

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

Total reserves at 31 March 2020 were £137,843 of which £43,387 (31%) was revenue. The annual precept was £12,000. Accordingly, the precept represents 28% of the revenue reserve.

Council does not consider the revenue reserves to be excessive and has consistently adopted a prudent approach to ensure that services it provides to the community may continue; some of these may also be funded by the charity of which the Council is sole trustee which receives rental income from the horse racing industry.

There is a level of uncertainty regarding maintenance of future income from that source so Council wishes to ensure that it might have adequate reserves should they be needed. This has been exacerbated by the Covid crisis and Council will reconsider its reserves policy in the near future.

Following previous comments by the external auditor, Council has sought to earmark a higher proportion of its spending, and a summary of the earmarked items is shown below

○ Contingency – Newspaper advert for vacancy to recruit a new Clerk	£336
○ Heritage street light replacements	£1,500
○ Precept referendum fee	£1,750
○ Contested election fee	£1,750
○ Contingency fund to support Middleham Sports & Community Wellbeing Association which runs the sports ground and has experienced recent funding difficulties.	£1,500
○ Contingency fund to support Middleham Key Centre if it should experience funding difficulties	£1,500
○ Expenditure which will bring direct benefit to Middleham or any part of it or all or some of its inhabitants as if such expenditure was authorised under s137 LGA.	£2,027
○ Burial ground (capital)	£19,841
○ Play areas (capital)	£15,000
○ Provision for general unrecoverable legal expenses	2,500
○	
Total	£47,704

The relatively high level of capital reserve i.e. £94,456 constitutes the remaining balance of proceeds from sale of the Town Hall in 2011. Capital expenditure has been incurred since then totalling £36,388. The Council hopes to complete construction of the civic burial ground during the current year, which will further deplete the capital reserves; at the current time there is not a detailed budget for this project although a provisional figure of £22,086 was previously set aside (reduced by expenditure of £2,245 from capital reserve during the year).

NB data for this report comes from Assets split-2019-insurance.xls