

BLYTH TOWN COUNCIL

Governance Committee

Tuesday 7 January 2025

Decision Report – Budget 2025/26

1 BUDGET 2025/2026

Recommendation

Consider and resolve to agree the Governance Committee probable outturn for 2024/25 and the budget for 2025/26.

Consider and resolve to agree the Environment, and Community Development Committee’s probable outturn for 2024/25 and budgets for 2025/26.

The agreed budget for all Committees for 2025/26, and Precept, is recommended for Council to approve.

To constantly review the financial climate and to re-model future years spending, for Council to consider the precept and spending by 2030/31, to have a budget to negate the need to use reserves, and to balance the budget as well as maintaining an adequate level of reserves.

Ward

Not ward specific.

Risk Analysis

A budget and precept must be set for the next financial year to ensure the finance available for services. A review by each Committee and ultimately overall consideration by Governance will ensure Council receive a well thought out mix of services and spending for approval. As a result of the financial climate, we are now in, the expenditure/precept profile has been rolled on for 6 years to allow the Council more confidence moving forward and tackling other issues over a longer period.

Objective

To promote good governance of the Town Council by adopting transparent practices and promoting public participation.

Report

The preparation of the budget for 2025/26 has been carried out based on:

- rolling forward the services we are currently providing.
- consideration of the Play Area refurbishment programme.
- critically looking at budgets to reflect savings where we can, without having a material effect.
- in the absence of other information, increased costs by up to 3%, unless a specific known change, for 2025/26.

During the compilation of the 2025/26 budget and the more certain financial climate of the coming years, we have forecasted the expenditure/precept profile for the next 6 years in order to allow the Council more confidence moving forward and tackling other issues over a longer period. The more stable financial markets make this an easier, but still a watchful exercise. For the purposes of this 6 year model we have allowed for inflation of 3% and a 1% increase in the precept.

To date both the Community Development and Environment Committees have looked at their budgets and recommended them to the Governance Committee for consideration and onward recommendation to Council. These are shown on **Appendix 2**.

Appendix 1 contains the Governance Committee’s budget sheets for 2025/26 as well as the original budget set for 2024/25 and the expected probable outturn for that year.

The Committee’s proposed budgets are as follows *:

Committee	Net Budget 2024/25	Probable 2024/25	Committee Proposed Estimates 2025/26
Governance	447,701	425,847	557,409
Environment	768,360	699,430	557,760
Community Development	394,750	383,153	377,410
Total	1,610,811	1,508,430	1,492,579

Agenda Item 7

As you will see relating to the Governance Committee, there is an underspend in 2024/25 between the Budget and Probable of some £22k.

This in the main, is due to savings of:

Item	Amount £k
Employee Costs	-7
Prof. Charges	-8
Contingencies	-2
IT costs	-2
Civic expenses	-3
Business Rates	-2
Additional Election Costs	8

The increase between the budget set for 2024/25 and the proposed Budget for 2025/26 of £110k is mainly because of the items in the table below alongside other variances:

Item	Amount £k
Employee Costs	75
Election Costs	30

The budget summary of all the Committee spending, shown in a table above *, has been incorporated into the table below as well as an indication of a Precept for 2025/26 that reflects no increase over last year's charge along with an increase in the tax base. This then results in a projection of available Balances as shown in a table, later in this report.

Given the increase in the Council Tax Base this will lead to an increase of £41k in the Precept, without increasing the Band D charge, and this proposal for a Band D property, will remain at £135.44.

Committee	Net Budget 2024/25	Net Probable 2024/25	Net Proposed Budget 2025/26
Net Council Expenditure	1,610,811	1,508,430	1,492,579
Precept Income	1,448,766	1,448,766	1,490,046
Use of Reserves	162,045	59,664	2,533
Total Resources	1,610,811	1,508,430	1,492,579
Tax Base	10,696.66	10,696.66	11,001.52
Precept Band D (rounded)	135.44	135.44	135.44

Based on the above, the proposed budget, of £1,492,579 would allow the Council to carry out its agreed commitments and allow consideration for further future schemes/projects to meet the Council’s objectives, from future year’s budgets, whilst maintaining an agreed level of Balances. The Council has agreed to review its objectives, and this is to take place during 2025, where initiatives may result that would reduce Balances in a measured way.

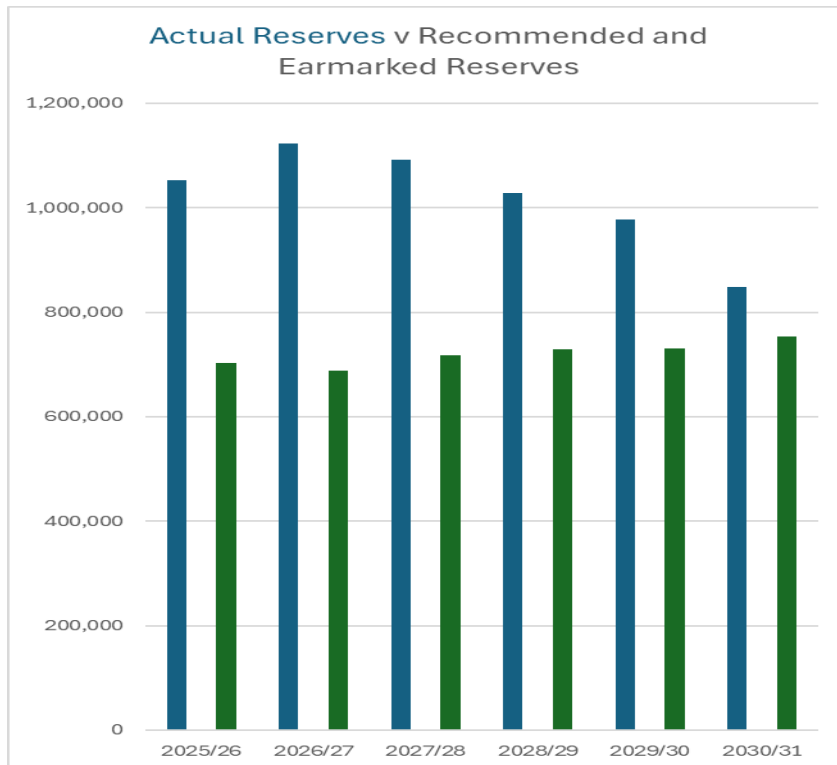
Position of Reserves

	2024/25 Budget	2024/25 Probable	2025/26 Budget
1 April B/F	1,114,983	1,114,983	1,055,319
From/(To) Reserves	162,045	59,664	2,533
31 March C/F	952,938	1,055,319	1,052,786

As referred to in more detail, later in the report, the level of reserves, include earmarked reserves, and therefore usable reserves are much lower.

The earmarked reserves include those set for a Council of this size of £400k and for asset replacement re self-insurance of £330k.

With these in mind, the useable reserves are in the area of £95k, which is the smallest variance between the “years” in the graph below i.e. 2030/31, should the Committee agree that the methodology is appropriate and at this stage no other measures are introduced to change this level of reserve.



The Governance Committee are required to look at the above, plus their own budget not only for next year, but with a brief covering the years ahead because of current methodology, inflation levels, the level of precept and the use of balances to mitigate against much higher council tax increases.

Appendices

Appendix 1 - Budget Sheets - Governance

Appendix 2 - Budget Sheets –Community Development and Environment Committees

Malcolm Wilkinson
Town Clerk

19 December 2024