

Committee(s): Epping Forest and Commons Committee	Dated: 13 October 2022
Subject: Creation of unrestricted designated reserve fund for the maintenance of the ancient trees at Epping Forest	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3
Report of: Interim Charity Project Accountant, Chamberlains	For Decision
Report author: Neil Chambers, Interim Charity Project Accountant, Chamberlains	

Summary

This report is necessary to seek your committee's approval for the proposed creation of an unrestricted designated fund for ancient tree maintenance at Epping Forest.

- Epping Forest will receive an initial £15,000 for the maintenance of the ancient trees from the Lord Mayor under a new scheme which replaces the usual trinkets scheme for foreign and domestic dignitaries.
- These trees are numbered and photographed, allowing an opportunity to expand fundraising for this purpose to the public and businesses.
- Under the current funding model these funds would need to be spent each year and cannot be carried over.
- To be able to carry forward this money and allow it to be spent over multiple years for the ongoing maintenance of the ancient trees, it's proposed to set up an unrestricted designated fund.

Recommendation(s)

Members are asked to:

- Approve on behalf of the Trustee the creation of an unrestricted designated fund for the maintenance of the ancient trees at Epping Forest (55,000 ancient trees).

Main Report

Background

1. Under the current funding model, the funds used for the maintenance of the ancient trees in Epping's Forest need to be spent within the current financial year and if not spent, there is no mechanism to carry the unspent funds across to the new financial year.

Current Position

2. In this financial year 2022/23, there has been an agreed proposal with the Lord Mayor to replace the usual trinkets scheme the Lord Mayor issues to foreign and domestic dignitaries with an annual scheme which recognises the environmental importance of the ancient trees in Epping Forest. The new scheme is estimated to generate £15,000, which has been calculated based on approximately 150 such meetings at £100 per gift.
3. The ancient trees are numbered and photographed which also creates an opportunity to expand fundraising to allow members of the public or businesses to contribute to the maintenance of these trees.
4. Under the current funding model, the contributions from the Lord Mayor or from members of the public or businesses needs to be spent within the 2022/23 financial year for the maintenance of the trees or will get absorbed into general expenditure, because there is currently not a mechanism for any unused income to be carried over into future years.

Options

5. The option to create an unrestricted designated fund for the maintenance of the ancient trees allows this money to be ringfenced for it's intended purpose and allows any unspent balance to be carried forward into the next financial year.
6. Being able to ringfence this money for the maintenance of the ancient trees would strengthen the proposed expansion of the fundraising to members of the public and businesses as they would then be confident that any contributions would be used as intended for the ancient trees.

Proposals

7. This proposal is for the creation of an unrestricted designated fund for the maintenance of the ancient trees at Epping Forest which has an initial contribution of £15,000 agreed from the Lord Mayor.
8. The initial contribution from the Lord Mayor has come from replacing the usual trinkets scheme the Lord Mayor issues to foreign and domestic dignitaries with a scheme which recognises the environmental importance of the ancient trees in Epping Forest.

Corporate & Strategic Implications

Financial implications

9. The fund will be able to carry forward any unspent funds from the initial £15,000 contribution received from the Lord Mayor for use in future financial years.

Legal implications

10. Under Charity SORP rules, as the contributions remain an unrestricted income fund for the upkeep of the ancient trees, the funds should be applied within a reasonable time, say 1-2 years. If the funds were required to be spent over a longer period, then a clear plan and timeline would need to be in place as to

when the funds will be spent, and this will need to be a disclosure in the annual accounts per SORP 7.46, which requires disclosure of the likely timing of expenditure of designated funds in the annual accounts.

Conclusion

11. This year the Lord Mayor has replaced the usual trinkets scheme for foreign and domestic dignitaries which will generate £15,000 annually for the purpose of the maintenance of the ancient trees at Epping Forest.
12. The ancient trees are numbered and photographed which creates an opportunity for further fundraising from the public and businesses.
13. Under Epping Forest's current funding model these funds need to be spent each year and cannot be carried over.
14. To carry forward any unspent funds for their original purpose in future years it is proposed that an unrestricted designated fund be created.

Appendices

- None

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