

# ABINGDON TOWN COUNCIL

<b>Report to</b>	<b>Finance, Governance and Asset Management committee</b>
<b>Meeting date</b>	<b>16 December 2024</b>
<b>Report author</b>	<b>Responsible Finance Officer</b>
<b>Agenda item</b>	<b>9</b>

## 2025-26 ESTIMATES / BUDGET REPORT

### 1. Purpose of the Report

- (i) To present the projected outturn against the current year budget
- (ii) To consider fees and charges for council services for 2025-26
- (iii) To consider member allowances for 2025-26
- (iv) To consider the budget requirement for 2025-26 and funding options.

### 2. Summary

#### 2.1 Projected outturn 2024-25

When the current year budget was set last year, the council resolved that this would be funded by way of a precept (council tax) of £1,936,996. Some projects (for example play equipment upgrade & footpath repairs) has been funded from Community Infrastructure Levy (CIL) rather than the revenue budget. The net impact is that not all the revenue budget will not be required and a surplus of £156,000 will go back into General Reserves or into ringfenced EMRs for next year. Further details are provided in section 6.1 of this report.

#### 2.2 Fees and charges for 2025-26

It is a legal requirement for fees and charges to be reviewed annually by the council. This committee is required to make a recommendation to be considered at the next council meeting held on 15 January 2025. See section 6.3 of this report.

#### 2.3 Members' allowances for 2025-26

This committee is required to make a recommendation to council regarding the basic member allowance, travel and subsistence, and the mayoral allowance. See section 6.4 of this report.

#### 2.4 2025-26 budget requirement

This committee is required to make a recommendation to council regarding the net expenditure estimate / proposed budget for 2025-26. See section 6.7 of this report.

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2.5 Funding of 2025-26 budget

This committee is required to make a recommendation on how the 2025-26 net expenditure budget shall be funded, e.g. precept, use of earmarked reserves, use of general fund. See section 6.10 of this report

3. **Action required**

The committee is requested to

- (i) note the year end projections for 2024-25
- (ii) recommend to council any changes to fees and charges
- (iii) recommend to council any changes to members' allowances for 2025-26
- (iv) recommend to council a net expenditure budget for 2025-26, together with proposed funding arrangements
- (v) agree the Ear Marked Reserves

**This will require a proposer, seconder and a vote.**

4. **Link to strategic plan and objectives**

Key Objective: To manage the Council's assets efficiently and effectively to meet for the needs of the community now and in the future.

5. **Background**

The council considers its net expenditure requirement and precept demand annually in January. Committee meetings which took place in Autumn 2024 informed members of the process. Spending committees were asked for budget bids and have received draft estimates and have made a recommendation, through this committee to the council.

6. **Key information and options**

6.1 Projected outturn 2024-25

I have reviewed expected spend for the remaining period of the financial year and have estimated the following outturn compared to budget:

	<b>Budget 2024-25</b> £	<b>Projected Outturn</b> <b>2024-25</b> £	<b>Variance</b> £
Expenditure	£2,289,113	£2,089,049	£200,064 u/spend
Income (Ex Precept)	(£309,817)	(308,600)	£1,217 under

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	<b>Budget 2024-25</b> £	<b>Projected Outturn</b> <b>2024-25</b> £	<b>Variance</b> £
<b>Net Expenditure</b>	<b>£1,979,296</b>	<b>£1,780,449</b>	<b>£198,847</b> <b>u/spend</b>
<b>Funded By:</b>			
Precept Income	£1,936,996	£1,936,996	
Use of Gen & EMR Res	£42,300	£0	£0
<b>Total Funding</b>	<b>£1,979,296</b>	<b>£1,936,996</b>	
<b>Difference to drop into General or EMR reserve @ YE</b>	<b>£0</b>	<b>£156,547</b>	<b>£156,547</b>

6.2 **APPENDIX A** provides a full breakdown by committee and cost centre of all projections against budget. The report is annotated highlighting the main areas of variances.

6.3 Fees and charges 2025-26

To reflect the cost of providing council services, I propose the attached Fees and Charges in **APPENDIX B**. A costing exercise on cemetery fees and fishing permits proved that Abingdon is below other local councils. I have therefore increased our costs slightly to cover our costs and bring them in line with neighbouring parishes.

6.4 Members' allowances

The members are currently awarded an allowance equal to 20% of the basic allowance of the district council. In the current year's budget, the town council allowance is £1,195 (20% of £5975). Based on 19 councillors, this equates to an expenditure budget of £22,708, although it should be noted that not all councillors claim this allowance.

**Members have proposed that the 2025/26 allowance is increased to 30% of the Vale Councillor allowance, with an increment of 4%. The Vale Councillor allowances are yet to be approved and published, therefore I have increased the current year to the requested amount. Based on 19 councillors, this equates to an expenditure budget of £35,155, or £1,797.63 per Cllr.**

6.5 Travel and subsistence

As in previous years, members can claim travel expenses for any travel incurred outside the parish for council business. Any such claims should be made to the Town Clerk. It is recommended that rates should continue to reflect the national HMRC rates.

6.6 Mayoral allowance

The current mayoral allowance is £4,500 with a local arrangement for £500 to be given to the deputy mayor. I recommend that this remains at £4,500.

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6.7 Proposed Budget for 2025-26

**APPENDIX C** provides the proposed budget for members to consider. The budget is based on existing services continuing in their current capacity, together with any new or increased initiatives agreed in the council's Forward Plan and requests from other committees. This report is annotated with variances and amendments.

Two reports requesting budget bids were sent to the committees in September/October for first round bids. In November, a Final Budget Call was made to both committees and Officers. The following requests from committees have been included in the proposed budget:

<b>Committee</b>	<b>Proposal</b>	<b>Cost £</b>	<b>Comment</b>
FGAM	OMC Improvements	74,000	Increased cost in revenue budget
FGAM	Royse Room Painting	8,000	Increased cost in revenue budget
FGAM	Guildhall Rooms – Furniture & Chairs & Adhoc	65,000	Increased cost in revenue budget
FGAM	Cemetery Lodges	51,000	Increased cost in revenue budget
FGAM	H&S Compliance	6,000	Increased cost in revenue budget
FGAM	IT replacement (end of life)	4,500	Increased cost in revenue budget
FGAM	Staff Salaries (ER's inc etc)	73,600	Increased cost in revenue budget
FGAM	Gas & Elec (increased inline with cost)	43,000	Increased cost in revenue budget
FGAM	Insurance	10,800	Increased cost in revenue budget
FGAM	Members Allowances	12,100	Increased cost in revenue budget

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FGAM	Abbey Hall Buildings Trust	50,000	Bottom Line Increase on capital
Community	Youth Grants	10,000	Increased cost in revenue budget
Community	Community Grants	11,000	Increased cost in revenue budget
Town Infrastructure	Bus Shelters (this will be an ongoing revenue/maintenance cost)	20,000 per annum	Increase revenue budget from £10k to £20,000
Town Infrastructure	Roundabout Maintenance Contract (this will be an ongoing revenue/maintenance cost)	-10,000 per annum	Moved to Bus Shelter revenue budget

6.8 The budget has been calculated using the following parameters:

- any inflationary increases limited to 3.5%
- anticipated national pay award of 4% across all grades, with the increase in ER's contributions.
- the current Establishment List for positions has been used for this budget
- savings have been made on several areas of expenditure – please refer to **APPENDIX C** for detail.

6.9 **APPENDIX D** provides a summary breakdown of the budget lines which fall directly within the responsibility of this committee, along with an overview of the other committees

6.10 Based on the recommendations and suggested amendments shown in **APPENDIX C**, the proposed budget would mean a net expenditure requirement of £1,951,496. See table below:

	<b>AGREED Budget 2024-25</b>	<b>PROPOSED Budget 2025-26</b>	<b>Variance</b>
Expenditure	£2,289,113	£2,459,760	£170,647 increase
Income (Ex Precept)	(£309,817)	(259,624)	(£50,193) decrease
<b>Net Expenditure</b>	<b>£1,979,296</b>	<b>£2,200,136</b>	<b>£220,840 increase</b>

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Funded By:			
Precept Income	£1,936,996	£2,200,136	Inc in band D houses
Use of Reserves	£42,300	£0	
<b>Total Funding</b>	<b>£1,979,296</b>	<b>£2,200,136</b>	

6.11 Earmarked and General Reserves

The council holds £2,108,785 in earmarked reserves and a current GR of £969,025. A list is provided at **APPENDIX E**. Members are requested to review the list and consider whether any proposed projects or areas of spending could be funded from these reserves.

6.12 CIL monies

The council currently has £140,724 of CIL monies. This can be used to fund specific improvements to infrastructure.

6.13 Funding and Precept recommendation

The Vale of White Horse District Council has issued our Band D Tax Base for the 2025-26 year, with a gain of 186. This equates to a gain of £30,059 in monetary terms.

Based on the proposed budget **APPENDIX C** the effect on the precept is as follows.

	Current Year £	2025/26 £	Gain	2025/26 Proposed £	2025/26 £	2025/26 £	2025/26 £
<b>Precept (£)</b>	1,936,996	1,967,055	30,059	2,200,136	2,026,066	2,085,078	2,144,089
<b>Tax Base</b>	12646.3	12,842.3		12842.3	12842.3	12842.3	12842.3
<b>No houses</b>	15,214	15,400	186	15,400	15,400	15,400	15,400
<b>Cost p/h</b>	153.17	153.17		171.32	157.77	162.36	166.96
<b>Inc p/h p/a</b>				18.15	4.60	9.19	13.79
<b>Percent increase</b>			1.55%	11.85%	3.00%	6.00%	9.00%
<b>From reserves +/-</b>					-174,070	-115,058	-56,047

7. Climate change/green implications

Budgets included within the Environment and Amenities committee draft estimates cover the council's climate emergency projects. There are no other implications.

8. **Financial/budget implications**

As per the full report and appendices.

9. **HR implications**

The costings included in the proposed budget are based on the existing staffing structure.

10. **Consultation implications**

I consider that there are no matters within the report on which we should consult.

11. **Supporting papers and appendices**

APPENDIX A: Projected outturn for 2024-25

APPENDIX B: Proposed Fees and Charges 2025-26

APPENDIX C: Proposed Budget 2025-26

APPENDIX D: Summary Budget 2025-26

APPENDIX E: Reserves and Ear Marked Reserves balances

Cherie Carruthers RFO  
11 December 2024