

# ENMORE PARISH COUNCIL

## Report of the Responsible Financial Officer for the meeting to be held on 7<sup>th</sup> January 2025

Year-to-date accounts have been prepared as at 1<sup>st</sup> January, including deposit account interest credited on 31<sup>st</sup> December, and these follow, together with explanatory notes.

### Recent transactions and income received

Since my report to Council for the November meeting, approved payments have been made, as follows:

The annual insurance renewal premium was paid (£241.00), Andrew Hucker was paid for ground maintenance services for the year November 2023 to October 2024 (£395.00), I (Anne Stoye) was repaid £4.60 for stationery, Elan City was paid £412.24 for repairs to one of the Speed Indicator Devices. (£0.77 and £68.71 VAT can be reclaimed on the last two of these payments.)

In addition, Denise Hopkins was reimbursed for the purchase of bulbs using funds from the remainder of the Magic Litte Grant. Denise was repaid £75.99, of which £12.67 was VAT that can be reclaimed, making the net cost £63.32, £0.78 more than the previously unspent balance of the grant. The majority of the bulbs have been planted in the churchyard and a few in the Jubilee Meadow near the car parking area.

A further payment has been made, for which retrospective permission is sought from Councillors. £75 has been paid to Enmore Memorial Hall being rental for meetings held there during 2024 in excess of the normal six meetings envisaged when the solar panel grant was awarded. The Hall has a calendar year accounting period so it was considered helpful for them for the payment to be made before the end of their financial year and therefore before the January Parish Council meeting. I had previously been assessing savings in hall rental on the basis of £30/session (a figure given to me by the Hall) but have now amended my estimates to £25/session for more recent periods. As this was a notional assessment, rather than based on an actual invoice, the Parish Council was unaware of a change in the Hall rental tariff.

Payments over £100 have been recorded in the updated Larger Payments list on the website.

Deposit account interest for October, November and December has been received (£24.33, £20.89 and £22.83 respectively).

### Bank balances

Bank balances as at 1<sup>st</sup> January 2025 were:

NatWest current account:	£45.95
NatWest deposit account:	£19,310.59
Lloyds current account:	£83.80
Owed by HMRC	£81.75

Total funds available: £19,522.09

VAT may only be reclaimed for repayment when the sum owed is over £100 or if there has been no previous claim in the last 12 months. Also, it can only be reclaimed at the end of a calendar month. So I am not able to make a claim at the moment and this sum owed must be carried forward for the time being.

Although this appears to be a substantial asset value, the balance will be reduced in the near future after settlement of the expected invoice for road signs and speed limit changes, and it also has to meet all costs arising during the remainder of the current financial year.

### **Expected payments in the short term future** (subject to approval by the Parish Council)

Please note the request above for retrospective approval for the payment of £75 to Enmore Memorial Hall.

I am not aware of any other expected claims. Please submit any claims promptly, and ideally before the March Council meeting so that they can be approved and settled within the correct financial year.

We have still not received the expected invoice for £5,000 from Somerset Council for a proportion of the cost of upgrading the road signage, including the revised speed limits. Councillors have approved its payment, subject to being notified of its arrival and the amount billed. Approval in principle of this expenditure was given by Council before the work was started.

### **Current year's actual v budget**

Actual v Budget for the year to date is well “in the black” overall. The original budget for the current year had a contingency allowance giving some flexibility to afford unexpected costs or to seize opportunities as they occur, as well as cautious estimates for many regular and potential items of cost. The Clerk's decision to work as an unpaid volunteer was particularly helpful and a number of expected costs did not increase at all, or by less than estimated.

The budget also includes provision for up to £500 to support worthwhile community projects, particularly if matching local funding is needed to qualify for grants. There has so far been no explicit call on this money but it may be that many residents are unaware of its potential availability. However, provision of horse safety road signs, as requested by a number of residents, might be an appropriate use of this year's funds. To the extent that any such funding is not used in the current year, it will be absorbed into the Council's general reserves unless Councillors wish funds to be carried forward to augment the similar provision in the current budget for next year. If Councillors wish, these funds could be mentioned in the Magazine.

### **Discussion of budget and finalising the precept for 2025/26**

The precept for the next financial year (starting 1<sup>st</sup> April 2025) has to be determined at the January Council meeting. Following discussions at the November Council meeting, and taking into account additional financial transactions, I have made some amendments. I am not aware of any other feedback from Councillors or members of the public. More information follows, but my conclusion is that there is no justification for increasing the precept this year. Our residents are likely to face increases in all other elements of their Council Tax and the Parish Council should not be adding to their burden without justification.

Anne Stoye  
Responsible Financial Officer

## Year to date accounts as at 1st January 2025

	Cost (ex VAT)	Offsetting income	Current Year	Notes	Previous Year
<b>Income</b>					
Precept			5253.00		5253.00
Deposit Account Interest			213.22		298.29
Magic Little Grant for wilding			0.00	9	500.00
<b>Total</b>			<b>5466.22</b>		<b>6051.29</b>
<b>Expenditure</b>					
Clerk's salary			0.00	3	685.97
Administrative expenses			22.28	4	9.50
Website costs			116.00		142.00
Jubilee Meadow landscaping project	2328.00	1714.72	613.28	2	-495.15
Jubilee Meadow/future cemetery car park	10511.00	5000	5511.00	2	0.00
Magic Little Grant disbursements			395.04	9	104.96
D-Day anniversary(2024)/Coronation (2023) expenses			85.00		145.00
Cost of meetings - hall rental			75.00	5	0.00
SALC subscription			72.59		70.84
Property and Grounds maintenance			394.78		414.00
Insurance			241.00		241.00
Miscellaneous expenditure			275.41	11	0.00
Training					107.50
Neighbourhood Watch and litter pick support					48.51
Speed management equipment purchase and repairs			343.53	6	764.17
Public Works Loan repayment instalments			389.34	7&8	799.74
<b>Total</b>			<b>8534.25</b>		<b>3038.04</b>
<b>Excess of income over expenditure</b>			<b>-3068.03</b>		<b>3013.25</b>
<b>Balance Sheet</b>					
Balance brought forward from previous year			22590.12		19576.87
Excess of income over expenditure			-3068.03		3013.25
			<b>19522.09</b>		<b>22590.12</b>
Represented by assets as follows:				8	
Bank balances (see page 1) adjusted for VAT owed or owing			<b>19522.09</b>	10	

## Notes to the accounts

- 1 These accounts have been prepared on an Income and Expenditure basis and are net of reclaimable VAT.
- 2 Grants made for specific purposes are normally shown with income and relevant expenditure together so that the net cost to the Council is clearly shown.
- 3 Clerk's gross remuneration, including deductions remitted to HMRC (2023/24). The Clerk is now acting on an unpaid volunteer basis.
- 4 Printing, postage and stationery.
- 5 Enmore Memorial Hall did not make a charge for rental for routine (6 per annum) Parish Council meetings during this period but, from 2024 onwards, will do so for additional meetings. The current normal rental cost for this period has now been advised as £25 per meeting. Rental fees for routine meetings are being waived for calendar years 2022 to 2031 inclusive in recognition of the Parish Council grant of £3,000 made in March 2022 towards the installation of solar panels (estimated cumulative rental saving including January 2025: £565).
- 6 In the current year repairs (not covered by insurance) were made to one of the speed indicator devices at a cost of £343.53 plus £68.71 refundable VAT. In 2023/24 repairs were carried out to damaged equipment at a cost of £1,244.84, of which all but £100 was covered by the Council's insurance policy, and the battery-powered SID was upgraded to solar power at a cost of £664.17 excluding VAT. VAT on the 2023/24 repairs and upgrade has been refunded to the Council.
- 7 Public Works Loan - The first of this year's six-monthly instalments of interest and capital repayment, paid in early September, is shown here. A second instalment will be paid in March 2025. Each instalment includes £270 repayment of principal in addition to interest on the outstanding loan.
- 8 Enmore Parish Council bought land for a future cemetery for £8,000 in 2007, assisted by a Public Works Loan. The amount of this loan outstanding after the September payment is £4,320 (31 March 2024: £4,590). Neither the value of the cemetery land nor the amount of remaining Public Works Loan is included in these asset figures.
- 9 Enmore Parish Council was awarded a grant of £500 towards the cost of wilding St Michael's churchyard and the Jubilee Meadow/future cemetery. This has now been fully disbursed. Excess expenditure of £0.78 has been included in the accounts as ground maintenance expenditure.
- 10 Bank balances at 1st January 2025 were: NatWest deposit £19,310.59, NatWest current account £45.95 and Lloyds current account £83.80. The Council is currently owed £81.75 by HMRC in respect of VAT that may be reclaimed.
- 11 Miscellaneous expenditure consists of £50 towards the public address equipment (shared with Enmore Memorial Hall), £39.96 for padlock and chain for the gate to the cemetery and £185.45 cost of new sign for the future cemetery and Jubilee Meadow. Figures are shown net of reclaimable VAT as appropriate.

## Budget process

The process for determining the precept for the following year starts with an estimate of the expenditure for the period. There will be regular items of expenditure that can be estimated from the most recent actual figures and provision should be made for contingencies (the unknown unknowns). The cost of larger items of expenditure may be spread over several years.

Once the estimated costs for the next financial year have been established, the Council's existing assets are considered. Some of these will be earmarked for specific purposes (for example, the cost of making the car park at the cemetery was met from reserves built up over a period of some years), and a reserve is held in case a contested Parish Council election is needed. It is also recommended that approximately six months' worth of precept is kept as a reserve. Once these prudent reserves have been taken from the existing assets, it is expected that remaining assets will be applied to reduce the parish precept for the following year. Councils are not intended to hold unnecessarily large reserves without good reason.

The current position for Enmore is as follows:

Current assets	19522	
less		
expected Somerset Council invoice	5000	
estimated cost of some horse warning signs	500	increased from November figure
remainder of current financial year	range 400 to 1960*	
Estimated free assets at end of current year (worst)	12062	

Reserves to cover potential election costs (£1,500) and half a year of precept (£2,626) would absorb approximately one third of these free assets. Councillors may also wish to set aside funds for the possible replacement of Speed Management equipment.

Arguably part of these assets could be deemed a reserve to pay off the outstanding Public Works Loan. I have estimated the amount currently needed for this purpose as £4,477 (of which £382 is already in the budget for the rest of this financial year, hence £4094 additional cost of repayment).

The figures for reserves would then be as follows:

Estimated free assets at year end	12062	
Six months' precept	2626	}
Election costs reserve	1500	} 8220
Loan repayment costs, additional to normal March instalment (estimated using 31 December rates)	4094	}
Balance	3842	

The balance of the Council's capital reserves is still a substantial proportion of next year's estimated expenditure and would cover an item such as the purchase of a replacement SID. Following the budget process training to the letter would suggest a significantly reduced precept request for next year. Whilst I do not expect the Council to make a reduction in precept, it is my opinion that there is no justification for any increase in precept on the basis of information currently available..

\* The range encompasses the possibility that the Clerk's salary will be resumed for the remainder of the year and that the budget provision for discretionary expenditure and other items will all be needed. The certainty is that there will be another instalment of loan interest and capital repayment in March 2025.

While the uncertain but substantial cost of the cemetery car park was still in the future for the Parish Council, there was good reason to hold very prudent financial reserves (especially when VAT and any grants can only be reclaimed after gross amounts have been paid out). However, I am not aware that there is a current expectation of any further large projects for which substantial financial reserves are needed. Concerns have been expressed about the uncertainty caused by Somerset Council's retrenchment and the extent to which some services previously organised by Sedgemoor or Somerset may now fall onto parish councils, and the resulting need to hold larger reserves in case such expenses occur. Unless any of these potential expenses is likely to involve substantial capital rather than small ongoing expenditure, reducing the Public Works Loan debt (and the ongoing loan servicing payments) would seem to me to be better value and improve the ability of the council to absorb additional regular costs from its precept income. I recommend that, as a minimum, any under-spend in the current year relative to the original budget be applied to reduce the outstanding loan. Further repayment should also be considered using part of the Council's free assets.

Enmore Parish Council is currently very fortunate in having both its Clerk and its RFO working as volunteers. There is also a great deal of goodwill in the village and many potential costs are avoided thanks to generous support and volunteers. If this continues there will be further savings against budget and the Council will be able to meet additional expenses, or pay off more loan, or build up its reserves (or a combination of these) within the current level of precept.

## Revised budget for 2025/26

	Budget 24/25	Year to date	Rest of year (3 months)	Total for year (actual + est)	Difference	Budget 25/26 version 2	Notes
Clerk pay & NI	1040.40	0	260.10	260.10	780.30	1144.44	10%
Admin expenses	30.00	22.28	7.72	30.00	0.00	81.00	£30 plus £51 bank
Website	160.00	116.00	0.00	116.00	44.00	118.00	£108 Wix £10 domain
Internal audit fee	35.00	0	35.00	35.00	0.00	35.00	
Hall rental	0.00	75.00	0.00	75.00	-75.00	50.00	New item
SALC subscription	75.00	72.59	0.00	72.59	2.41	75.00	
Property/grounds incl Jubilee Meadow	600.00	394.78	50.00	444.78	155.22	550.00	Maintenance and possible further planting
Insurance	300.00	241.00	0.00	241.00	59.00	300.00	
Loan servicing	771.66	389.34	382.32	771.66	0.00	743.58	
Elections	500.00	0	500.00	500.00	0.00	500.00	
Training	150.00	0	150.00	150.00	0.00	150.00	
Speed management	0.00	343.53	0.00	343.53	-343.53	600.00	Revised since version 1
Litter pick	50.00	0	17.00	17.00	33.00	50.00	For refreshments
Neighbourhood Watch	0.00	0	0.00	0.00	0.00	50.00	
Special events	150.00	85.00	65.00	150.00	0.00	150.00	
Misc village support	500.00	0	500.00	500.00	0.00	500.00	Horse warning signs 24/25?
Contingency	896.00	275.41	0.00	275.41	620.59	181.00	£181 with same precept
Less interest	-5.00	-213.22	-5.00	-218.22	213.22	-25.00	
<b>Total</b>	<b>5253.06</b>		<b>1962.14</b>	<b>3763.85</b>	<b>1489.21</b>	<b>5253.02</b>	

Shaded cells represent costs that may not be incurred.