

Finance Working Group: Half Year Financial Report @ 30th September 2024

Approved at WHPC Meeting 5th November 2024 Agenda Item 24/334 (b)

This paper is a short report on the financial position of WHPC at the end of **1st Half 2024-2025**. The report is based on actual income/expenditure to date at the time of review (24th October 2024) and known committed expenditure.

The Finance Working Group met on 24th October 2024 to review the accounts for the council year to date. Cllrs were satisfied that (a) the monthly reconciliations were complete and accurate and (b) the accounts software was up to date and the entries verified as correct. The Working Group then reviewed (a) actual receipts/payments against budget and (b) balance of reserves. Cllrs were satisfied that the appropriate controls were in place on invoices, payments and bank transfers.

The paper summarises the group's findings and recommendations.

1. Summary

| | | |
|--|--------------------|---|
| Total funds held @ 31st March 2024* | £133,605.29 | * Includes general and earmarked reserves, CIL monies etc |
| 1 st April to 30 th September 2024 | | |
| Receipts | £57,735.85 | |
| Expenditure | £33,223.87 | |
| Total funds held @ 30th September 2024 | £158,117.27 | |

Key points of receipts, payments and reserves are detailed below.

2. Receipts

WHPC received payments totalling £57,735.85 during the first six months of 2024-25. The full year precept, £56,875, has been received plus additional income of £860. This consists of interest receipts totalling £786 and a grant of £75 awarded by Devon Communities Together (DCT) as a contribution to the development of the West Hill Emergency Plan.

Despite the assistance of our Ward Member, Jess Bailey, DCC Public Rights of Way team have not yet responded to WHPC's annual application to the Parish Paths Scheme for a footpath maintenance grant.

| | |
|--|------------|
| 2024-2025 Precept payments | £56,875.00 |
| Grants Received - (Emergency Planning) | £75.00 |
| Interest received | £785.85 |
| | £57,735.85 |

Looking ahead, further interest payments are expected plus a £250 grant award will be received following a second successful grant application to DCT. This is a contribution towards the costs of an Emergency Plan booklet to be distributed to all West Hill households. The Parish Council also expects 2024 Community Infrastructure Levy (CIL) Monies (West Hill) distributed by EDDC in Oct-24.

3. Payments

In summary, expenditure during the 1st half of the Council year was below budget.

The ongoing, number of Councillor vacancies (3 out of a membership of 7) has impacted the Council's schedule and expected expenditure. Due to the limited Councillor resources available some discretionary activities, such as Parish Council newsletters, have been cancelled or scaled back.

Key points of 1st Half 2024-25 financials are summarised below:

| Payments £ | 2024-25 Full year Budget | YTD April-Sep 2024 | Variance |
|-------------------------------|-----------------------------|-----------------------|----------|
| Staff Costs | 28,716 | 13,090 | 15,626 |
| Operational Expenses | 14,394 | 4,551 | 9,843 |
| Playpark | 2,126 | 730 | 1,396 |
| Public Spaces | 5,966 | 1,354 | 4,612 |
| WHPC Grant Awards/ provisions | 3,715 | 1,378 | 2,337 |
| Contingency | 2,500 | 0 | 2,500 |
| | 57,417 | 21,103 | 36,314 |

- **Operational Expenses:** Several items of unbudgetted expenditure, such as the road closure for D-Day 80, have been approved by Council. However, they are offset by savings elsewhere or funded from contingency. Activities, such as the publication of Council newsletters has been scaled back, due to the lack of Councillor resources.
- **Playpark:** Within budget. Some Lengthsman tasks have been delayed due to the wet weather and will be completed in the autumn.
- **Public Spaces:** Again, some Lengthsman tasks have been delayed due to the wet weather.

Looking ahead, the Council's activity is expected to be limited by the ongoing number of Councillor vacancies. Taking this into account and following a detailed assessment of all areas of budget the Finance Working Group forecasts an underspend of £5,000 against the full year budget of £57,417. This reflects a provision for an expected increase in monthly staff costs due to changes to Tax/National Insurance and the National Pay award for the Local Government sector, effective from 1st April 2024. Also, as an Objector has submitted challenges to the WHPC Annual Return for 2023/4 additional External Auditor fees are expected. These costs are outside the control of WHPC.

4. Earmarked Reserves

During the first six months of the Council year, the Council has spent £9,987 of its reserves. Details are provided below.

4.1. The Annual Meeting on 7th May 2024 (Annual Meeting Min 24/159) allocated its earmarked reserves including two reserves relating to previous years:

- **Solicitor's fees:** A reserve of £1,420 was established for an outstanding invoice for work done earlier this year to assist the Council with new Council Policies including a new policy on Vexatious, Unreasonable and Unreasonably Persistent Requests. The invoice was paid in April 2024.
- **External Audit Fees 2022-23:** Councils incur additional fees (£355+vat/hour) for the EA's work to process any objections made against a Council's Annual Return. These fees are outside the control of the Council as a registered elector has a right to Object.

In May 2024 the EA's audit of WHPC's Annual Return for 2022-23 had not been completed due to objections submitted. The Parish Council established an earmarked reserve of £2,500 for the outstanding fee invoice. The External Auditor (EA) did not complete their audit until September 2024 due to a backlog. The earmarked reserve was sufficient to cover their fee invoice £2,445+vat, consisting of an annual fee £315+vat plus additional fees of £2,130+vat to process objections to the Annual Return. The invoice was paid in October 2024.

4.2. **CIL monies**, £1,528 were used to purchase two benches to replace decayed wooden benches in the playpark.

4.3. The project to construct a **new pedestrian access** to the Village Hall from West Hill Road has reached a significant stage and it is hoped construction will take place during the 2024-2025 Council year. WHPC's Annual Meeting (May-24) resolved project costs will be funded from:

- An earmarked reserve of £13,000 for the project (ref Annual meeting Min 24/159)
- Community Infrastructure Levy (CIL) Monies allocated to West Hill £27,808.
- and/or contingency reserves (if required)

During the first six months of 2024-2025 £7,038 has been spent on the path project:

- to establish a lease on land on the Village Hall site for the purposes of constructing the path
- to apply to DCC Highways for a Traffic Regulation Order regarding new parking restrictions on West Hill Road (double yellow lines and School Clear signs). With the support of Ward Member Jess Bailey, DCC Highways reduced their application fee by £2,000 to £3,000.
- negotiations with Highways regarding the works on the Highways and to agree actions arising from the Stage 2 Road Safety Audit.

The Council forecasts further expenditure of circa £30,000 including construction works to complete the project. This includes a provision for £2,000 should DCC Highways request the balance of the application fee due to the volume of work arising out of the consultation process. In addition, the Council is required to establish a refundable bond of £10,000 (estimate) for a Section 278 Legal Agreement bond for modifications or improvements to the existing highway. This is expected to be returned in full.

Reserves remaining at 31st March 2025 are forecast to be £81,321.

5. Recommendations

Councillors are asked to

- a. accept this report, and
- b. publish this report on the WHPC website.

Finance Working Group 24th October 2024