

Executive Income and Expenditure Summary Report to Council

Prepared by RFO

Financial Year Ended 31 March 2026 (Comparative Position: 31 March 2025)

Executive Summary

The Council's financial performance for the year ended 31 March 2026 demonstrates improved financial resilience, stronger income generation, and tighter expenditure control compared with 2024/25. Total income increased by **£71,935 (45%)**, while total other payments reduced by **£162,188 (42%)**, resulting in a stronger overall financial position and improved operational sustainability.

The year was characterised by:

- Increased returns from treasury and investment management;
- Reduced reliance on temporary staffing arrangements;
- Controlled operational expenditure;
- Targeted investment in Council assets and facilities; and
- Preparations for long-term income recovery in key service areas.

1. Income Performance

Total Income

Category	2024/25	2025/26	Variance	%
Total Income	£160,537	£232,473	+£71,935	+45%

Overall income growth was driven primarily by treasury returns and one-off funding receipts. The increase in total income was mainly due to EMR project income of **£79,401.00**, an increase in General Income, and improved Parish Hall income. Cemetery income was reduced by **£15,635.00**, which should continue to be monitored.

Key Income Variances

Bank Interest (+123%)

Bank interest increased from **£4,097 to £9,145**, generating an additional **£5,048**. This reflects the implementation of the Council's Strategic Investment Action Plan approved by the Council.

Other Income (-27%)

Other income reduced by **£2,639** due to revised lease arrangements, with balances largely recognised during the previous financial year.

Cemetery Income (-12%)

Income reduced from **£126,890 to £111,255** owing to lower demand:

- Interments reduced from **46 to 28**
- Cremations reduced from **19 to 7**

Officers intend to review:

- Burial and grave reopening fees;
- Exclusive Rights of Burial renewals;
- Wider cemetery income generation processes.

Allotment Income (+12%)

Income increased modestly due to improved plot occupancy and preparation works.

Victory Hall Hire

- Regular users increased by **116%**.
- Casual hire reduced by **26%** because of venue condition concerns and limited facilities.

The Council has approved improvement works during 2026/27 to restore demand and protect future income.

Funding Received (£79,401)

Funding included:

- **£60,401** for venue improvements (EMR)
- **£19,000** from capital reserves following loss of the Council minibus.

2. Expenditure Position and Performance

Total expenditure reduced from **£637,215.96 in 2024/25** to **£461,182.45 in 2025/26**, a reduction of **£176,033.51**.

The Council therefore moved from a high expenditure position in 2024/25 to a significantly improved operating position in 2025/26.

Key reductions included:

Expenditure Area	2024/25	2025/26	Movement
Staff Costs	£240,221.20	£226,462.74	-£13,758.46
Admin Other	£74,445.91	£37,823.44	-£36,622.47
Victory Hall Costs	£47,353.51	£30,440.58	-£16,912.93
Community Project Costs	£79,205.44	£851.60	-£78,353.84
Open Space Costs	£22,467.79	£2,196.04	-£20,271.75

Staffing and Employment Costs

Staffing expenditure was reduced through operational efficiencies and workforce restructuring.

Staff Cost	2024/25	2025/26	Variance
Staff under contract	£240,221	£226,463	-£13,758

Key Drivers

- No temporary staff engaged during 2025/26.
- Savings of **£16,375** were achieved compared with the previous year.
- Time Off in Lieu (TOIL) procedures introduced to reduce overtime costs.
- Recruitment of Clerk & Proper Officer completed in January 2026.

Year-end staffing increased due to operational restructuring and service delivery requirements.

Total Other Payments

Total other expenditure decreased by £162,188 (42%) compared with the previous year. Some expenditure areas increased, including Finance and Governance (ICCM Internal Audit), Utilities, and Cemetery Costs. These should be reviewed as part of ongoing budget monitoring.

2024/25	2025/26	Variance	%
£389,292	£227,104	-£162,188	-42%

Key Drivers

Expenditure has declined significantly due to the completion of major works in previous years.

Notable expenditure for 2024/25 included:

- Legal advice and consultancy: £54,000
- HR and Health & Safety service and advice: £14,570.14
- Completion of outstanding tree works: £32,000

- Grant award: £6,227.83
- Locum and temporary fees to fill short-term gaps and ensure delivery service for parishioners: £16,374.77
- Acquisition of new assets: £21,022.90, which included:
 - Shoring equipment: £8,942.60
 - Allotments noticeboards: £1,084.25
 - Cemetery noticeboards: £2,919
 - Replacement of Christmas lighting: £13,355.84
 - Alarm and CCTV systems: £3,549.15
 - Maintenance of property, assets, and outdoor facilities, which included remedial works and surveys.

These expenditures reflect the Council's commitment to maintaining and improving services for the community.

Utilities and Property Costs

Utilities expenditure reduced overall by **£22,353 (-28%)**.

Key movements:

- Reduced heating expenditure following boiler replacement.
- Lower electricity expenditure in Victory Hall.
- Reduced maintenance costs after completing major compliance works.
- Improved control of waste and cleaning expenditure.

Legal and Professional Costs

Professional and legal expenditure reduced by **£42,256 (-62%)** as exceptional prior-year costs did not recur.

Office and IT Costs

Costs reduced by **12%**, despite inflationary pressures and investment in:

- IT support;
- Broadband and communications;
- Software licensing.

Cemetery and Open Spaces

Operational cemetery expenditure increased by **35%** due to subcontractor support and maintenance requirements.

3. General Fund and Reserves Position

The General Fund balance at 31 March 2026 was **£130,755.57**.

The Council also held the following reserves:

Reserve	Balance
Capital Reserve	£19,000.00
Earmarked Reserves	£291,448.63

The Council remains in a strong reserve position overall. However, the General Fund has been reduced and should be monitored carefully against the Council's adopted reserves policy and future financial commitments.

4. RFO Assessment

The financial position for 2025/26 shows a significantly improved income and expenditure outcome compared with 2024/25.

The main points for the Council to note are:

- Income increased overall by **£84,451.46** (EMR project **£79,401**)
- Expenditure was reduced significantly by **£176,033.51**.
- Cemetery income has been reduced and remains a financial risk area.
- Parish Hall income improved but should continue to be monitored following refurbishment and operational changes.

Reserves remain strong, but the General Fund balance requires continued management

5. Financial Risk Considerations

The key financial risks identified are:

1. **Cemetery Income Risk**
Cemetery income reduced from **£126,890.00** to **£111,255.00**. This may affect long-term service sustainability if the trend continues.
2. **General Fund Reduction**
The General Fund balance at year-end was **£130,755.57**. This remains adequate but should be reviewed against operational needs and reserve policy requirements.
3. **Reliance on Project and Reserve Movements**
The 2025/26 income includes EMR project income of **£79,401.00**, which is not ordinary recurring income.
4. **Cost Pressures**
Although total expenditure reduced, some areas increased and should be reviewed through regular budget monitoring

6. Strategic Priorities for 2026/27

To maintain financial sustainability, officers recommend:

Income Growth

- Review cemetery fees and charging structure.
- Increase utilisation of Victory Hall following improvement works.
- Continue investment income monitoring.

Cost Control

- Maintain staffing efficiencies.
- Continue expenditure scrutiny and procurement controls.
- Prioritise preventative maintenance over reactive spending.

Asset Management

- Complete venue enhancement programme.
- Protect Council infrastructure and service standards.

Conclusion

The Council concludes the 2025/26 financial year in a stronger financial position than the previous year. Income growth reduced operational expenditure, and tighter financial controls have strengthened resilience and improved capacity to deliver services.

The priority for 2026/27 is to convert these gains into sustainable recurring income while maintaining prudent expenditure management and protecting reserves.

Chigwell Parish Council

ANNUAL RETURN - Section 2 : Statement of Accounts

Explanation of variances

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on an INCOME and EXPENDITURE basis.

Box No.	Description	31/03/2025 £	31/03/2026 £	Variance £	Variance %	Explanation Required?	Notes
1	Balances brought fwd	508276.13	344497.68				BALANCE B/F AGREES
2	Annual precept	312900.00	325416.00	12516.00	4%	No	
3	Total other receipts	160537.51	232472.97	71935.46	45%	Yes	Appendix 1
4	Staff Costs	240221.20	226462.74	-13758.46	6%	No	Appendix 2
5	Loan interest/capital repayments	7702.58	7702.58	0.00	0%	No	
6	Total other payments	389292.18	227017.13	-162275.05	42%	Yes	Appendix 3
7	Balances carried forward	344497.68	441204.20	96706.52	28%	Yes	Appendix 4
8	Total Cash and Short Term Investments	397402.76	455448.63	58045.87	15%	No	
9	Total Fixed Assets and Long Term Investments	2999690.40	2958343.77	-41346.63	1%	No	During 25/26, the total acquisition was £25,769.65, and the stolen minibus valued at £67,116.28 was removed from assets.
10	Total Borrowings	69609.93	64794.62	-4815.31	7%	No	

This report is intended as a guide to the variances you may need to explain. The specific requirements vary between external auditors so please check the requirements shown on the pro forma provided to your council

Please note a breakdown of approved reserves will also be required if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2)

CHIGWELL PARISH COUNCIL

EXPLANATION OF VARIANCES 2025/26 REQUIRED

	A 2024/25	B 2025/26	C=B-A	%=C/A	
Bank Interest	£4,097.18	£9,145.02	£5,047.84	123%	Chigwell Parish Council agreed on the Strategic Investment Action Plan recommended by RFO (Minutes: FC179/25; FC278/25)
Other Income	£9,823.89	£7,185.28	-£2,638.61	-27%	Revised the lease fee for the piece of land 24/25. The revised fee balance has been received in 24/25. Income received under the revised 24/25 agreement
Cemetery Income	£126,890.00	£111,255.00	-£15,635.00	-12%	The records from Chigwell Cemetery show a decrease in interments, falling from 46 to 28, and a decline in cremations, which decreased from 19 to 7 compared to the previous year, 2024/25. Additionally, cemetery revenue for the 2025/26 period dropped by 12%. To address this, service fees have been increased for 2025/26. In the 2026/27 period, the officers will revise the income-generating processes to maintain cemetery activities at an acceptable level. This includes reviewing fees for digging and reopening graves, as well as renewals for exclusive rights of burial (ERoB), to mitigate the risk of lost revenue. The officers will present their findings as a business case to the Finance and Governance Committee, which will make recommendations to the Full Council for approval.

During this financial year, most plots have been prepared and provided to tenants. There are three vacant plots in GL and four vacant plots in LF as of March 31, 2026. These vacant plots will be offered for the 2026/27 period.

Allotment Income AD £2,312.69 £2,591.67 £278.98 12%

Hire Victory Hall AE

During 25/26 Regular users booked the venue for permanent events.

Regular Users AE/60 £6,730.00 £14,545.00 £7,815.00 116%

In 2025/26, casual hirers expressed interest in renting the venue; however, most ultimately decided against it due to the facility's poor overall condition, including limited kitchen amenities. This has adversely affected Victory Hall's rental income, resulting in a potential loss of approximately £8,925 for the Council. The Council approved the remedial work scheduled for 2026/27 to improve the venue's condition to mitigate the risk of lost of revenue.

Casual users AE/61 £10,333.75 £7,670.00 -£2,663.75 -26%

The sale invoice was issued for the cost of the cover for capping the grave.

Cover damage income AE/166 £350.00 £680.00 £330.00 94%

The Council received funding to improve the venue's condition of £60,401 (EMR), and the council received £19,000 from the capital reserve for a stolen minibus, and the vehicle has been removed from the Assets Register.

Fund received	£0.00	£79,401.00	£79,401.00
In total BOX 3	£160,537.51	£232,472.97	£71,935.46
			45%

CHIGWELL PARISH COUNCIL

EXPLANATION OF VARIANCES 2025/26

	2024/25	2025/26	Variancies
Employment Cost	£16,374.77	£0.00	-£16,374.77 -100%

In the 2025/26 financial year, staff costs decreased by 6% due to several factors:

1. No temporary staff were hired during the 2025/26 year to cover Council administration tasks, resulting in a saving of £16,374.77 from the previous year (2024/25).
2. The Council implemented a Time Off In Lieu (TOIL) policy and procedure, which will help to manage overtime payments.
3. The Council hired the Clerk & Proper Officer in January 2026.

Staff Costs Analyse 2024/25:		2024/25	
Under contract	At the beginning of the year	7	
	New starter	3	
	Leaver	5	
	AdmStaff two full-time, Cem staff two full time, Cem Reg 1 part time		
AGAR Box 4	Staff under contract	£263,021.50	£240,221.20
Temp staff	At the beginning of the year	1	1
	New	1	
	Leaver	1	
Temp staff costs	B/120	8,899.39	16,374.77
		0	0

Staff Costs Analyse 2025/26:		2025/26	
Under contract	At the beginning of the year	5	
	New starter	3	
	Leaver	1	
	AdmStaff 3 full-time, Caretaker, Cem staff 2 full-time, Cem Reg 1 part-time		
AGAR Box 4	Staff under contract	£226,462.74	£13,758.46 -6%
Temp staff	At the beginning of the year	0	0
	New	0	
	Leaver	0	
Temp staff costs	B/120	0.00	0.00

CHIGWELL PARISH COUNCIL

EXPLANATION OF VARIANCES 2025/26 REQUIRED

	A	B	C=A
	2024/25	2025/26 This year	
AGAR Box 6 Total other payments	£389,292.18	£227,104.41	-£162,187.77
	2024/25	2025/26 This year	-42%

	A	B	C=A	Explanation
	2024/25	2025/26 This year		
Utilities				
Heating	C/12	£1,167.00	£1,218.85	4% 2025/26
Heating	L/173	£5,147.97	£3,943.97	The boiler was replaced in 2025/26.
Electricity	C/13	£1,821.23	£1,961.07	The council is currently under a green electricity agreement that runs until mid-2028. The electric provider has revised the consumption figures.
Electricity	L/190	£8,120.32	£6,048.64	8% The reading meters were submitted to the provider at the end of March.
Electricity	T/102	£4,124.34	£5,351.74	
Water	C/14	£163.37	£247.74	
Water	T/103	£182.50	£134.65	52% Water providers have recalculated water consumption projections for 2025/26. The leaking water issue has been identified and resolved.
Water	L/172	£1,815.33	£1,230.46	
Water	T/103	£182.50	£134.65	
Water	L/172	£1,815.33	£1,230.46	
Waste Disposal	C/15	£2,219.04	£2,637.90	19%
Waste Disposal	L/69	£1,154.46	£932.90	-19%
Waste Disposal	T/104	£3,538.30	£3,743.04	6%

The Council primarily focuses on ensuring compliance with health and safety regulations and implementing a fire risk assessment action -3% plan.

-£266.85

£7,869.23

£8,136.08

C/16

Property maintenance

The Council primarily focuses on ensuring compliance with health and safety regulations and implementing a fire risk assessment action plan, including boiler replacement and electrical -54% works.

-£12,658.68

£10,992.75

£23,651.43

L/63

Property maintenance

The Council primarily focuses on ensuring compliance with health and safety regulations and implementing a fire risk assessment action -35% plan.

-£5,199.68

£9,673.29

£14,872.97

R/97

Property maintenance

Under annual inspections and maintenance -81% conditions

-£1,498.80

£350.00

£1,848.80

C/26

Security

Under annual inspections and maintenance -42% conditions

-£1,013.44

£1,408.32

£2,421.76

R/98

Security

Kept the environment organised and clean in 179% accordance with the established work schedule. 39% Stock-inventories control.

£97.19

£151.37

£54.18

C/17

Cleaning/domestic supplies

£225.88

£804.86

£578.98

L/179

Cleaning/domestic supplies

-£35.70

£107.93

£143.63

R/96

Cleaning/domestic supplies

-28%

-£22,352.98

£58,808.71

£81,161.69

Property rate

Non-Domestic rate

£10,603.75

£10,603.75

C/11

£6,487.00

£6,487.00

L/67

£2,095.80

£2,095.80

R/101

£0.00

0%

£19,186.55

£19,186.55

Climate Change Action Cost	£0.00	£0.00	£0.00	
Finance and Governance cost	£2,023.80	£5,765.90	£3,742.10	185% 25/26 Cemetery audit conducted by ICCM
Communication Services Costs				
Website Costs	£/27 £440.00	£515.00	£75.00	103% MOT Web conducted
Social Media	£/28 £0.00	£0.00	£0.00	
Parish Magazine	£0.00	£0.00	£0.00	
	<u>£440.00</u>	<u>£515.00</u>	<u>£75.00</u>	<u>17%</u>
Accounting Software	F/34 £3,662.60	£3,641.79	-£20.81	-1%
Legal & Professional Fees				
Legal & Professional Fees	G/37 £14,570.00	£11,314.00	-£3,256.00	The council paid for legal advice, consultancy fees for human resources, employment, planning and H&S.
Legal & Professional Fees	L/70 £0.00	£15,000.00	£15,000.00	
Legal & Professional Fees	ZB/40 £40,000.00	£0.00	-£40,000.00	
Professional Consultancy	H/43 £4,000.00	£0.00	-£4,000.00	
Legal & Professional Fees	G/160 £10,000.00	£0.00	-£10,000.00	
	<u>£68,570.00</u>	<u>£26,314.00</u>	<u>-£42,256.00</u>	<u>-62%</u>
Locum/Temp Fee	G/120 £16,374.77	£0.00	-£16,374.77	-100% cemetery registrar.
Grant Donations	£6,227.83	£0.00	-£6,227.83	-100%

In 2024/25, the cost of hiring temporary staff to fill short-term gaps and ensure service delivery for the parishioners was incurred. At the end of the fiscal year 25/26, the Council operates with three full-time administrative staff members, a Village Hall/Community Hall caretaker, two full-time cemetery staff members, and a part-time cemetery registrar.

25/26 Printer/Scanner purchased; Mobile service
 £1,252.29; Broadband & One phone system
 £5,887.34; IT service provider £3,315; MIS
 Licenses £2,404.84. The inflation affected the
 -1.2% cost prices.

Office & IT COST D £17,467.46 £15,442.73 -£2,024.73

Cemetery Office & IT COST S 94/92 £1,987.98 £1,715.52 -£272.46

Cemetery & Open Spaces Equipment
 & Maintenance £30,633.09 £18,109.65 -£12,523.44 -41% Maintenance; New mower £14,000

Cemetery Cost £16,242.24 £21,961.86 £5,719.62
 Subcontractors £18,030 covered a shortage of
 35% trained staff 25/26; Maintenance cost;

Open space maintenance
 The grass-cutting schedule for the 2025/26
 season remains unchanged. For 25/26, the use
 of machinery for grave digging has decreased
 from 46 to 28 graves. The subcontractor has
 completed half of the digging work on 16
 -62% graves.

GAS/OIL T/118 £2,008.62 £761.57 -£1,247.05

Tree maintenance V/116 £32,105.00 £0.00 -£32,105.00
 2023/24 FC approved the tree tender to carry
 -100% out tree maintenance works in 24/25

Open space costs in total VB £22,467.79 £2,736.26 -£19,731.53
 Allotments maintenance costs £2,102.65; Open
 -88% spaces ground maintenance costs

ZA Cemetery & OS & Community PROJECTS	Z	£7,100.44	£8,766.29	£1,665.85	VAS project £2,589.99; Christmas/Social/Play in the park projects £851.60; EMR CH/VH project; 23% Capital EV cost
B./Q. Staff training	B/Q	£9,232.09	£2,891.30	-£6,340.79	Admin staff training £1,539.65; Cem staff -59% £1,351.65
E. Communications	E/195	£4,443.25	£0.00	-£4,443.25	-100%
G Elections		£11,037.93	£7,048.80	-£3,989.13	-36% 2025/26 due to one Clir resigning.
GA.Parish Remuneration/Clirs Training	G.A.	£4,756.10	£1,275.53	-£3,480.57	-73%

AGAR Box 6 Total variances of other payments				-£162,187.77	
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