

**Issue:**

The Fen Ditton Parish Council (the Council) has made a commitment to provide a grant of up to £165,000 to the Fen Ditton Recreation Ground Trust (FDRGT) to match funding raised by sponsorship to renovate the village pavilion and make it a better community resource.<sup>1</sup> However, the exact timing of the renovation is not yet clear, and will depend on the success and timings of the sponsorship deals the trust can procure.

The Council has taken on the maintenance of the churchyard and boundary wall after being requested, under LGA 1972s215, by the church and will therefore need to pay an unspecified amount to maintain or rebuild parts of the wall around the churchyard.

In the meantime, the Council must consider how best to prepare to meet these eventual, significant costs. The Council must ensure that the money required is available if needed, but must not keep high levels of general savings or increase the precept unnecessarily.

**Options:**

1) The Council makes no plans to provide the money until it is specifically needed to complete renovations. At this point, an application will be made for a public loan to cover the total amount required, and a repayment plan will be agreed in line with the depreciation of the renovated pavilion and repaired graveyard wall.

**Pros**

- The Council does not need to concern itself with the date and timing of the pavilion work until it begins
- The village can run at a lower budget and seek a lower precept as it uses current reserves to cover existing costs

**Cons**

- The cost to the village will be higher in the medium to long term
- If a loan is not easy to obtain, or is refused, then the Council will be unable to meet its commitments

2) The Council sets aside enough money immediately to meet its commitments and estimated spend.

**Pros**

- The money would be available at whatever time it was needed

**Cons**

- There is not currently enough money in the Council accounts to pay for such an endeavour. Placing all available monies into the set-aside would significantly affect the Council's abilities to perform the day-to-day running of the village
- There would be no money available for emergencies that were not related to the churchyard or the pavilion
- The precept would need to increase significantly more than any but the richest members of the village could afford

3) The Council transfer agreed sums to allocated reserve for (i) the redevelopment of the pavilion and (ii) the maintenance of the churchyard wall, from the general reserve, predicted as at 31 March 2018, for the redevelopment of the pavilion and the maintenance of the churchyard and wall.

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<sup>1</sup>Reference FDPC minute 2017/142ii: 'the Council approve in principle a grant of up to £165,000 to the project for the redevelopment of the pavilion subject to a full business plan and funds up to £100,000 being secured from grant-making organisations and the balance for the project from other sources'

## Proposal for FDPC meeting March 6 2018

### **Pros**

- The allocation of money would be easy to audit
- The Council could allocate extra monies at the end of the financial year, after it was certain that all unforeseen circumstances had been accounted for
- An incremental approach will allow for more accurate financial planning year on year

### **Cons**

- It is likely that a smaller public loan will still be needed if payments are required before the total allocations have been reached
- The Council will need to monitor the efforts of the FDRGT and the assessments of the churchyard much more closely, so as to allocate appropriate funds in the budget in a timely manner.

### Proposal:

That the Council select Option 3 to account for monies allocated to the old churchyard and the pavilion year on year.

This will enable us to comply with the audit requirements of having a reduced general reserve, is in line with advice given in ACRE Information Sheet 2, Parish Council help for Village Halls, whilst still budgeting responsibly to prepare for expected large outgoings in the near future.