

# Ringwood Town Council

Ringwood Gateway, The Furlong, Ringwood, Hampshire BH24 1AT

Tel: 01425 473883

www.ringwood.gov.uk

## SUMMONS

Dear Member

23<sup>rd</sup> June 2022

You are hereby summoned to attend a meeting of the Town Council at the Forest Suite, Ringwood Gateway on 29<sup>th</sup> June 2022 at 7.00pm.



Mr C Wilkins  
Town Clerk

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## AGENDA

1. **PUBLIC PARTICIPATION**  
There will be an opportunity for public participation for a period of up to 15 minutes at the start of the meeting
2. To receive Apologies for Absence
3. To receive Declarations of Interest
4. **GRANT AID AWARDS**
  - i) To present Grant Aid award of £2,000 to Poulner Junior School to help fund the development of an outdoor learning area
  - ii) To note Grant Aid award of £2,000 to Ringwood Netball League towards the costs of rewiring the floodlights
5. To approve as a correct record the Minutes of the Annual Meeting held on 25<sup>th</sup> May 2022
6. To receive Minutes of Committees and approve recommendations contained therein:

Recreation, Leisure & Open Spaces	DATE :- 1 <sup>st</sup> June 2022
Planning, Town & Environment	DATE:- 10 <sup>th</sup> June 2022
Policy & Finance	DATE:- 22 <sup>nd</sup> June 2022

(Recommendation:- End of year formalities 21/22 (F/6051 refers - see separate agenda item 7)
7. **ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN 2021/22**  
To consider recommendation from Policy and Finance Committee on 22<sup>nd</sup> June 2022 to approve the Annual Governance & Accountability return 2021/22 part 3 (*Report A*):
  - i. Section 1 - The Annual Governance Statement
  - ii. Section 2 - The accounting statements for 2021/22

and to approve the Income and Expenditure Account for 2021/22 and the Consolidated Balance Sheet as at 31<sup>st</sup> March 2022.

**8. TWINNING ASSOCIATION**

To appoint Cllr Scott as Council representative for the Twinning Association

**9. SPORTS DEVELOPMENT PROJECT AT LONG LANE**

- i) To receive a verbal report from Cllr Loose (the Council's representative on the Steering Group) or Cllr Briars (deputy) on project developments
- ii) To consider the Town Clerk's report relating to the PWLB loan application (*Report B*) and, if thought fit, to adopt the resolution in the requisite terms
- iii) To receive a verbal report from the Town Clerk on officers' deliberations on the re-naming of Bernie Guy's Field

10. To receive such communications as the Town Mayor may desire to lay before the Council (Councillors are reminded that no decision taking may take place as a result of this item)

11. To Receive Reports from Ringwood Town Councillors (Councillors are reminded that no decision taking may take place as a result of this item)

12. To receive Reports from County and District Councillors (Councillors are reminded that no decision taking may take place as a result of this item)

13. Forthcoming Meetings – to note the following dates:

Planning, Town & Environment	10.00am	Friday 1 <sup>st</sup> July 2022
Recreation, Leisure & Open Spaces	7.00pm	Wednesday 6 <sup>th</sup> July 2022
Policy & Finance	7.00pm	Wednesday 20 <sup>th</sup> July 2022
Full Council	7.00pm	Wednesday 27 <sup>th</sup> July 2022

If you would like further information on any of the agenda items, please contact Mr Chris Wilkins, Town Clerk, on 01425 484720 or [chris.wilkins@ringwood.gov.uk](mailto:chris.wilkins@ringwood.gov.uk)

Council Members:

Chairman: Cllr Gareth Deboos, Town Mayor  
Vice-Chairman: Cllr Rae Frederick, Deputy Mayor  
Cllr Andy Briars  
Cllr Philip Day  
Cllr Hilary Edge  
Cllr John Haywood  
Cllr Jeremy Heron  
Cllr Peter Kelleher  
Cllr Darren Loose  
Cllr Gloria O'Reilly  
Cllr Tony Ring  
Cllr Steve Rippon-Swaine  
Cllr Derek Scott  
Cllr Glenys Turner

Officers:

Chris Wilkins, Town Clerk  
Jo Hurd, Deputy Town Clerk

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2021/22

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
  - The **Annual Internal Audit Report must** be completed by the authority's internal auditor.
  - **Sections 1 and 2 must** be completed and approved by the authority.
  - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2022**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2022**. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2022
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2021/22

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2022 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2021/22**, approved and signed, page 4
- **Section 2 - Accounting Statements 2021/22**, approved and signed, page 5

Not later than 30 September 2022 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2021/22

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2022.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2021) equals the balance brought forward in the current year (Box 1 of 2022).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2022**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?		
	Has all additional information requested, including <b>the dates set for the period for the exercise of public rights</b> , been provided for the external auditor?		
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		
Section 1	For any statement to which the response is 'no', has an explanation been published?		
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?		
	Has an explanation of significant variations been published where required?		
	Has the bank reconciliation as at <b>31 March 2022</b> been reconciled to Box 8?		
	Has an explanation of any difference between Box 7 and Box 8 been provided?		
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? <b>NB:</b> do not send trust accounting statements unless requested.		

\**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

## Ringwood Town Council

<https://www.ringwood.gov.uk/>

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
	A. Appropriate accounting records have been properly kept throughout the financial year.	✓	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	✓		
M. The authority, during the previous year (2020-21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

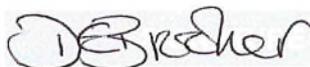
20/04/2022

17/05/2022

Name of person who carried out the internal audit

Dawn Brooker

Signature of person who carried out the internal audit



Date

31/05/2022

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

## Section 1 – Annual Governance Statement 2021/22

# A

We acknowledge as the members of:

### RINGWOOD TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2022, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
	✓		
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

Signed by the Chairman and Clerk of the meeting where approval was given:

and recorded as minute reference:

Chairman

Clerk

[www.ringwood.gov.uk](http://www.ringwood.gov.uk)

## Section 2 – Accounting Statements 2021/22 for

# A

### RINGWOOD TOWN COUNCIL

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	495,883	579,996	<i>Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.</i>	
2. (+) Precept or Rates and Levies	519,907	531,856	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>	
3. (+) Total other receipts	248,619	295,346	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>	
4. (-) Staff costs	349,513	383,644	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>	
5. (-) Loan interest/capital repayments	31,546	31,546	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>	
6. (-) All other payments	303,354	373,959	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>	
7. (=) Balances carried forward	579,996	618,049	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>	
8. Total value of cash and short term investments	597,221	639,322	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>	
9. Total fixed assets plus long term investments and assets	3,701,166	3,695,684	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>	
10. Total borrowings	349,880	329,470	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
	✓			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

I confirm that these Accounting Statements were approved by this authority on this date:

as recorded in minute reference:

Signed by Chairman of the meeting where the Accounting Statements were approved

# Section 3 – External Auditor’s Report and Certificate 2021/22



In respect of

RINGWOOD TOWN COUNCIL

## 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2022; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

## 2 External auditor’s limited assurance opinion 2021/22

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

## 3 External auditor certificate 2021/22

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2022.

\*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

# Consolidated Balance Sheet

Unaudited

# A

31/03/21

£

31/03/22

£

## Current assets

492,224.73	Investments	567,144.71
0.00	Loans Made	0.00
0.00	Investment	0.00
0.00	Stocks	0.00
9,068.31	VAT Recoverable	8,460.20
27,745.48	Debtors	26,010.40
4,624.65	Payment in Advance	7,717.86
104,996.12	Cash in Hand & at Bank	72,177.59
<u>638,659.29</u>	<b>TOTAL CURRENT ASSETS</b>	<u>681,510.76</u>
<u>638,659.29</u>	<b>TOTAL ASSETS</b>	<u>681,510.76</u>

## Current liabilities

0.00	Loans Received	0.00
0.00	Temporary Borrowing	0.00
0.00	VAT Payable	0.00
56,063.16	Creditors	58,139.76
2,600.00	Receipts in Advance	5,322.06
<u>58,663.16</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>63,461.82</u>
<u>579,996.13</u>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>618,048.94</u>

0.00	Long Term Borrowing	0.00
0.00	Deferred Liabilities	0.00
0.00	Deferred Credits	0.00
<u>0.00</u>		<u>0.00</u>
<u>579,996.13</u>	<b>NET ASSETS</b>	<u>618,048.94</u>

## Represented by

292,544.82	General Fund	304,240.98
3,663.32	Developer Contribution s106	3,213.32
45,634.90	Developer Contribution CIL	51,448.73
1,210.00	Cemetery Maintenance	980.00
13,125.00	Capital Receipts	20,334.34
6,987.50	Grants Unapplied	3,216.50
13,900.00	IT & Systems Provision	18,400.00
25,000.00	Gateway Building Provision	25,000.00
18,000.00	Cemetery Provision	19,532.72
28,567.00	Buildings Repair Provision	33,567.00
11,273.88	Elections Provision	11,042.33
16,365.43	Machinery Renewal Provision	22,572.43
15,257.50	Play equipment Provision	3,030.93
3,000.00	Memorials Provision	0.00
0.00	Christmas Lights Provision	0.00

# Consolidated Balance Sheet

Unaudited

# A

31/03/21		31/03/22
£		£
27,025.49	Carvers Clubhouse Provision	29,525.49
11,300.00	Carvers Grounds Dev Provision	11,300.00
8,828.43	Ringwood Events Reserve	16,768.10
19,343.00	Infrastructure & Open Spaces	12,685.17
1,353.91	Memorial Lantern Fund	1,353.91
3,000.00	Neighbourhood Plan	6,473.07
14,615.95	Key Deposits	15,120.55
0.00	Budget underspends retained for use in following year	8,243.37
0.00	Football Development Project Reserve	0.00
0.00	LONG TERM Investment Accounts	0.00
<u>579,996.13</u>		<u>618,048.94</u>

Signed \_\_\_\_\_

Chairman

Date \_\_\_\_\_

AUDIT OPINION

\_\_\_\_\_  
Responsible Financial Officer

# Income and Expenditure Account

Unaudited

31/03/21 £		31/03/22 £
	<b>INCOME</b>	
248,619.12	Income	295,345.93
0.00	Interest on Investments	0.00
519,907.00	Precept	531,856.00
<u>768,526.12</u>	<b>INCOME TOTAL</b>	<u>827,201.93</u>
	<b>EXPENDITURE</b>	
684,412.99	Expenditure	789,149.12
0.00	General Administration	0.00
0.00	S. 137 Payments	0.00
<u>684,412.99</u>	<b>EXPENDITURE TOTAL</b>	<u>789,149.12</u>
265,834.93	Balance as at 01/04/21	292,544.82
768,526.12	Add Total Income	827,201.93
<u>1,034,361.05</u>		<u>1,119,746.75</u>
684,412.99	Deduct Total Expenditure	789,149.12
<u>0.00</u>	Stock Adjustment	0.00
-57,403.24	Transfer to/ from reserves	-26,356.65
<u>292,544.82</u>	Balance as at 31/03/22	<u>304,240.98</u>

Signed \_\_\_\_\_  
Chair

\_\_\_\_\_  
Clerk / Responsible Financial Officer

## TOWN COUNCIL

29<sup>th</sup> June 2022

### Report on PWLB loan application for football development project

#### 1. Introduction and reason for report

- 1.1 We have reached the point of needing to submit the formal application for the PWLB loan previously discussed. The first stage in the process is a resolution of the full council based on a detailed report and business case presented by officers. This is that report and although members will already be familiar with the background and much of the business case, it is required that they be set out again.

#### 2. Background information

- 2.1 Members are respectfully referred to the report on the project considered at the Council meeting on 26<sup>th</sup> January 2022 (minute ref. C/6720).

#### 3. The PWLB loan application process

- 3.1 The loan application process can be summarized as follows:

- Council resolves to seek the Secretary of State's approval for the proposed borrowing (in a form specifically prescribed);
- The application form is completed by officers, signed by the Mayor and RFO and submitted (along with a bundle of supporting documents required, which must include this Report to Council) to Hampshire Association of Local Councils (HALC);
- HALC reviews the documents and then forwards them to Department of Levelling Up Housing & Communities (DLUHC)
- Approval issued by Secretary of State.
- Loan taken up.

#### 4. The Business Case

- 4.1 The business case for taking up the loan rests upon the business case for the project to improve the town's facilities for football, since the loan forms part of the capital funding for the new facilities.
- 4.2 As previously reported, the capacity of existing football pitches within the parish falls far short of needs. This under-provision has prevented Ringwood Town Football Club ("the Club") from expanding the number and diversity of its teams and is set to worsen as additional housing under construction and in planning becomes occupied, expanding the town's population. Members have therefore previously accepted the need for an artificial turf pitch ("ATP", which provides an all-year-round facility for training and competition in a variety of pitch sizes) and a new pavilion with adequate changing facilities for players and officials.
- 4.3 The project has been designed to provide precisely the new and improved facilities that are needed most urgently. The participation of AFC Bournemouth Community Sports Trust ("the Trust") has facilitated access to additional funding and ensured that use of the new facilities will be maximized and provided additional resources for their management.
- 4.4 The scope and details of the project have been discussed on several occasions at meetings of the Council and the Recreation Leisure & Open Spaces Committee over the past three years. The public had access to these meetings and the minutes of them. Planning permission has been applied for and granted.

As part of the planning process, during the autumn of 2021, the application was publicised in the usual way and The Trust has held two public consultation events at the site to explain what was being proposed. The public response was overwhelmingly supportive (with only two objections in 160 comments submitted to the local planning authority).

- 4.5 The total projected cost of the project is roughly £3,000,000 (see summary project budget attached as Annex A). After extensive research, discussions and applications for funding, it became apparent that it would be necessary to borrow £500,000 in order to secure the remainder of the project funding (roughly £2,500,000) and complete the project.
- 4.6 For these reasons the option of applying to Public Works Loan Board for a loan of £500,000 repayable over 40 years was previously presented to members and accepted by them in principle.

## 5. Impact of the loan on Council budget and precept

- 5.1 Officers estimate the annual repayments of the proposed loan at £21,903. However, this liability will have no direct effect on the Council's precept because the Trust has already agreed in principle that the rent which it pays under the proposed new lease of the facilities will cover the full cost of the loan repayments for the full term of the loan.
- 5.2 However, the project will have an indirect effect on the Council's financial position because until now it has received ground rent from the Club and booking fees from the grass pitches and this will cease. This income has varied considerably from year to year but £5,000 might be a reasonable estimate of the average. The loss of this would be the very approximate equivalent of about 1% of the current precept if it cannot be made good in any other way.
- 5.3 Members should also have regard to financial risk which is considered in the next section.

## 6. Financial risk

- 6.1 Because the expectation is that the cost of the proposed loan will be fully met by another party (the Trust), the principal financial risk to the Council is "counter-party risk"; the risk that another party is unable to uphold its obligations and either defaults or requests relief. In theory, this could arise if either the Trust encountered financial strain or difficulties or if the Club were to do so and this had a knock-on effect on the Trust.
- 6.2 This risk is neither fanciful nor negligible. However, Football Foundation (which is providing more financial support for this project than any other party) is very alive to the risk and, as part of the grant application process, required the Trust to produce a detailed business plan demonstrating the financial viability and sustainability over the long term of the project and the proposed use and management arrangements. This plan included not just the projected day-to-day income and outgoings but the establishment of a sinking fund to ensure the ATP surface can be renewed when required in due course. Both the Trust and the Club are not-for-profit organisations with long histories of stable management. For these reasons, officers consider the counter-party risk to be low.
- 6.3 Furthermore, the lease will include safeguards for the Council if the worst ever happens. If the Club were to fail, the size of Ringwood is such that a new club would be highly likely to emerge and take its place. If the Trust were to fail, the premises would revert the Council which could then either manage them itself or seek a new partner-organisation to assume the role of the Trust. The financial risk would therefore be limited, in all likelihood, to the provision of temporary support until new arrangements could be made.

## 7. Issue for decision

**Members are invited and recommended to make the following resolution:**

**“To seek the approval of the Secretary of state for Levelling Up, Housing and Communities to apply for a PWLB loan of £500,000 over the borrowing term of 40 years for the purpose of part-funding the construction of an artificial turf pitch, replacement pavilion and associated football facilities at the recreation ground off Long Lane, Ringwood. The annual loan repayments will come to around £21,903. It is not intended to increase the council tax precept for the purpose of the loan repayments.”**

For further information, contact:

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## Football Facilities Improvement Project

Outline Budget

Updated: 1 June 2022

**Estimated costs to point of handover**

New pavilion, car park, etc.	-£	2,200,056	Estimated pending outcome of pre-contract/mobilisation work by Knights Brown
New Artificial Turf Pitch	-£	680,000	Procured under FF framework. Fixed until Easter by Tiger Turf UK
Statutory fees	-£	2,500	
Professional fees (construction-related)	-£	90,000	
Professional fees (other)	-£	42,000	Includes VAT consultant and Council's legal fees

<b>Total costs</b>	<b>-£</b>	<b>3,014,556</b>	
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**Sources of funding**

AFC Bournemouth Community Sports Trust	£	314,226	£300,000 Confirmed. Balance TBC.
Public Works Loan Board	£	500,000	Subject to application. Rent will cover repayments.
New Forest District Council	£	100,000	Additional funding agreed
New Forest District Council	£	435,330	Confirmed; from developer contributions allocated to site
Ringwood Town FC	£	30,000	Confirmed.
Football Foundation	£	80,000	From Football Stadium Improvement Fund. Offer received.
Football Foundation	£	1,550,000	Grant. Offer received
Ringwood Round Table	£	5,000	Grant. Confirmed
Ringwood Town Council	£	-	Capital contribution

<b>Total contributions</b>	<b>£</b>	<b>3,014,556</b>	
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<b>Funding surplus / shortfall</b>	<b>£</b>	<b>-</b>	
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