Agenda Item 5 Income & Expenditure 26/27 FC 15.9.26

(i) To receive and consider the Income and Expenditure Report (Financial Budget Comparison Report) for the period 1 April 2026 to 31 August 2026.

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
Council						
Income						
10	Precept	£257,764.29	£257,764.00	£0.00	£128,882.00	-£128,882.00
20	VAT	£15,000.00	£15,000.00	£0.00	£5,240.76	-£9,759.24
30	Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
40	EDDC Grant - Information Office	£2,628.00	£2,628.00	£0.00	£2,680.00	£52.00
50	Community Infrastructure Levy	£0.00	£0.00	£0.00	£0.00	£0.00
550	Locality Grant	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income		£275,392.29	£275,392.00	£0.00	£136,802.76	-£138,589.24
Expenditure						
101	Car Park Fund	£8,000.00	£8,000.00	£0.00	£0.00	£8,000.00
102	Car Park Repairs	£1,500.00	£1,500.00	£0.00	£313.30	£1,186.70
110	Station Road Toilets - Fees	£0.00	£0.00	£0.00	£45.00	-£45.00
111	Station Road Toilets - Operating Costs					
111/1	Cleaning	£14,400.00	£14,400.00	£0.00	£5,476.44	£8,923.56
111/2	Consumables	£1,432.00	£1,432.00	£0.00	£249.84	£1,182.16
111/3	Maintenance	£13,081.00	£12,160.00	£0.00	£236.87	£11,923.13
111/4	Water / Sewerage	£3,402.00	£4,320.00	£0.00	£1,802.50	£2,517.50
111/5	Electricity	£600.00	£702.00	£0.00	£234.80	£467.20
111	Total	£32,915.00	£33,014.00	£0.00	£8,000.45	£25,013.55
115	Emergency Plan	£5,150.00	£5,150.00	£0.00	£0.00	£5,150.00
120	Grass Cutting	£4,120.00	£0.00	£0.00	£0.00	£0.00

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
125	Town Improvement Fund- Discontinued heading in 2026	£25,000.00	£0.00	£0.00	£0.00	£0.00
126	Defibrillators	£550.00	£550.00	£0.00	£125.00	£425.00
130	Town Handyman - Discontinued heading in 2026	£13,000.00	£0.00	£0.00	£0.00	£0.00
140	Jubilee Shelter Maintenance- Discontinued in 2026	£1,802.50	£0.00	£0.00	£0.00	£0.00
150	Community Infrastructure Levy	£0.00	£0.00	£0.00	£0.00	£0.00
160	Professional Services	£26,810.82	£26,810.82	£0.00	£725.45	£26,085.37
170	Drinking Water Fountain	£200.00	£300.00	£0.00	£65.00	£235.00
235	Office Consumables	£150.00	£150.00	£0.00	£70.65	£79.35
250	Annual Parish Meeting	£0.00	£165.00	£0.00	£0.00	£165.00
255	Council Event Expenses	£0.00	£225.00	£0.00	£315.08	-£90.08
499	Town Improvement Budget					
499/1	Grass Cutting	£4,120.00	£4,120.00	£0.00	£1,575.00	£2,545.00
499/2	Town Handyman	£13,000.00	£13,000.00	£0.00	£2,780.00	£10,220.00
499/3	Town Improvements	£25,000.00	£25,000.00	£0.00	£7,580.17	£17,419.83
499/4	Jubilee Shelter Maintenance	£0.00	£1,950.00	£0.00	£2,026.00	-£76.00
499	Total	£42,120.00	£44,070.00	£0.00	£13,961.17	£30,108.83
551	Grant - Locality	£0.00	£0.00	£0.00	£465.15	-£465.15
850	Electricity - Town Christmas Lights	£500.00	£500.00	£0.00	£0.00	£500.00
Total Expenditure		£161,818.32	£120,434.82	£0.00	£24,086.25	£96,348.57

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
Finance Committee						
Income						
200	Bank Interest - Lloyds	£2,000.00	£2,000.00	£0.00	£627.12	-£1,372.88
205	Dividend - Local Auth Prop Fund	£5,000.00	£5,000.00	£0.00	£2,764.62	-£2,235.38
206	Interest - Public Sector Deposit Fund	£5,500.00	£5,500.00	£0.00	£1,986.90	-£3,513.10
220	Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
222	Refund from Bank	£0.00	£0.00	£0.00	£0.00	£0.00
316	Grant and Donation	£0.00	£0.00	£0.00	£457.03	£457.03
Total Income		£12,500.00	£12,500.00	£0.00	£5,835.67	-£6,664.33
Expenditure						
300	Chairman's Allowance	£1,650.00	£1,650.00	£0.00	£34.33	£1,615.67
301	Civic Fund	£3,000.00	£3,000.00	£0.00	£0.00	£3,000.00
302	Members Expenses and Courses	£1,000.00	£1,000.00	£0.00	£422.00	£578.00
303	Publications and Membership	£1,535.00	£1,535.00	£0.00	£1,316.00	£219.00
304	Members Travel Expenses	£100.00	£100.00	£0.00	£80.86	£19.14
310	Audit Fee	£2,000.00	£2,000.00	£0.00	£840.00	£1,160.00
311	Bank Charges	£150.00	£150.00	£0.00	£23.25	£126.75
315	Grants and Donations	£20,000.00	£20,000.00	£0.00	£2,900.00	£17,100.00
320	Stationery	£300.00	£300.00	£0.00	£60.65	£239.35
321	Postage	£0.00	£0.00	£0.00	£0.00	£0.00
322	Telephone/Internet	£810.00	£810.00	£0.00	£282.42	£527.58
323	Photocopier	£1,500.00	£1,500.00	£0.00	£346.14	£1,153.86

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
324	Office Equipment	£500.00	£1,014.49	£0.00	£1,370.31	-£355.82
325	Equipment Servicing/Repairs	£300.00	£3,691.32	£0.00	£543.00	£3,148.32
326	Office Furniture/Furnishings	£1,500.00	£1,000.00	£0.00	£398.00	£602.00
327	Computer Software	£2,400.00	£2,600.00	£0.00	£377.25	£2,222.75
328	Website	£800.00	£800.00	£0.00	£361.70	£438.30
330	Planters/Plants	£220.00	£220.00	£0.00	£171.40	£48.60
340	Elections	£2,500.00	£2,500.00	£0.00	£0.00	£2,500.00
345	Legal Fees	£1,000.00	£1,000.00	£0.00	£47.00	£953.00
350	Car Park Rates & Rent					
350/1	Rent	£515.00	£515.00	£0.00	£500.00	£15.00
350/2	Rates	£5,150.00	£5,302.00	£0.00	£2,410.34	£2,891.66
350/3	Cleaning	£0.00	£0.00	£0.00	£0.00	£0.00
350	Total	£5,925.00	£5,817.00	£0.00	£2,910.34	£2,906.66
370	Salaries					
370/1	Town Clerk	£37,925.00	£39,062.00	£0.00	£12,121.00	£26,941.00
370/2	Assistant to the Clerk	£12,875.00	£13,261.00	£0.00	£3,942.23	£9,318.77
370/3	NI - Employer's Contribution ALL Staff	£8,335.00	£7,738.00	£0.00	£2,444.29	£5,293.71
370/4	Pension - Employer's Contribution ALL Staff	£0.00	£16,072.00	£0.00	£4,964.31	£11,107.69
370/5	Receptionist	£0.00	£9,639.00	£0.00	£957.96	£8,681.04
370	Total	£68,495.00	£85,772.00	£0.00	£24,429.79	£61,342.21
371	Payroll	£500.00	£500.00	£0.00	£133.40	£366.60

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
372	Locum Cover	£15,000.00	£15,000.00	£0.00	£0.00	£15,000.00
373	Staff Travel Expenses	£250.00	£250.00	£0.00	£4.29	£245.71
374	Staff Training	£1,750.00	£1,750.00	£0.00	£40.30	£1,709.70
377	IT Support	£1,500.00	£2,100.00	£0.00	£688.75	£1,411.25
390	Miscellaneous	£500.00	£500.00	£0.00	£278.58	£221.42
Total Expenditure		£135,185.00	£156,559.81	£0.00	£38,059.76	£118,500.05

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
Public Hall Committee						
Income						
410	Lettings	£29,100.00	£29,100.00	£0.00	£10,577.87	-£18,522.13
413	Electricity	£0.00	£0.00	£0.00	£0.00	£0.00
416	Internet re-charge	£100.00	£100.00	£0.00	£20.00	-£80.00
430	Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income		£29,200.00	£29,200.00	£0.00	£10,597.87	-£18,602.13
Expenditure						
500	Rates	£5,308.00	£5,308.00	£0.00	£2,253.00	£3,055.00
501	Gas	£4,000.00	£4,000.00	£0.00	£832.54	£3,167.46
502	Electricity	£7,000.00	£7,000.00	£0.00	£1,256.72	£5,743.28
503	Water	£2,500.00	£2,500.00	£0.00	£0.00	£2,500.00
505	Insurance	£11,000.00	£11,000.00	£0.00	£0.00	£11,000.00
510	Wages	£18,000.00	£18,000.00	£0.00	£5,638.26	£12,361.74
515	Cleaning-Discontinued in 2026	£5,000.00	£0.00	£0.00	£0.00	£0.00
516	Cleaning Activities					
516/1	Waste Services	£0.00	£2,000.00	£0.00	£1,733.86	£266.14
516/2	Consumables	£0.00	£4,000.00	£0.00	£515.22	£3,484.78
516/3	Cleaning Contractor	£0.00	£0.00	£0.00	£0.00	£0.00
516	Total	£0.00	£6,000.00	£0.00	£2,249.08	£3,750.92
517	Consumables - Discontined in 2026	£9,300.00	£0.00	£0.00	£0.00	£0.00
520	Maintenance	£12,500.00	£12,500.00	£0.00	£5,502.19	£6,997.81

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
521	Major Repairs/Renovations	£5,000.00	£5,000.00	£0.00	£496.80	£4,503.20
522	Hall Improvements	£20,000.00	£20,000.00	£0.00	£3,671.50	£16,328.50
523	Clock Service	£370.00	£370.00	£0.00	£0.00	£370.00
530	Licence	£250.00	£250.00	£0.00	£0.00	£250.00
535	Performing Rights	£2,500.00	£2,200.00	£0.00	£1,954.16	£245.84
540	Marketing	£3,000.00	£3,000.00	£0.00	£0.00	£3,000.00
590	Miscellaneous	£300.00	£300.00	£0.00	£0.00	£300.00
Total Expenditure		£106,028.00	£97,428.00	£0.00	£23,854.25	£73,573.75

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
Community Gardens Committee						
Income						
600	Rents	£2,600.00	£2,600.00	£0.00	£0.00	-£2,600.00
601	Water Recharge	£1,300.00	£1,300.00	£0.00	£0.00	-£1,300.00
610	Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
900	Suspense	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income		£3,900.00	£3,900.00	£0.00	£0.00	-£3,900.00
Expenditure						
650	Rent	£700.00	£700.00	£0.00	£668.56	£31.44
660	Water	£1,500.00	£1,500.00	£0.00	£48.53	£1,451.47
670	Maintenance	£1,700.00	£1,700.00	£0.00	£334.21	£1,365.79
690	Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
Total Expenditure		£3,900.00	£3,900.00	£0.00	£1,051.30	£2,848.70

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

		26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
Norman Centre						
Income						
700	Lettings	£3,350.00	£3,350.00	£0.00	£335.00	-£3,015.00
710	Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income		£3,350.00	£3,350.00	£0.00	£335.00	-£3,015.00
Expenditure						
750	Rates	£600.00	£600.00	£0.00	£262.40	£337.60
751	Gas	£400.00	£400.00	£0.00	£99.22	£300.78
752	Electricity	£700.00	£700.00	£0.00	£212.37	£487.63
770	Maintenance(NC)	£1,500.00	£500.00	£0.00	£0.00	£500.00
771	Major Repairs(NC)	£0.00	£1,000.00	£0.00	£0.00	£1,000.00
790	Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
Total Expenditure		£3,200.00	£3,200.00	£0.00	£573.99	£2,626.01

Financial Budget Comparison

Comparison between 01/04/26 and 31/08/26 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/26

	26/27	26/27 Revised	Reserve Movements	Actual Net	Balance
Total Income	£324,342.29	£324,342.00	£0.00	£153,571.30	
Total Expenditure	£410,131.32	£381,522.63	£0.00	£87,625.55	
Total Net Balance	**-£85,789.03**	**-£57,180.63**		**£65,945.75**	

Agenda Item 5 Income & Expenditure 26/27 FC 15.9.26

(ii) To agree the proposed amendments to existing budget headings and the creation of new budget headings, and to make a recommendation to the Town Council. See supporting papers in the Agenda Pack.

Heading	Current	Proposed
325	Equipment Services & Repairs	Office Equipment
329	None (new)	Office Maintenance
255	None (new)	Council Event Expenses
114/6	None (new)	SR Toilets – Fund
372	Statutory Sick Pay	Locum Cover
516/3	none (516 is Cleaning PH)	Cleaning Contactor

Agenda Item 6 Reserve Policy FC 15.9.26

(i) To consider and recommend to the Town Council the creation of a Reserves Policy, including details of the proposed reserves and the arrangements for their management and use. Reserves are listed overleaf.

(ii) To consider how the Town Council can work towards achieving the objectives of the new policy and agree appropriate actions and priorities.

Reserve Status

	01/04/26	09/09/26
Car Park Fund	£22,500.00	£22,500.00
Public Hall Fund	£50,000.00	£50,000.00
Jubilee Shelter Maintenance	£3,500.00	£3,500.00
Town Improvement Fund	£5,000.00	£5,000.00
CIL Fund	£53,983.12	£53,983.12
Station Road Toilets	£0.00	£0.00
	£134,983.12	£134,983.12
	£134,983.12	£134,983.12

Budleigh Salterton Town Council

Reserves Policy

Version Control

Version	Approved by	Date	Review Date
1.0	Full Council	[Date]	Annually during budget setting

1. Purpose

This policy establishes the framework for the management of the Council's financial reserves. It ensures reserves are maintained at an appropriate level to safeguard the Council's financial sustainability whilst ensuring public funds are not accumulated unnecessarily.

The policy provides guidance on:

General Reserves; Earmarked Reserves; Reserve reviews; Creation and release of reserves; Governance arrangements; Good financial practice.

2. Legislative Framework

The Council has a statutory duty to consider the level of reserves required when setting its annual budget. This policy has been prepared having regard to:

- Local Government Finance Act 1992
- Local Government Act 1972
- Smaller Authorities Proper Practices Panel (SAPPP) Practitioners' Guide (formerly JPAG)
- Accounts and Audit Regulations 2015
- NALC Good Councillor's Guide to Finance and Transparency

The Practitioners' Guide states that:

"Authorities should maintain sufficient general and earmarked reserves to finance both day-to-day operations and future plans. Reserves should be reviewed and justified at least annually."

There is no statutory minimum or maximum level of reserves, however it is advised that a Town Council determine an appropriate level based upon its own financial risks and operational requirements.

3. Objectives

The Council will maintain reserves to:

- protect against financial uncertainty;
- maintain financial stability;
- fund future asset replacement;
- smooth significant fluctuations in expenditure;
- meet known future liabilities;
- provide resilience against emergencies;
- support long-term financial planning.

4. Principles

The Council will ensure that:

- reserves are held only for legitimate purposes;
- reserve levels are evidence based;
- all reserves are reviewed annually;
- reserves are transparent and publicly reported;
- reserves are not used to support unsustainable recurring expenditure;
- reserve movements are approved by Council.

5. Types of Reserves

The Council maintains two categories of reserves.

General Reserves & Earmarked Reserves

5.1 General Reserve

The General Reserve represents the Council's working balance.

Its purposes are to:

- provide working capital;

- manage cash flow;
- respond to unforeseen expenditure;
- meet emergency costs;
- provide resilience against financial risk.

5.2 Earmarked Reserves

Earmarked Reserves are sums set aside for specific approved purposes.
Typical examples include:

- building maintenance; roof replacement; vehicle replacement; play equipment renewal; election costs; IT replacement; climate change projects; cemetery development; public conveniences; grants programme; capital projects.

Each earmarked reserve shall have:

- a clearly defined purpose;
- an approved target balance, where appropriate;
- an anticipated timescale for its use;
- a nominated officer responsible for monitoring the reserve, normally the Responsible Financial Officer (RFO), with oversight by Full Council as appropriate; and
- be subject to review by the Council at least annually as part of the budget-setting process.

6. Determining the General Reserve

The Council recognises that reserve levels should reflect its individual circumstances.
The Practitioners' Guide recommends that General Reserves normally equate to between three and twelve months of net revenue expenditure.
Authorities with annual expenditure exceeding approximately £200,000 would normally be expected to maintain reserves towards the lower end of that range, subject to local risks and circumstances.

7. Earmarked Reserves

Earmarked Reserves may only be established by resolution of Full Council.
Each reserve shall include:

- name of reserve;
- purpose;
- date established;
- target balance;
- current balance;
- annual contribution;
- anticipated expenditure;
- review date.

The Responsible Financial Officer (RFO) shall maintain a Reserve Register.

8. Asset Replacement Reserves

The Council owns significant community assets which require planned replacement.
Where practical, the Council will establish sinking funds for:

- roof replacement;
- heating systems;
- catering equipment;
- furniture;
- public buildings.

9. Use of Reserves

Reserves should normally be used only for:

- one-off expenditure;
- capital projects;
- asset replacement;
- emergency expenditure;
- approved strategic priorities.

They should not routinely be used to balance recurring revenue budgets.

10. Transfers Between Reserves

Transfers (virements) between reserves require approval by Full Council unless delegated within the Financial Regulations.

The Council minutes shall clearly record:

- amount transferred;
- originating reserve;
- receiving reserve;
- purpose;
- financial implications.

11. Monitoring

The RFO shall report reserve balances:

- quarterly;
- at year-end;
- during budget setting;
- whenever significant changes occur.

Reports should identify:

- opening balance;
- additions;
- expenditure;
- transfers;
- closing balance;
- explanation of significant movements.

12. Annual Review

As part of the annual budget process the Council shall review:

- all earmarked reserve;
- the adequacy of General Reserve;
- any new financial risks;
- any planned capital expenditure;
- external inflationary pressures;

Reserves no longer required should be released by Council resolution.

13. Good Practice

The Council will seek to adopt the following good practice:

- maintain a published Reserve Register;
- support reserves with lifecycle costing*;
- avoid creating reserves without defined purposes;
- avoid excessive accumulation of public funds;

- review reserve adequacy annually;
- maintain transparency within budget reports;
- use reserves primarily for one-off expenditure;
- replenish General Reserves where they have been used to address exceptional circumstances;
- regularly review financial risks to ensure reserve levels remain appropriate.

14. Responsibilities

Full Council

Responsible for:

- approving this policy;
- approving reserve levels;
- establishing earmarked reserves;
- approving significant reserve movements;
- annual review.

Responsible Financial Officer

Responsible for:

- maintaining reserve records;
- advising Council on reserve adequacy;
- reporting balances;
- ensuring compliance with proper accounting practice;
- maintaining the Reserve Register.

15. Review

This policy shall be reviewed annually during the budget-setting process or sooner if:

- legislation changes;
- accounting guidance changes;
- significant financial risks arise;
- Council responsibilities materially change.

References

- Local Government Finance Act 1992
- Local Government Act 1972
- Accounts and Audit Regulations 2015
- Smaller Authorities Proper Practices Panel (SAPPP) Practitioners' Guide (latest edition)
- National Association of Local Councils (NALC) – *The Good Councillor's Guide to Finance and Transparency*

*Life-cycle costing means looking at the total cost of an asset, including its maintenance, repairs and eventual replacement, over the time the Council expects to use it.