

Dunwich Town Trust

RESERVES POLICY

As part of its continuous review of financing future developments and making prudent provision for adverse conditions the following designated funds have been set up as reserves. When assessing or reviewing reserves trustees will have regard to the Charity Commission's guidance CC19, "Charity Reserves: Building Resilience".

Unrestricted Funds:

1. General Reserve Fund – this represents the free funds which are not designated for particular purposes.
2. Capital Fund (equates to total value of housing, excluding The Spinney) – this represents the funds that are tied up in property.
3. Flood Protection Fund (£100,000) – in anticipation of future contributions towards consultation, plans or works relating to the protection of Dunwich from flooding and coastal erosion. **Note 1.**
4. Property Renovation Fund (£50,000) – for future repairs and major works to the Trust's properties. **Note 2.**

Restricted Funds:

1. General Reserve Fund – *as above*
2. Capital Fund (equates to total value of Flora Tea Rooms, Car Park and Gallows Field) – *as above*
3. Inundation Fund (unallocated surpluses at the end of each year are transferred to this Fund) – for the anticipated inundation of the Trust's major asset, the car park and Flora Tea Rooms, and expenditure anticipated in the furtherance of protection of its property by coastal erosion. **Notes 3, 4 & 5.**

See Appendix for background and history of these reserve funds.

First approved by Trustees on: 12th September 2016, reviewed and approved 10th July 2017.

Signed: Chairman

Appendix

HISTORY OF THE DTT SPECIFIC RESERVE/DESIGNATED FUNDS

Unrestricted designated funds:

1. Flood Protection Fund.

This first appears in the 2006 accounts (£300,000 – transferred from Capital Fund, the value of the Spinney)

Confidential appendix to Minutes of 26th January 2006:

‘The Chairman proposed that the Dunwich Town Trust should be prepared to contribute towards the cost of a clay bank running West to East on the North side of St James Street to protect the 13 dwellings at risk and the whole nature of St James Street’.

Minutes of meeting on 9th March 2006:

‘It was agreed that the DTT could contribute to the construction of a west to east clay wall to the north of St James Street but that it might not be necessary.’

The Minutes of 8th March 2007:

‘A new designated fund in the Dunwich Town Trust was proposed and agreed, namely Flood Protection Fund.’ In the event the Environment Agency funded a smaller project and the bank was not built, no contribution was requested or given by DTT.

Confidential Appendix to Minutes of 11th September 2013:

‘Given the Environment Agency’s current policy of ‘Managed Retreat’ it was unlikely that any major flood protection construction would be permitted and it was therefore agreed that the Flood Protection Fund (FPF), which equates to the capital value of The Spinney, would be reduced from the current £275,000 to £100,000’.

2. Property Repairs and Maintenance Fund:

Memo from M. Clark, Clerk, to J. Cary, Treasurer, 7th Jan 2000 explains that this fund was set up in 1996 when it was agreed that £5,500 would be allocated to this reserve each year up to and including 2000. When the Town Houses were refurbished the total of this reserve was used as part of the funding. M. Clark went on to suggest that a similar transfer needed to be considered to build up the fund for a refurbishment programme for the Maison Dieu properties.

Confidential Appendix to Minutes of 11th September 2013:

‘..... the Property Maintenance Fund be raised to £50,000 and maintained at that level’.

Restricted designated funds:

3. Coastal Defence Erosion Fund.

This first appears in the 2005 accounts (£10,000); 2006 accounts (£49,995).

Minutes of meeting 9th September 2005:

‘Coastal Defence Trial. A request was read from the Chairman of the Parish Meeting to substantially raise the grant already agreed was considered by the Trustees who agreed in principle.’

And in the Confidential section of the Minutes of 9/9/05 was added:

‘An additional £17,000 requested due to possible shortfall. The trustees asked the Clerk to

write offering a further £5000 (if needed) to the £10,000 already offered’.

Minutes of 10th May 2007:

‘The Treasurer advised that he had received a bill from Suffolk Coastal District Council for £10,000 + VAT ... The Trustees agreed that the grant should not qualify for VAT ...’

DTT provided a total of £10,000 towards the project.

N.B. The Dunwich Coastal Defence Demonstration Project which explored the impact and performance of ‘geo fabric humps’ for coastal defences was jointly funded and managed by the Environment Agency and Suffolk Coastal District Council. The project completed on 20/3/2011, SCDC carries the maintenance liability for six years.

4. **Inundation Fund.**

Confidential appendix to Minutes of a meeting held on 22nd and 29th July 1996:

‘It was agreed that the Inundation Reserve should be created forthwith and credited with the accumulated income shown in the accounts at the end of 1995 (£41,592) plus a sum of £10,000 incorrectly allocated previously to Permanent Endowment. It was further agreed that the unallocated surpluses at the end of each year should be transferred to the Reserve.’

These reserves increased steadily, year end: 1996 = £59,634; 1997 = £77,239; 1998 = £111,031; 2000 = £162,882; 2001 = 176,775; 2002 = £213,134; 2003 = £238,371; 2004 = £257,829; 2005 £289,175; 2006 = £275,066 (*N.B. £29,690 was transferred into the newly formed General Reserve and £3000 into the Affordable Housing Fund – which emerged during 2003*); 2007 = £282,000; 2008 = £230,000 (*N.B. loss of £52,000 on revaluation of assets*); 2009 = £239,265; 2010 = £248,424; 2011 = £237,386.

Minutes of 8th March 2007 note:

‘The Treasurer produced a projection that indicated that the Inundation Fund needed to be increased over a 12 year period.’

5. Confidential Appendix to Minutes of 11th September 2013:

‘Restricted funds: As the coastal defence project for which the Coastal Defence Erosion Fund had been created had come to an end in March 2011 with SCDC agreeing to carry the liability for future costs it was agreed that the latter should be combined with the Inundation Fund to create a new ‘Inundation and Coastal Defence Fund’. This was now known as the Inundation Fund.

Angela Abell, Chairman DTT
August 2016