

Middleham Town Council AGAR 2021-22

Box 7 is more than twice Box 2 -Explanation

Total reserves at 31 March 2022 were £155,730 (2021: £136,148) of which 100% was revenue. The annual precept was £12,000. Accordingly, the precept represents 8% of the reserve; reserves are 13 times the size of precept.

Council does not consider the revenue reserves to be excessive considering Council's needs and has consistently adopted a prudent approach to ensure that services it provides to the community may continue; some of these, in particular maintenance of grassed land and cobbled areas of the town centre, are funded by a charity to which the Council is sole trustee. The charity receives rental income from the horse racing industry. There is ongoing uncertainty regarding future income from that source so Council wishes to ensure that it might have adequate reserves of its own should the expenditure currently covered by the charity reduce. This has been Council's outlook for many years. There is not a specified sum set aside to cover this potential shortcoming.

Council is also concerned about potential financial risk as a consequence of the recent Covid epidemic and uncertainty regarding service provision when the new North Yorkshire unitary authority comes into existence from 1 April 2023. It is likely that some services previously provided by the District Council may be offered to Council to run itself but that adequate funding may not be provided to fulfil these commitments. There is not a specified sum set aside to cover this potential shortcoming.

Council keeps its reserves policy under review.

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

To hold 12 months expenditure of a full year's running costs based upon most recent full year as a general reserve	£17,982
Contingency – Newspaper advert for vacancy to recruit a new Clerk	£336
Heritage street light replacements	£1,500
Dog waste bin replacement	£821
Contingency - unforeseen repairs, including flood actions eg sandbags / work by RAW	£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 (operator of Council-owned community centre) which runs the sports ground and has experienced recent funding difficulties.	£1,500

Defibrillator replacement (every 10 years)	£918
Batteries and pads £190 = VAT (every 4 years)	£213
Provision for general unrecoverable legal expenses	£3,000
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	£32,770

NB data for this report comes from Assets split-2020-insurance 080121.xls