

STRATTON PARISH COUNCIL

An Explanation of The Capital Balance and the use of the Village Green Account

The Trustees of the Wrackelford Estate decided to sell a considerable area of land in Stratton parish. An Agreement dated 17th January 1989 was concluded under Section 52 of the Town and Country Planning Act 1971 between the Trustees, Stratton Parish Council, The Agricultural Mortgage Corporation and West Dorset District Council.

This agreement included a Grant of Outline Planning Consent, specifications in relation to the Section 52 Agreement, a copy of the planning consent, special conditions of the sale and the form of tender. This is what is known as the Saxonfields Development at the western end of the village. Also included was the demolition of old buildings along with modernisation throughout the village.

The Agreement between the Trustees and Stratton Parish Council included conveying freehold land to the Parish Council covering the playing field (a flood alleviation area – being part of the flood plain), the village green and a proposed new public footpath. The Parish Council was to purchase the land from the Trustees in Fee Simple (in each case the price of £1).

On grant of outline planning permission, the Trustees were to pay the Parish Council various amounts when specific target points in the development were achieved. The sums were indexed linked to the Retail Price Index from the date of the grant of outline planning permission to the date on which payment would be made. The monies were to be used by the Parish Council for the purpose of the development and maintenance of the village green and the playing field and/or as a contribution towards an archaeological study in the village.

A restrictive covenant was placed on the Parish Council stating that the village green and playing field must not be used at any time in the future except as an open space for the respective purposes of a village green and a playing field.

Payments due to the Parish Council were made at the correct time and the capital amounts were invested. The previously proposed new public footpath was found to be unachievable, and the Parish Council accepted a second capital payment in lieu.

A decision was made by the Parish Council early in the 1990's that the capital received should always be protected and not reduced by expenditure on developments or maintenance so that the maximum amount of income could be earned. Advice had been received from the District Auditor that the Parish Council should be prudent and only invest with a 'AAA' rated organisation.

Having said that, a decision was made in the mid-1990's to expend capital on two projects. One the building of an underground drainage pipe to assist flood water to escape from the playing field faster, and the other to install a tarmac area for a tennis court. However, these two projects were funded by the payment received in lieu of the cancelled footpath, along with a large payment received as a result of the index linking criteria. The original capital amounts were not used.

Almost all Parish Councils elected since the mid-1990's has upheld and followed this decision of protecting the capital balance.

In 2010 the balance held was just under £40,000 and since that time interest rates have continued to fall, and the Parish Council has had to increase the amount of council tax levied to supplement the loss of interest; to pay for the maintenance of the village green and the playing field, whilst protecting the balance of the capital held in the Village Green Account.

The Parish Council has adopted a finance policy which covers the three different accounts that the Council uses. This policy confirms that the capital held in the Village Green Account should always be maintained, following the principles of the local agreement made in the early 1990's.