

25 February 1991

Dear Mr Daniels,

**Milton Parish Council
Questions raised at meeting on 10 January 1991.**

I have now had the chance to consider the questions raised at the above meeting with my auditor Terry Briggs. My advice is set out below.

Commuted Sums.

A number of developers have paid, or will shortly pay the Council Commuted Sums for the maintenance of open spaces in the village.

As long as the Council gives the commitment to maintain the open spaces to the standards and timescale agreed in the computation of the Commuted Sums, I can see no reason why the lump sum monies paid over could not be used for other Capital purposes.

The interest earned on the Commuted sums can be used for Revenue or Capital purposes.

Monies received from Planning Applications (Planning Gains).

The Council has received approximately £200,000 from Tesco and Dorther Properties to be used for general village purposes such as recreation facilities. A further £100,000 was given for preparing and landscaping the new recreation field

In my opinion the £200,000 monies received are a planning gain and in effect can be treated as a windfall. As the monies were given for general village use, the Parish Council can spend the monies on Capital or Revenue items of Expenditure.

An additional £100,000 was also given for preparing and landscaping the new Recreation Ground. This work is now finished and I understand that the Parish Council were able obtain quotes for the work which were considerably cheaper than the £100,000 sum given. Again I can see no restriction on the use of this residual sum and the monies can be used for either Capital or Revenue purposes.

The interest earned on these sums can also be used for either Revenue or Capital purposes.

I have discussed the use of these monies in full with officers from NALC, who agree with the above interpretation.

Expenditure for Capital purposes.

Please find enclosed the latest definition of expenditure for Capital purposes as defined by the Local Government and Housing Act 1989. I must emphasize that this definition is currently applicable, but may well change again after April 1991.

Spending Capital Monies

I can confirm that there are currently no restrictions on what the Council can spend its Capital monies, considering the source of the funds received. Again the Government are constantly reviewing the regulations and it is possible that new restrictions could be introduced after April 1991.

Investments.

It is possible that the Parish Council investment regulations may change after April 1991, restricting the the placement of investments. The Council should liaise closely with NALC who offer advice on investing. You should telephone Paul Claydon or Martin Harvey at NALC on 071-637-1865.

If you require any further information please do not hesitate to contact me or Terry anytime,

Yours sincerely



**D BAWDEN
SENIOR MANAGER**

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