PORLOCK PARISH COUNCIL

REPORT – RESPONSIBLE FINANCIAL OFFICER

Date: 03 April 2026 **Author:** J Jones, Clerk & RFO

End of Year Financial Summary 2025–26

Council's accounts for the financial year ended 31st March 2026 show total receipts of £185,735 against total payments of £204,985, resulting in a net deficit of £19,250 for the year before reserve movements.

It should be noted that the figures presented are provisional and reflect the Council's financial position before the final end-of-year movements between General and Earmarked Reserves. The confirmation and approval of these final reserve transfers will be considered by Council under agenda item 17(e), following which the year-end position will be finalised.

Income

Receipts exceeded the annual budget by £39,995 (127.4%), largely due to higher than anticipated income from the Village Hall car park, cemetery, and library, together with receipt of grants awarded during the year. The precept was received in full (£117,031) in line with budget expectations.

Expenditure

Total expenditure for the year amounted to £204,985, which is £10,461 above the approved budget (105.4%). Key areas of expenditure included Staff Costs and Administration, Grounds Maintenance, Old School Centre operations, and Cemetery and Churchyard services. The majority of cost centres operated broadly in line with budget, with variations managed through the appropriate use of earmarked reserves.

Reserves and Transfers

During the year, £49,600 was transferred from Earmarked Reserves to support service delivery, while £52,055 was transferred into Earmarked Reserves to reflect income received for specific future commitments and projects. Taking account of these movements, the General Reserve reduced by £21,705 over the financial year.

Overall Position

Although the year closed with a budgeted deficit, this was anticipated and carefully managed through the planned use of earmarked reserves. Income generation from council assets helped offset rising service costs. Subject to the approval of final reserve movements, the council remains in a stable and sustainable financial position, with reserves appropriately aligned to known and emerging liabilities.

Finance & HR Committee 25 March 2026

The committee met on 25 March 2026 and approved a series of financial governance matters for recommendation to council. These included amendments to the Financial Regulations, notably revised delegated spending limits, and associated updates to the committee's Terms of Reference. The updated Asset Register was received, with further recommendations agreed on asset values, contractor assessments and future budget proposals. The draft year-end financial report to 31 March 2026 was noted, with members satisfied that income and expenditure remained broadly in line with the approved budget.

The committee reviewed the proposed earmarked reserves schedule for 2026/27, agreeing recommendations on reserve movements and transfers, subject to year-end reconciliation, while deferring the decision on investing Community Library reserve funds. Recommendations were also agreed on the 2026/27 grants and sponsorship budget, regular and contractual payments, and revised payroll internal controls. Updates were received on banking arrangements, with a review commissioned, and further work agreed on pension options to support forward financial planning.

Minutes from the meeting can be found on the council's website or by clicking this link.

The Practitioners' Guide has been released (Apr 26)
The Practitioners' Guide is issued by the Smaller Authorities Proper Practices Panel (SAPPP) to support the preparation of statutory annual accounting and governance statements by smaller authorities in England, which are found in the Annual Governance and Accountability Return.

The 2026/27 edition applies to Annual Governance and Accountability Returns (AGAR) for financial years commencing on or after 1 April 2026. The proper practices laid down in sections one and two of this edition must be applied in the financial year ending 31 March 2027, and the Annual Governance and Accountability Return (AGAR) for the year ending 31 March 2027 must be prepared following sections one and two of this edition of the guide. Note that the comparative figures (the figures for the year ending 31 March 2026 included in the 2026 AGAR) must be stated on the same basis as those for the year ending 31 March 2027.

A link to the new guide will be shared with council and is also available on the NALC website.

Old School Centre – Refurbishment (No Update)
Refurbishment costs remain on track and slightly under budget. Currently waiting costs to address the emergency lighting requirements as highlighted in the recent review.

Business Risks
Data Protection (Apr 26) A range of policies and procedures are currently being drafted for review by council in May.

Retention Policy (Apr 26) – A draft has been created and will be put to council in May.

Martyn's Law (No update) – Formally known as the Terrorism (Protection of Premises) Act 2025, has now received Royal Assent. It is anticipated that there will be a 24-month implementation period. A report has been produced to help council understand the legislation at high level and council's responsibilities.

Business Risks Policy and Register (Apr 26) – Further work has commenced on updating the Risk policy and register to brought up to date and in line with requirements and will be presented to Council in May.
Business continuity (Ongoing) – Work continues to add to the council's operating manual for all council activities. This will form part of council's business continuity plans. Once a review of council's plans has been completed any recommendations will be put to council.

Fire Risk Assessment (No update) – Once the emergency lighting works have been approved and completed, a reassessment will be arranged.

CiLCA Qualification (Mar 26)
Thirteen learning outcomes (LO) have been completed – Unit one & two. 17 Units remain. A three-month extension has been requested of SLCC and subject to council's approval of cost (£50). This will provide valuable extra time given current workload and requirements to complete the 17 remaining LOs.

Policies, Procedures, and Documentation (No update)
Cemetery Regulations – Awaiting feedback from one committee member on the revised regulations before final recommendations are put to council for consideration.

Grant Funding (No update)

EMR Status Report
The confirmation and approval of Earmarked Reserves purpose and limitations including any transfers will be considered by Council under agenda item 18(e).