

**WISBECH TOWN COUNCIL**

**RESOURCES COMMITTEE**

**9 DECEMBER 2024**

**BUDGET 2025/26**

**Notes to assist members' initial discussions regarding the setting of a Wisbech Town Council budget (and Parish Precept) for the financial year 2025/26.**

- In setting a budget, it is advisable to over-estimate expenditure and under-estimate income.
- In producing an initial draft budget for the financial year 2025/26, the Clerk (and RFO) has been mindful of **members' desire to minimise the financial impact upon households of any increase in the Parish Precept** and has, where possible/feasible, retained income and expenditure figures for 2025/26 at the 2024/25 levels.
- The figures within the initial draft budget for the financial year 2025/26 have been produced having regard for: actual income and expenditure for the financial year 2023/24; actual income and expenditure as at the end of month 8 for the current financial year (2024/25) plus projections for the remainder of 2024/25; any known or anticipated changes for the financial year 2025/26.
- The **Allotments** rent income figure has been increased considerably in the initial draft budget; this is due to the decision of the Environment and Public Spaces Committee (at minute E3/24) to increase allotment fees from 6.0 pence to 12.0 pence per square metre per annum with effect from October 2025. Consequently, income from this source is anticipated to increase by around £7,000. The allocation for Allotments expenditure has also been increased (by £3,000).
- With regard to **Wisbech Castle**, it has been possible to increase the estimated annual income (due mainly to its success as a venue for paranormal investigations) for 2025/26 and to maintain the estimated expenditure at the same level as within the 2024/25 budget. The latter situation is possible because the day-to-day operation of Wisbech Castle is undertaken by volunteers (free-of-charge to the council). The estimates of income and expenditure for the financial year 2025/26 show Wisbech Castle generating an operational surplus (of £2,000); consequently, having no financial impact upon the local taxpayers. This was the council's ambition when taking-on Wisbech Castle in 2018.
- Wisbech Town Council has a long-stated ambition to make its programme of **community events and festivals** bigger and better each year. However, it is not possible to achieve such an ambition without making available the necessary financial resources. That is why the budget provision for 2022/23 had been increased (from £30,000 in 2021/22) to £40,000. In the budget for 2024/25 that figure had been increased to £50,000. In the initial draft budget for the financial year 2025/26 that figure is increased to £70,000. Events income has been increased in the initial draft budget for the financial year 2025/26 from £7,000 to £10,000.
- The **Financial Support** allocation within the initial draft budget for the financial year 2025/26 has been reduced to a level which reflects the anticipated spend in the financial year 2024/25.

- The budget allocation for the provision of financial support to the **Wisbech and Fenland Museum** has been reduced from £17,500 to £15,000, in accordance with minutes R6/23 and R10/23.
- The estimated expenditure on **Local Highway Improvement (LHI) schemes** has been reduced in the 2025/26 budget (from £4,000) to £2,000 to reflect the likely cost of the council's contributions towards the cost of the three schemes that have been submitted by the council to the Local Highway Authority for that financial year (minutes 44/24 (1) and 58/24 refer).
- For the financial year 2025/26 the initial draft budget includes, for the first time, estimates of income and expenditure in relation to the **St Raphael Community Hall**.
- Because of the need to "step-up" repair and maintenance works to the Town Hall, the **Town Hall Repairs/Improvements** budget has been increased from £5,000 to £10,000 in the initial draft budget for the financial year 2025/26.
- It has been possible to reduce the expenditure on **Christmas Lights** in the initial draft budget for the financial year 2025/26 because of savings achieved as a result of the council entering-into a new Christmas Lighting Installation Contract (minute R12/24 refers).
- All local government **employees** were awarded an "inflationary" pay increase of £1,290 for full-time equivalent posts for the current financial year (2024/25). The implications of that have been factored-in to the initial draft budget for the financial year 2025/26, as well as estimating for a further 2.5% increase in 2025/26. Estimated expenditure on Employers' Pension contributions reflects the current contribution rate. The cost of Employers' National Insurance contributions for the financial year 2025/26 has been revised to reflect the increase which will take effect on 1 April 2025.  
Given the increase in workload that has resulted from Wisbech Town Council continuing to expand its service delivery (including taking-on the operation and management of the public toilets at the Horsefair Shopping Centre, Wisbech Park Pavilion and the St Raphael Community Hall, plus more allotments activity and more and bigger community events and festivals), it has been concluded that an additional staffing resource is needed. It will be necessary to define the job required and then calculate the cost to the council of that job (in terms of salary and on-costs). As that process is yet to be undertaken, a **Staff Costs Contingency** figure has been included in the initial draft budget for the financial year 2025/26.
- The **current Precept** of Wisbech Town Council is £407,110 with a Council Tax Base of 6,602 (i.e. Band D equivalent properties in Wisbech); this equates to **£61.66 for a Band D equivalent property**.
- In the UK, the national average precept in the current financial year is £85.88.
- The total amount of money in Wisbech Town Council's bank account at the end of the financial year 2023/24 was £338,531.77. That total consisted of ear-marked reserves (i.e. money allocated by the council (or a third-party funder) to be used for a specific purpose) and general reserves (other money which is unspent as at the end of the financial year).
- The council's **ear-marked reserves as at the end of the 2023/24** (totalling £235,155) were:
  - (1) £112,282 for works to Wisbech Castle (the balance of the £150,000 loan which had been provided by Cambridgeshire County Council in 2018)
  - (2) £6,175 for additional Christmas lighting (the balance of the £20,000 allocated in the 2020/21 budget)
  - (3) £9,398 (balance of the £10,000) for set-up costs of the new pavilion at Wisbech Park
  - (4) £33,800 (received from the Cambridgeshire and Peterborough Combined Authority) for the implementation of a new Shop Watch Radio Scheme

- (5) £20,000 towards the cost of the Wisbech Town Council elections which were held in May 2023 (the unspent allocations in the 2022/23 and 2023/24 budgets)
- (6) £53,500 to meet the cost of the highway works associated with the Wisbech Market Place enhancement scheme (minute MR2/21 refers).

The **current situation with each of these ear-marked reserves** is:

- (1) Balance now stands at £110,039
- (2) Reserve has now been spent (on replacing the Christmas lighting for North Brink)
- (3) £3,318 (balance of the £10,000) for set-up/equipment costs of Wisbech Park Pavilion and the St Raphael Community Hall
- (4) Ear-marked reserve remains at £33,800. However, this committee decided, at minute R/24, that implementation of a Shop Watch Radio Scheme be no longer pursued and that an application be made to the Cambridgeshire and Peterborough Combined Authority (CPCA) for the funding which had been allocated to Wisbech Town Council for the implementation of such scheme to be re-allocated to fund the installation of a new electricity supply at Wisbech Park (to support the delivery of activities and events that benefit the community). The application has been submitted by the Clerk (and RFO) to the CPCA
- (5) Reserve has now been spent
- (6) Balance now stands at £12,969.

The total of the council's **general reserves** at the end of the financial year 2023/24 was £103,376.77 (£338,531.77 – £235,155).

At minute R26/23 this committee decided to utilise £10,707.51 of the council's general reserves to fund part of the cost of the Wisbech Town Council elections which had taken place in May 2023.

At minute R28/23 this committee decided to contribute £20,000 from the council's general reserves to contribute towards the costs which had been incurred by Fenland District Council in pursuing a Judicial Review in relation to the Planning Inspectorate's determination of the application for an incinerator in Wisbech.

NOTE: According to the Practitioners' Guide to Local Council Governance, it is recommended that a local council should possess, as general reserves, **a sum equating to three to twelve months of its gross annual expenditure**. Based upon the council's estimated gross expenditure for the financial year 2025/26, the minimum recommended level of general reserves for this council would be **around £130,000**.

### **Conclusion**

An initial draft budget for the financial year 2025/26, which reflects the situation described within this report, has been prepared by the Clerk (and RFO) and is attached.

The Parish Precept, which is collected by the District Council as part of the annual Council Tax, is the amount required by a Town/Parish Council of the households within the parish/town to meet any difference between income and expenditure in a financial year; to "balance the books".

The initial draft budget for the financial year 2025/26 requires **an increase in the 2024/25 Precept of £407,110 (by £4,950) to £412,060 for the financial year 2025/26**.

This equates to the **Precept for a Band D equivalent property of £61.80** for the financial year 2025/26; **an annual increase by £0.14** of the 2024/25 figure (of £61.66).

An increase of £0.14 in the Precept paid by a Band D equivalent property (based on there being 6,667 such properties in Wisbech for 2025/26) (the number for the current financial year is 6,602) would equate to a **0% increase** in the Wisbech Town Council Precept for 2025/26.

It is worth noting that more than 50% of properties in Wisbech are in Council Tax Band A; those households pay 6/9 of the Band D equivalent Council Tax/Precept.

Every 1% increase in the current Wisbech Town Council Precept generates just over £4,000 in additional income to the council.

It is the opinion to the Clerk (and RFO) that the council should aim to set a budget for the financial year 2024/26 which does not require using general reserves.

### **Recommendation**

It is RECOMMENDED that members note the information presented and give a “steer” to the Clerk (and RFO) in terms of producing a final draft budget for the financial year 2025/26, for consideration by the Resources Committee on 13 January 2025 (for reference to Council on 20 January 2025).

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Financial Officer) to Wisbech Town Council**