

# Clavering Parish Council

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## **STATEMENT TO ACCOMPANY THE ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN (AGAR) FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

The total of reserves held by Clavering Parish Council is shown in the Annual Return to be £41,879.86  
This equates to 2.03 times the precept for 2019/20.  
(2018/19: £40,992 being 2.39 times the precept)

We wish that the following be noted:

The General Reserves.

These are shown to be £ 12,988.77 (2018/19: £12,931)

There was an expectation for these to be lower as:

- i. An invoice for £265 (before VAT) for authorized tree works carried out had not been presented by the year end.
- ii. Green Waste costs were £100 less as Uttlesford District Council missed scheduled, contracted visits.
- iii. The monthly hosting of the Council's new website started April 2020, not January 2020 as expected, so £90 committed was not spent; also the £60 annual cost of a security package on the Parish Council's laptop was charged in April 2020, not March 2020.
- iv. Budgeted Community donations for £240 usually processed by 31<sup>st</sup> March 2020 will now be agreed post Covid-19 lockdown.

The Earmarked Reserves.

As at 31<sup>st</sup> March 2020 the Council had the following approved Earmarked Reserves:

- 1.2 £18,037.21 Capital Projects and/or Revenue Works which would improve Clavering Parish Community
3. £4,198.73 Parish Land Maintenance/ Repairs and Renewals
4. £579.47 Allotment Reserve
5. £1,575.68 Election Expenses
6. £500.00 Legal Expenses
7. £NIL Website/email set up (Transparency Grant)
8. £4,000.00 Audit Challenge

### 1.2

These funds arose from payments received for Easements over Village Greens under the CRoW Act. The Council continues to actively follow a process to agree a programme of improvements which would best utilise its Earmarked Reserves denoted 1. 2. above for the benefit of the Parish.

Payment : £1,965.00 (Payments 2018/19 : NIL before VAT)

The Council instigated a Community Initiative and arranged for a second defibrillator, suitable for paediatric use, to be installed at the village shop near the village primary school. There is still a cost due payable for relating electrical work of approx. £200-

Another Community Project came forward to be considered by the Council, which acts with diligence in appraising the applications and at all times ensures that all projects approved bring 'value added' to the Community, and it is expected funds for this will be paid across in 2020/21.  
(See notes to accounts)

3. Funds were drawn from this reserve in 2019/20 for the trees and land maintenance of Parish held land. Further drawdowns were expected from this figure for refurbishment of the village sign. (Earmarked Reserve 2018/19: £5,578.73)

5. There was an uncontested election in May 2019, hence the drawdown was not as expected.

6. On advice, the Parish Council budgets yearly for Legal Expenses.

7. Earmarked funds had been received via a Grant in a previous year were used in 2019/20 for a new website/designated councillor email facility.

8. A possible Audit Challenge was advised by a parishioner in January 2019. The 2019/20 precept was raised accordingly by what was considered to be a conservative figure. The challenge is an objection in relation to the £5,000 legal fees expenditure during 2018/19; it is currently with the External Auditors. No findings had been advised by 7th July 2020, nor an invoice presented.

We wish for the following to be noted regarding large variances in the payments and receipts for 2019/20 when taking 2018/19 as the benchmark.

'Precept':	24% increase due to an expected Audit Challenge
'Staff Costs':	12% increase as extra hours required relating to ongoing legal dispute, Freedom of Information requests and CiLCA training
'Other Receipts':	69% decrease as 2018/19 had seen extraordinary receipts namely, large VAT amounts returned by HMRC (total £2,673), a transparency grant received (£956) and Royal Mail redirection costs were reimbursed (£490)
'Other Payments':	23% decrease as 2018/19 had seen a payment re legal fees (£5,999 before VAT). In 2019/20 there were payments for a defibrillator and additional maintenance on Parish Land (£3,400 before VAT)

#### Notes to Accounts:

Earmarked Reserves – Capital Projects. To come from this reserve, the Parish Council has agreed and committed a grant amount of £5,000 to the Clavering Jubilee Field Council of Management Trustees which is to be used to source further grants (match funding) to provide for a new Adventure Playground.

As noted in the Statement to the Accounts of 31<sup>st</sup> March 2018, Clavering Parish Council has been involved in a legal dispute since October 2016. NALC Legal Services advised the Parish Council to employ a Solicitor to work on its behalf to achieve a resolution. The Parish Council was given to understand this dispute was not covered by its Insurance Policy.

Clavering Parish Council, via a Committee set up to deal with this issue, regularly carried out Financial Risk Assessments of this on-going situation, which are noted in the currently confidential reports of the Parish Council and the appointed Committee.

In June 2018, following a suggestion of our solicitor to seek a one-off insurance to cover the 'worst case scenario' costs if it is taken to court for settling, it was ascertained that the Parish Council was actually covered by its Insurance Policy for this dispute and the case was taken on by the Insurer's solicitors. This matter continues.

Clavering Parish Council was duty bound to pay the original solicitors it engaged. On advice, the Financial Ombudsman was contacted and it has determined that, for this £5,000 we are unable to make a claim against Hiscox/Stackhouse Poland. It was suggested that a claim against another party to the insurance via the Legal Ombudsman could be pursued which, after advice, the Parish Council initiated in May 2019. The Legal Ombudsman now has stated they will not consider any claim as a parish council is an "authority constituted for the purposes of the public service".

Stephanie M. Gill  
Chairman.

Robert E. B. Clayton  
Vice Chairman.