

Date: 05 December 2024

Title: Report Item 8 – Second draft of the Budget and Precept 2025/6

By: Fiona Chalk (Parish Clerk)

Purpose: To present the second draft of the 2025/26 budget and precept

Recommendations: To consider the second draft of the 2025/26 budget and precept, prioritising spend, and make further adjustments for final approval in January

Introduction

The Parish Council has a duty to set its budget and precept for the coming financial year no later than January 2025 (it is unlawful to set a precept without an adequate budget being in place). The Council viewed the first draft at its meeting on 7th November. Since then, Councillors have put forward requests for spend on a variety of activities, see below.

The purpose of the budget is to demonstrate that the Council will have sufficient income to meet its objectives – it is the financial representation of the Council's operating plan. **It is important to remember that if monies are not budgeted for particular expenditure, the Council does not have authority to spend it.**

1. The second draft of the Budget and Precept 2025/26 has been included in this report. The draft budget is based on the 2024/25 budget but with a 2.7% uplift to reflect the RPI as of September 2024. Items for discussion for inclusion in the 2025/26 budget are listed below:

- Benches - after assessment at the Recreation Ground of the state of the Benches, all need preparation and cleaning up. There are four Benches in open area, five Benches in Play Ground area, two Benches outside Pavilion. **£1550.00** (code 4620)
- Friston Pond maintenance. **£1500.00** (code 4640)
- Selection of appropriate tree, guards and stakes for the Parish: **£100.00** (code 4825)
- Feasibility consultant plans for small woodland layby at Friston Green: **£2500.00** (code 4915)
- Access for people with mobility issues to the downs - updating the twitten (22b) from the link for wheelchairs and to avoid tripping. **£3000.00** (code 4935)
- Cycle racks and fitting for village hall car park for 8 bikes. **£1500.00** (code 4935)
- Solar upgrade for speed sign. **£400.00** (code 4850)
- Pavilion planning process. **£12000.00** (code 4940)
- Traffic management initial works. **£1000.00** (code 4910)
- Paint a disabled parking bay and provide a dropped kerb at the shops for disabled people. **£1000.00** (code 4935)

OPTION 1:

If all the above are included, the proposed total expenditure for 2025/26 is £96989.00 against an expenditure of £79672.00 in the 2024/25 budget.

If all the above are included in the budget, the proposed precept would be £86804.00 (£73500 24/25) representing £87.03 per household (£73.70 24/25) against a national average of £85.88, reducing to £80.33 per household in year 2.

Of the total proposed expenditure in point 1 - £23550.00, £7500.00 will need to be covered by grant income to keep the Council within budget.

OPTION 2:

If all the above are included and the Pavilion costs are taken from reserves, the proposed precept would be £74,804 (£73,500 24/25) representing £74.71 per household (£73.70 24/25) against a national average of £85.88.

2. Report 8a contains the proposed 5-year budget plan.

3. GENERAL RESERVES

The General Reserve at the beginning of 2024/25 was £ 61,585.55. A deficit budget of £854 is expected.

OPTION 1:

The predicted overspend for 2025/26 is approximately £0 and therefore the General Reserve figure at the end of 2025/26 will be approximately £60,500, although if £4000 of CiL income is used to cover some of the spend, this will reduce to £56,500. Over the next 5 years, the budget shows £45,000. being moved to reserves to ensure they meet this threshold, and to secure further funds for the Pavilion in the region of £25,000.

OPTION 2:

The predicted overspend for 2025/26 is approximately £12,000 and therefore the General Reserve figure at the end of 2025/26 will be approximately £48,500, although if £4000 of CiL income is used to cover some of the spend, this will reduce to £44,500. Over the next 5 years, the budget shows £45000.00 being moved to reserves to ensure they meet this threshold, and to secure further funds for the Pavilion in the region of £12,000.

The advice from the Parish Council's new Internal Auditor is that "the general reserve balances should be around 9-12 months of your expenditure budget. So if you have a total expenditure budget of £90,000, the general reserve balance should be in the range of £70,000-£90,000.

4. EARMARKED RESERVES AND RESERVES STATEMENT

A summary of the Council's general and earmarked reserves is shown below. Please note Earmarked reserves make up part of the General Reserves, they are not additional monies.

ESTIMATED
RESERVES

RESERVES		MOVEMENTS IN 2045/25	MOVEMENTS IN 2025/26	CLOSING BALANCE APR 2026
General Reserves	£615000	£850	£0	£60,500
Earmark Reserves : (EMR)				
EMR: Elections	£9,000.00	£0	£0	£9,000
EMR: Neighbourhood Plan	£6,950	£6,950	£0	£0
EMR - CIL	£8090.56	£0	£4000	£4090.56

Consideration should be given to what CIL monies are planned for. Monies not spent within 5 years, have to be returned. There is currently £8090.56 unspent, approximately £1000 from pre-2023. It maybe that these funds, say £4000.00 could be used for some items mentioned in point 1, reducing the General Reserves to £56,500 under Option 1 and £48,500 under Option 2.