

WHPC Meeting 2<sup>nd</sup> June 2026

Agenda Item 26/149 (b) Finance Working Group: Financial Report – Full Year 2025-2026

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### 1. Overview

The Parish Council remains in a sound financial position.

During the year, the completion of two infrastructure projects resulted in higher than usual annual income and expenditure. Funds from Earmarked Reserves and the Community Infrastructure Levy monies, set aside for the projects, were used to create a new pedestrian entrance to the Village Hall site with associated safety works on West Hill Road and to improve access to the playpark. Construction of the new entrance required works on West Hill Road for safety purposes. To carry out these works DCC required the Parish Council to enter into and fund a s278 legal agreement, apply for traffic regulations order, commission safety audits and to deposit a refundable security bond. Following a successful final inspection DCC have adopted the works on West Hill Road and refunded 75% of the security bond during in December 2025 (with the remaining 25% received in May 2026)

WHPC prepared a detailed operational budget of £58,767.00 for 2025-26. However, the Council resolved to set the Precept at £56,875, unchanged from previous years, and to fund any overspend against from reserves. This “top-up” funding was not required during 2025-26.

Overall, the closing balance at 31<sup>st</sup> March 2026 was £97,052.72, a net reduction in total monies held of £37,038.90 at the end of the year:

At 1 <sup>st</sup> April 2025 Opening Balance	<b>£134,091.62</b>
<b>2025-2026:</b>	
Income	<b>£84,602.13</b>
Expenditure	<b>£121,641.03</b>
At 31 <sup>st</sup> March 2026 Closing Balance	<b>£97,052.72</b>
A year on year reduction of	<b>£37,038.90</b>

The following sections set out the variances in more detail.

The Council mindful that it is required to maintain adequate financial reserves to meet the needs of the organisation but has no legal powers to hold reserves other than those for reasonable working capital needs or for specifically earmarked purposes.

### 2. Opening Balance

WHPC began the year with **£134,091.62** in reserves. WHPC continues to manage funds across current and interest-bearing accounts to ensure the Financial Services Compensation Scheme cap is not exceeded. (ref WHPC Investment Policy).

### 3. Income

During 2025-26 WHPC set a Precept **£56,875.00** and received **£27,727** additional income. The major part of the additional income relates to the infrastructure projects:

- Partial refund (£7,110.79) of security bond deposited with DCC following completion of the works on West Hill Road and Highways Inspection.
- This included higher than usual VAT reclaim (£12,497.80) due to the payments on infrastructure projects.

	<u>2025-26 Income</u>	<u>Expected £</u>	<u>Actual £</u>
Precept		56,875.00	56,875.00
<u>Additional Income</u>			
Community Infrastructure Levy Monies			5,592.85
DCC Refund (75%) s278 Security Bond			7,110.79
Interest Received			2,525.69
VAT Reclaim			12,497.80
<b>Total Annual Income</b>			<b>£84,602.13</b>

#### 4. Payments: Operational Expenses

WHPC set a detailed budget of £58,767 for 2025-26. However, the Council resolved to set the Precept at £56,875.00 unchanged from previous years, and to fund any overspend against from reserves. This “top-up” funding was not required during 2024-25.

During 2025-26, WHPC operational expenditure £51,862.12 was lower than expected: £6,904.88 below budget and £5,012.88 below Precept. The table below summarises the key reasons for the underspend.

Expenditure 2025-26	Budget £	Actual £	Under/(over) Spend £	Notes
Staff Costs	30,000.00	31,290.37	(1,290.37)	Higher than expected National Insurance and National Pay Award.
Operational	14,815.00	10,789.76	4,025.24	Underspend: Fewer newsletters were published due to limited Cllr resources, £1,635, Chairman’s allowance + Members Allowances not claimed, £1,550.  Overspend: Training £397, decision to acquire RPII playpark Inspector certification.  Unbudgetted costs: External Audit additional charges of <b>£1,065+vat</b> (Note A below)
Playpark	2,166.00	1,546.72	619.28	Lengthsman schedule: fewer repairs + grass cutting session due to pro-longed hot weather.
Public Spaces	6,286.00	5,459.16	826.84	Reduced costs for verge cutting due to pro-longed hot weather.
Grant Awards	3,000.00	1,150.00	1,850.00	Few applications received. The Parish Council awarded grants to several organisations, total £1,150.
Contingency	2,500.00	1,626.11	873.39	Costs included: changes to website to meet website accessibility standards £480, Electrical works for Village Christmas Tree £400, Materials for Parish Council crazy golf event at Summer Fete £216.
	<b>£58,767.00</b>	<b>£51,862.12</b>	<b>£ 6,904.38</b>	
2025-26 Precept	£56,875.00		5,012.88	

#### Notes

- A. External Audit additional fees: The Parish Council incurred additional charges of £1,065+VAT relating to an Objector’s challenge against the Parish Council’s Annual Return for 2024-25. The challenge was not upheld. (For further details please see the Auditors report published on the Council’s website).

## 5. Earmarked Reserves

Each year the Paish Council sets aside earmarked reserves for specific, known future projects or expenses.

During 2025-26, as planned, expenditure from Earmarked Reserves was significant, £ 57,580.69. A long running project was completed and a new project begun:

- a. Community Infrastructure Levy monies (CIL) and earmarked reserves were used to finance the creation of a **new pedestrian link between West Hill Road and the village hall site**.
- b. Work began on the development of a new Neighbourhood Plan for West Hill to replace the current joint Ottery St Mary/West Hill Neighbourhood Plan (2018). This is a complex area and often requires external specialist support. As the Government has withdrawn funding for such initiatives, the Parish Council decided to allocate reserves for the project. In 2025, the Council's working group engaged external consultancy to begin the development of Design Codes for West Hill. This work will continue into 2026-276.

The Council also decided to:

- c. Improve access to the playpark by using CIL monies to construct a hard surface path and install new gates.
- d. Renew the Community Defibrillator Scheme Renewal for a further four years.

In summary,

	<u>Opening Balance</u> at 01.04.2025	<u>Transfers</u>	<u>Receipts</u>	<u>Current Balance</u> at 31.03.2026
<b>Earmarked</b>				
Village Hall Path Project	23,847.00	17,626.38	7,110.79	13,331.41
Replacement Playpark Equipment	10,000.00			10,000.00
Open Spaces	12,000.00			12,000.00
CIL Monies	29,836.48	34,261.95	5,592.85	1,167.38
Neighbourhood Plan Project	10,000.00	2,892.36		7,107.64
Election Expenses By-election	6,000.00			6,000.00
Community Defibrillator Scheme Renewal		2,800.00	2,800.00	-
Contingency	13,409.00	-2,800.00		10,609.00
Total Earmarked Reserves	<b>105,092.48</b>	<b>57,580.69</b>	<b>12,703.64</b>	<b>60,215.43</b>
<b>GENERAL FUND</b>	28,999.14			36,837.29
<b>TOTAL FUNDS</b>	<b>134,091.62</b>			<b>97,052.72</b>

## 6. Closing Balance

Funds held at 31<sup>st</sup> March 2026 were £97,052.72, a year-on-year reduction of £37,038.90. Reserves held by the Council are equivalent to 170% of the current Precept. The Council meeting of 2<sup>nd</sup> June 2026 will be asked to decide the allocation of funds into general and earmarked reserves.

The Council mindful that it is required to maintain adequate financial reserves to meet the needs of the organisation but has no legal powers to hold reserves other than those for reasonable working capital needs or for specifically earmarked purposes.

**7. Financial Statement**

The Financial Statement for the year ending 31<sup>st</sup> March 2026 is included at Appendix 1.

**8. For consideration**

The meeting is asked to

- a. approve the Financial Report, Accounts and Financial Statement for the year ending 31<sup>st</sup> March 2026.
- b. Approve the signing of the Financial Statement.
- c. Approve publication on the Council's website.

Finance Working Group

20<sup>th</sup> May 2026