

## Agenda Item 9 – Budget 2025-26

### Recommendations

#### ***It is recommended that Councillors:***

- 1. note the considerations set out in this paper in advance of setting the final budget for 2025/26.***
- 2. agree a meeting date in December to set the budget for 2025/26, with the formal approval of the Precept taking place at the January 2025 meeting.***

### Reserves and Capital

- The Reserves report is provided for item 8c.
- A summary for the 3-year Capital Programme is attached.

#### ***Considerations and Recommendations:***

- a) The Earmarked Reserves include S106 monies received for play and fitness/trim trail equipment at Jubilee Field and Orchard Way – totalling just under £35k.
- b) The funds in the Chestnut Drive Reserve are allocated to pay for the rocker being installed, funds have been transferred from the General fund (Capital funds allocated for new Play Equipment) as agreed by Council for the difference in cost between the carried forward reserve balance and the cost of the rocker.
- c) A small amount of the funds in the Jubilee Field Reserve are required as part payment for the new Jubilee Field seesaw, the rest having been funded by S106.
- d) The WH & CC Reserve will close at the end of the year as the balance is now nil with all monies spent.
- e) Of the sum remaining in the Jubilee Field Skatepark Reserve - £2,591.50 is owed to the contractor in July 2025 (5% retention). Once this payment is made any remaining funds in this reserve should be transferred into the Jubilee Field Reserve.
- f) The Clerk/RFO considers that the Operational Reserves are set at an appropriate level for a Council of this size and Precept, however there is a predicted underspend of around £20,000 for 2024/25, which will be added to the Operational Reserve unless any of the funds are earmarked for specific projects/spend or used to offset against next year's Precept. In addition, the updated Capital Programme summary shows that there are sufficient earmarked reserves to carry out proposed improvements to play areas over the coming years. Separately, an allowance is already made within the Revenue Budget for play equipment repairs. It is acknowledged that play areas have the potential to be costly, but the Clerk/RFO considers that there are sufficient funds available at this time to cover additional costs should they occur. The Capital Programme will be updated in February to include the financial year 2027/2028.***Council will need to consider:***
  - ***whether there are additional projects for which funds should be earmarked or which would benefit from capital funding, for example projects that may fall out of the Neighbourhood Plan which will be adopted subject to referendum in the early part of 2025;***
  - ***whether to offset any underspend against the Precept for the next financial year;***
  - ***whether to reduce the capital budget for 2025/26.***

## **Revenue Budget**

### Considerations:

- a) Specifications for the work currently undertaken by the Handyman were advertised with a deadline of November 12<sup>th</sup> and costs will be finalised once contractors are appointed.
- b) The Employers National Insurance (NI) increase to 15% and lowering of the threshold to £5,000 will increase the Parish Council's staffing costs. The lowering of the threshold, as well as increasing the Employers NI contributions on the Clerk's salary, will now have to be paid on the Litter Picker's salary. This will increase the Council's costs by around £1,700 in 2025/26 (from approx. £1,300 to approx. £3,000). The Public Sector, including Town and Parish Councils are not entitled to the Employment Allowance to offset NI costs up to £5,000. There has been speculation in the press that the public sector is exempt, organisations representing the sector have asked the Government for clarification but in the meantime the Council will need to plan for this increase.
- c) The minimum wage increase to £12.21 per hour will increase the holiday cover costs for the Litter Picker and has been allowed for in the budget.
- d) Lloyds Bank are transferring Towns and Parishes to Community accounts from January 2025, as Treasures accounts are now being restricted to charities only. There will be a monthly charge of £4.25 for those Councils with a turnover up to £250,000 per annum, which includes up to 100 electronic transactions per month. The only other charges the Parish Council is likely to incur are charges for cheques received which will be 0.42p per cheque if paid in via the app, based on the last 12 months this will be less than £10 for the year, so overall annual costs will be around £60 per annum, this has been allowed for in the budget with an additional margin. It is to be noted that the Parish Council is currently receiving more interest on its savings than expected. Some banks do not offer dual authorisation at all and those that do already make charges, or are about to start doing so, for example Unity charge £6 per month and Nat West charge £20 for Bankline which is required for dual authorisation.
- e) All other costs and income are based on known information and increases have been factored in as appropriate.

### **Agreeing the Reserves and Budget for 2025/26:**

The reserves and budget are to be agreed at an additional meeting in December with the final approval of the Precept at the January 2025 Council meeting. A date for this additional meeting to be agreed at November Council.

**Debbie Bird**

**Willand Parish Council Clerk and RFO**

**4<sup>th</sup> November 2024**