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# ALDENHAM PARISH COUNCIL



## BUSINESS /ACTION PLAN 2024/25

### Background

The idea of a business plan is to highlight the priorities of Aldenhams Parish Council (APC) for the next year. It focuses on the overall picture.

General concept is to look at each area of the council and confirm priorities and ensure these are correctly funded and to set timescales for completion of tasks etc.

APC works within its Standing Orders, Financial Regulations and Code of Conduct, which lay down the rules by which it operates and conducts its business.

The Standing Orders and Financial Regulations are based on models prepared by the National Association of Local Councils (NALC), copies of which can be viewed on APC's website.

APC has agreed an annual revenue budget for 2024/25 at £740,437. The income to support this budget is mainly derived from the Parish precept (raised through Council Tax by Hertsmere Borough Council) and supplemented by small fee income from allotments, site hire, interest from investments etc.

In addition to the revenue expenditure APC has accumulated reserves of approximately £1,353,309 (see details below) which are used to provide funding in whole or in part for the various projects and to cover unexpected contingencies that may arise. £951,335 of the above balance is restricted for capital projects only (CiL & capital reserves).

### Aldenhams Parish Council

#### Reserves as @ 31.03.2024

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Account	Opening Balance	Closing Balance
320 CIL Special Reserve (restricted)	667,561.83	715,338.20
323 EM Reserve Trees	9600.56	0.00
325 EM Reserve Solar Panel Farm	870.07	710.72
326 EMR Playground Equipment	55,515.00	0.00
335 EM Reserve Election	12,000.00	0.00
338 EMR Christmas Lights	10,000.00	16,000.00
339 EMR reserve Asset Purchase P&O	13,180.00	5,868.51
340 EMR IT upgrade	3,300.00	3,300.00
342 Events	5,610.00	3,029.93
343 EMR Admin Asset Purchase	33,176.00	48,176.00
350 Capital Reserves (restricted for capital projects only)	406,402.95	235,946.92
	<b>1,217,216.41</b>	<b>1,028,370.28</b>

310 General reserve	202,450.00	324,938.98
<b>Total Reserves</b>	<b>1,419,666 .00</b>	<b>1,353,309.26</b>

**The main projects for 2024/25 are as follow:**

- Construction of new Café (PRG project Phase 1)
- Cobden Hill fencing
- New signage and gates
- PRG play area footpath

**Other projects planned for future years:**

- Path around PRG field
- Letchmore Heath pond improvements
- PRG Improvements Phase 2 car park
- Radlett Gardens improvements
- Possible Road improvement at KGV

**Review of APC's reserves**

**General Reserve**

The General Reserves held by the Council ensures that there is a sufficient cash flow from the end of the financial year until the receipt of the first precept instalment for the following year. The General Reserve is also a contingency for unforeseen expenditure or loss of income and should be also considered during the budget setting process, which it was when setting the 2024/25 precept figure.

At end of the financial year 2023/24 the General Reserves stood at £ 324,938.98 which represents 44% (just over 5 months) of net revenue expenditure (NRE) budget for APC.

As per APC's General Reserves policy APC should ensure to hold at least 25% (3 Months - approximately £185,000) of its net revenue expenditure in General Reserves.

An example of the types of unexpected expenditure that can affect the General Reserves figure is the decision to apply for Rule 6 status on Planning again should this be necessary. Also the current situation with a sinkhole which suddenly appeared at Letchmore Heath may have some implication on APC's reserves as at the moment the cost is unknown and it is not covered by the insurance.

**Earmarked Reserves**

I refer to the list of current Earmarked Reserves and the balances at the year end 2023/24

**Admin**

**Solar Farm reserve - closing balance £710.72**

**Admin Asset Purchase - current balance £48,176.00**

This Earmarked Reserve is held for possible expenditure on the buildings that APC either own or lease, in particular The Radlett Centre.

There is also provision included in the budget to help build up this fund as future expenditure could be high. Any underspend at the year end from the budget can be then transferred to this reserve.

### **Election - current balance £0**

APC has always put money aside each year to pay towards the elections, due every four years, unless there is a by election due to a councillor resigning mid-term which may be a case for APC during this financial year. The cost of May 2023 elections exceeded Council's expectations therefore APC should be minded that more funds may be needed to cover future expenditure of 2027 election. There is a £2,500 provision included in 2024/25 budget. This Earmarked Reserve is to be monitored and reviewed when necessary.

### **Open Spaces**

This area also is under this committee, and covers the open spaces (not KGV) owned or leased by APC.

### **Asset Reserve - Open Spaces current balance £5,868.51**

This Earmarked Reserve is mainly for the large equipment purchases such as new vehicles including tractors etc. However, the current balance has been already committed to replace the gates including PRG & allotments. The practice is to budget monies each year, which is then transferred to the Earmarked Reserve at the end of the year to build up the funds needed for the future expenditure.

### **Trees- current balance £0**

This was created to cover the cost of tree planting project plus any unexpected tree works. The majority of planting took place in 2022/23, but extra funds are needed for planting around a new café once completed plus new hedge by the allotment track

### **Playground - current balance £0**

### **New proposed Earmarked Reserves under Open Spaces**

#### **"Signage and noticeboards improvement "**

The PRG Playground project was successfully completed in December 2023

It was recently discussed by the Access for All Working Party that the playground would benefit from having a communication board installed for those children who may find it difficult to make people understand what they are trying to say.

Overall signage plus some noticeboards may also need improvements i.e. PRG noticeboard, welcome/directions signs.

#### **Allotment Track.**

There are some additional funds which may be needed to sign off the project currently under review by APC' project manager

#### **Cobden Hill fencing**

Due to health and safety the fencing will need to be erected within the budget of £21,000

This site is under KGV Trust, where APC is a sole trustee and has responsibility for the maintenance and health and safety.

### Community

This area concentrates on events community projects and website/communications. There are three Earmarked Reserves in this section, Xmas Lights, Events & IT upgrade.

### Events- opening balance £3,029.93 (less £214 spent in April)

This Earmarked Reserve was created to fund the 'Jubilee Events' which have been held. There are no significant events proposed for 2024/25 and there is also some provision included in the current budget

### Xmas Lights- £16,000

This is another reserve where funds are built up annually to spread the costs of this large purchase. The lights were last renewed in 2019, the cost then was between £15-20,000. they are due for review this year.

### IT upgrade - current balance £3,300

This may be used to update the website so it meets all accessibility requirements and also the current paperless agendas system may need upgrading

### Capital Reserves - current balance £235,946.92 which is allocated for café project

In addition to this there is also £100,000 invested long term with Rathbones, once these funds are withdrawn they will be also be restricted for capital spend only.

There are number of future capital projects in the pipeline as listed at the beginning of this report.

### CiL Special Reserve Funds - balance at the end of 23/24 stood at £715,338.20, with further £ 16,764 received in April 2024.

The funds are currently split between 2 categories

- CiL capital grants (current balance £30,159 of which £20,000 is committed to Aldenham War Memorial Hall less £2,000 for 2 memorial benches - actual funds available £8,159)
- Café project (Phase 1 PRG improvement project) -remaining balance. The building works are now progressing and the budget is under constant review.

### Financial Implications

The balance carried forward at the year-end was £1,353,309.26 of which £951,335.12 (CiL of 715,338.20 & capital reserves of £235.946.92) is restricted for capital spend only which is already allocated for the café project and some CiL community grants . Auditing guidelines and APC's reserves policy state that as a rule general reserve should be enough to cover at least three to six months of expenditure, so as a min approximately £185,000. There is also £30,000 contingency included in the 2024/25 budget.

**At the F&GP Committee in June 2024 members unanimously Resolved:**

- a) Solar Farm Earmarked Reserve of £710.72 be transferred back to general reserve
- b) Admin Asset Purchase Earmarked Reserve - balance of £48,176.00 be carried forward
- c) Election Earmarked Reserve be monitored and reviewed when necessary
- d) Earmarked Reserve for Asset Reserve OS of 5,868.51 be carried forward and top at the year-end by the provision included in the budget for 2024/25
- e) Transfer £10,000 to Trees Earmarked Reserves and review when necessary
- f) To ask Open Spaces Team to cost the new planting schedule out in the next quarter
- g) To transfer £2,500 to Playground Earmarked Reserve towards the cost of planning application to create a footpath within the PRG playground
- h) To create a new Earmarked Reserve of £7,500 "Signage and noticeboards" improvement
- i) To create an Earmarked Reserve of £7,000 for the allotment track.
- j) To create a reserve of £21,000 for the new fencing at Cobden Hill.
- k) Earmarked Reserves Events remaining balance be transferred to general reserve.
- l) The Earmarked Reserve Xmas Lights of £16,000 be carried forward but no upgrades be carried out in this financial year
- m) IT upgrade Earmarked Reserve of £3,300 be carried forward
- n) £16,764 CiL funds received in April 2024 be allocated to the café project
- o) £29,342 temporary Earmarked Reserves for cafe project agreed by the Full Council in February 2024 is not needed

**Aldenham Parish Council**

**Reserves balance as agreed in June 2024**

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Account	Opening Balance 1.04.24	New Balance
320 CIL Special Reserve (restricted)	715,388.20	715,388.83
323 EM Reserve Trees	0.00	10,000.00
325 EM Reserve Shenley Hill Appeal	710.72	0.00
326 EMR Playground Equipment	0.00	2,500.00
335 EM Reserve Election Reserve	0.00	0.00
338 EMR Christmas Lights	16,000.00	16,000.00
339 EMR reserve Asset Purchase P&O	5,868.51	5,868.51
340 EMR IT upgrade	3,300.00	3,300.00
342 Events	3029.93	0.00
343 EMR Admin Asset Purchase	48,176.00	48,176.00
EMR Signage and Noticeboards Cobden Hill	0.00	7,500
Allotment track	0.00	21,000
350 Capital Reserves (restricted for capital projects only)	235,946.92	7,000
	<b>1,028,370.28</b>	<b>235,946.92</b>
		<b>1,072,680.26</b>
310 General reserve	324,938.98	280,629.00
<b>Total Reserves</b>	<b>1,353,309.26</b>	<b>1,353,309.26</b>

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**Risk Management Implications**

There is a risk that APC will be criticised by the auditors if funds carried forward increase each year without justification. This includes allocating earmarked reserves which are not spent just carried forward. Whilst councillors are charged with having good financial management of public monies, they are also asked to provide benefits to the community.

This business plan for 2024/25 was reviewed and approved by the F&GP Committee at its meeting on 11 June 2024.

Monika Duong  
Deputy Council Manager