside Small Grants Scheme will be the first to suffer, as we well know. Thus, leaving [the] more [expensive] projects to those parish communities with significant available funds. [RFO: I agree the conclusion, \textbf{but not necessarily only the more expensive eg the potential that we might have to pay for more salt bins if HCC Highways don’t have the budget!!}] Historically, Hannington has been precluded from initiating and participating in any of these larger projects, mainly due to a clear concern of affordability i.e. an existing low precept and limited funds. [RFO: I am not aware of any projects we have thought of but decided to NOT proceed with for financial reasons. Perhaps a Parish Broadband Service might be project?]

2. Given the current background of Central Government financial pressure on the local authorities, it is increasingly unlikely that any projects undertaken by a local parish will be completely funded by the local authority; matched funding is/will/likely to be the norm. Or, increasingly not funded at all and left solely to the parish to fund the specific activity. Hannington Parish, if it is to proactively undertake any future projects for the benefit of the community, will need to be in a reasonable financial position to take-on the short lived matched funded opportunity or to totally fund the activity itself. [RFO: I agree the likely outcome.]

3. Since the 2015 May PC elections, we have experienced unanticipated financial activity that has depleted the ‘General Fund Balance’ (Contingency) for the parish, e.g. legal costs for the village green, Countryside SGS and more recently, the repair of the damage to the village green (assuming it is not covered by our HPC insurance policy). [RFO: Agree, see detail in Budget 2016/17 Report.] We have yet unknown possible maintenance expense associated with the roads to the South and West of the village green. With one other road and track in the village with ownerships still uncertain. [RFO: Noted.]

4. With the trend and focus by the local authorities on ‘priorities’ due to limited funds, thus away from general non-essential parish facilities and maintenance services the pressure will be upon the parishes to self-fund. An expense the parish council itself will now have to financially cover if \textit{neglect} is to be avoided. [RFO: I understand the thrust of the point but would advise caution. As an example, there was an article in a national newspaper recently where a Parish Council had claimed it had undertaken to meet the costs of repairing potholes, because the Highways Authority did not have the necessary resources. This is a risky course of action to take, and I would not readily support it. It is a legal responsibility of the Highways Authority to maintain the roads etc. If the PC undertook the repairs it would be laying itself open to potential claims for damages if it were proven that the repairs were undertaken improperly, and then potentially nonfeasance ie not doing something it was legally required to do. Who would be responsible for any subsequent repairs?] A ‘longer term’ financial plan needs to be devised and put in place supported by a revised precept (yet to be determined). The purpose would be to,

a. To recover and maintain the ‘General Fund’ (Contingency) as a priority say at the £4,000 mark to cover off unexpected expenditure. Possibly at this level it may be acceptable to the auditors. [RFO: the Budget 2016/17 predicts a cash balance 31 March 2017 of £4,012, based on current levels of income and expenditure; without the increase in Clerk remuneration.]

b. Initiate the creation now of an ‘\textit{Accumulating Fund(s)}’ (Reserves) to, over time, proactively position us to provide the financial headroom to have the flexibility to take-up future matched funding opportunities as they may arise, and for any self-funded projects to the benefit of the parish as a whole. In the current economic context, I suspect that we could justify this approach to the auditors.
May I propose to the Parish Councillors that this approach be discussed at our Precept discussion, already an Agenda item, on the 12th January 2016.


Jan Hertz 8th January, 2015