

# Report to Kingswood Town Council

**Meeting: Full Council**

**Date: 14<sup>th</sup> January 2025**

**Author: Town Clerk/Responsible Financial Officer**

**Item for Consideration: Budget and Precept for 2025/26**

**Purpose of Report: To agree the precept and budget for 2025/26**

## **1.0 Introduction**

1.1 The council has considered the funding for existing projects and overheads, as well as considering new projects that it would like to invest in in the new financial year. Discussions took place at meetings on 12<sup>th</sup> November and 10<sup>th</sup> December, as well as the Finance and Administration Committee on 5<sup>th</sup> November. Proposals have been considered and added to the budget and the Town Clerk has provided comprehensive reports that include these proposals, as well as explain the budget setting process.

1.2 Councillors have agreed that they wish for the payments that households pay via their council tax to remain as they were for the current financial year: £8.24 per month or £98.87 per year for the Band D households. Using the revised tax base of 8,398 (average number of Band D households paying council tax) which was updated on the day of the December 2024 meeting, this report offers a revised budget for 2025/26 of £830,336.

1.3 This report is to approve that the precept that SGC will collect from households in Kingswood will be £830,336 and to delegate authority to the town clerk to complete the necessary paperwork and submit it to SGC.

## **2.0 Income and Expenditure for 2025/26**

2.1 The council has agreed that its operational budget for 2025/26 will be £830,336. A summary of that budget is below. A more detailed budget is at the end of the report.

2.2 This budget allows the council to continue with the projects that it started this financial year, as well as investing in other new projects in Kingswood. This budget takes account of the national pay awards, increases to non-pay roll costs, and allows the council to continue to build a General Reserve Fund, meeting its responsibilities as a public body.

2.3 The council will receive income from Community Infrastructure Levy and potentially from grants that it applies for. These are not included in the budget as they are unknown at this stage.

2.4 The council has underspends in the current financial year that it will be placing in both its General Reserve and into specific Earmarked Reserves, as it builds funds to acquire an operational base and associated costs with equipping a building from scratch.

## **3.0 Impact on the residents**

3.1 The council tax levied on a Band D household in the current year is £8.24 per month. Councillors wish this to remain unchanged. The precept of £830,336, split across the tax base of 8,398 households, equates to a council tax of £98.87 per year for an average Band D household (give or take some pennies for rounding).

The table below illustrates the impact on different council tax bands.

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<b>Council Tax Bands</b>							
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>	<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
<b>67% of band D</b>	<b>78% of band D</b>	<b>89% of band D</b>	<b>100%</b>	<b>122% of band D</b>	<b>144% of band D</b>	<b>166% of band D</b>	<b>200% of band D</b>
Per year	Per year	Per year	Per year	Per year	Per year	Per year	Per year
<b>£66.24</b>	<b>£77.12</b>	<b>£88.00</b>	<b>£98.87</b>	<b>£120.63</b>	<b>£142.38</b>	<b>£164.13</b>	<b>£197.75</b>
Per month	Per month	Per month	Per month	Per month	Per month	Per month	Per month
<b>£5.52</b>	<b>£6.43</b>	<b>£7.33</b>	<b>£8.24</b>	<b>£10.05</b>	<b>£11.86</b>	<b>£13.68</b>	<b>£16.48</b>

*Chart: Council Tax band costs*

### 4.0 General and Earmarked Reserves

4.1 The council must have in place both General and Earmarked Reserves:

a. A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of General Reserves.

b. A contingency to cushion the impact of unexpected events or emergencies: this also forms part of General Reserves.

c. A means of building up funds, often referred to as Earmarked Reserve, to meet known or predicted requirements.

4.2 General Reserves are for unexpected projects and KTC has agreed that it will build up a reserve to hold 25% of the precept by the end of 2025/26 (which will equate to approximately £210k). It placed the underspend from last year, £89,352, into General Reserves and can place £120k into General Reserves at the end of this financial year.

4.3 The council is liable for local election costs and has set up an Earmarked Reserve to build up this fund. It currently has £10,000 in this fund and a further £10,000 will be added in each year, with adjustments made when the fund is spent and needs to be replenished.

4.4 Community Infrastructure Levy, as mentioned above, needs to be placed in an Earmarked Reserve as there is classed as a statutory receipt and must be held for specific purposes. This fund currently holds £81,164 and the council has earmarked £37,100k for tennis court repairs. It has also committed a further £15,000 towards play equipment at Deerswood Play Area, in conjunction with SGC.

4.5 Grants that are awarded for a specific purpose are also placed in an Ear Marked Reserve. The council received £3,980 for the Greening of the High Street last year and this has been spent in this financial year.

4.6 It is proposed that a Youth Activities Earmarked Reserve will be created at year end for the purpose of putting committed expenditure for this year that has not yet been spent aside for next year.

4.7 Any other underspends (from operational costs which will be confirmed at the end of the financial year) will be placed into either the General Reserves or added to the Community Building Project Earmarked Reserves, to be agreed at a later meeting.

### 5.0 Current Position and Project Update

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5.1 The council was very ambitious in its budget last year, in its first year of operation, and agreed to support several projects, aware that it was filling gaps in the offering in Kingswood. It developed and published a Corporate Strategic Plan that listed the areas that it wishes to invest in and collaborate with others, to ensure that despite not having any assets, it was making a difference to the residents' lives in Kingswood. It has taken time to get these projects established, as many involve working with third parties, recruiting additional staff, or finding other resources. Consequently, the council, while having made a commitment to a number of projects, is waiting for some of the projects to take shape.

### 6.0 Summary of the above projects:

PROJECT	Budget in 2024/25	Proposed budget for 2025/26
a. Youth Services	£360,000	£185,000
b. Events	£55,000	£33,300
c. Christmas Lights	£15,000	£22,000
d. Support to the Library	£30,000	£14,000
e. Community Grants Scheme	£50,000	£50,000
f. Floral Displays	£12,000	£18,000
g. Community Building Reserve	£75,000	£197,345
h. Operating and staff costs	£229,480	£258,691
i. Town Improvements	0	£40,000
j. Civic Regalia	0	£5,000
k. Sports Coaching	0	£7,000
<b>Total</b>	<b>£826,480</b>	<b>£830,336</b>

Table: the summary of each budget header, with likely spend in the current year and the required budget in 2-25/26.

### 4.0 Recommendation

- 4.1
- a. For Councillors to agree the operating budget for 2025/26 is £830,336
  - b. For Councillors to agree the precept that it asks South Gloucestershire Council to collect via the council tax from the residents in Kingswood is £830,336
  - c. To agree to the creation of a Youth activities Earmarked Reserve at year end.
  - d. To agree to the creation of a Community Building Earmarked Reserve at year end to take underspends as mentioned in this report and previous budget reports.
  - e. To delegate authority to the town clerk to complete the relevant paperwork to inform SGC of the above.

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	Previous Year 2023 to 24			Current Year 2024 to 25			Next Year 2025 to 26
	Actual			Projected			
	Budget	Spend	Variance	Budget	Income at year end	Projected Variance	tax base 8398
Income	Income			Income			Income
Precept	125,100	125,100	0	826,480	826,480	0	826,480
Grant Receipt	0	3,980	0	0	81,164	81,164	0
Increase in tax base	0	0	0	0	0	0	3,856
<b>Total</b>	<b>£125,100</b>	<b>£129,080</b>	<b>£3,980</b>	<b>£826,480</b>	<b>£907,644</b>	<b>£81,164</b>	<b>£830,336</b>
					<b>Projected Spend at year end</b>		
Expenditure							Expenditure
Employee Costs							
Salaries/Pension/NI	49,834	19,881	29,953	165,184	120,000	45,184	199,271
Staff Expenses	916	633	283	3,000	3,000	0	2,800
Payroll Set-up	200	91	109	0	0	0	0
Payroll on-going	500	0	500	800	600	300	550
Recruitment	0	0	0	3,000	1,193	1,807	3,000
Avon Pension set-up co	2,300	0	2,300	0	0	0	0
HR Support Contract	0	0	0	0	0	0	1,800
<b>Total</b>	<b>£53,750</b>	<b>£20,604</b>	<b>£33,146</b>	<b>£171,984</b>	<b>£124,793</b>	<b>£47,291</b>	<b>£207,421</b>
Overheads: Office Costs							
Office Set up	2,500	2,701	-201	1,500	500	1,000	1,500
ICT	2,000	803	1,197	4,100	9,000	-4,900	6,000
Website updates	1,000	1,874	-874	300	0	300	300
Website Licence	500	0	500	300	299	1	300
Newsletter	1,200	109	1,091	4,300	4,300	0	6,600
Marketing/Engagement	0	0	0	3,000	1,500	1,500	850
Postage	100	0	100	150	0	150	50
Office Space Rent	7,500	0	7,500	7,500	0	7,500	0
Printer Hardware	600	139	461	500	350	150	350
Supplies/Stationery	0	0	0	2,036	600	1,436	850
Equipment	0	0	0	4,000	100	3,900	1,800
Health and Safety	0	0	0	2,000	500	1,500	400
Printing	500	32	468	500	200	300	400
Insurance	1,600	192	1,408	1,200	900	300	1,000
Bank Charges	0	13	-13	0	100	-100	120
<b>Total</b>	<b>£17,500</b>	<b>£5,863</b>	<b>£11,637</b>	<b>£31,386</b>	<b>£18,349</b>	<b>£13,037</b>	<b>£20,520</b>
Project Costs							
Community Events	0	0	0	55,000	10,000	45,000	33,300
Community Grant Scher	0	0	0	50,000	50,000	0	50,000
Young People Provision	0	0	0	360,000	65,000	295,000	185,000
Christmas Lights	0	0	0	15,000	11,000	4,000	22,000
Community Building	0	0	0	75,000	12,600	62,400	197,345
Library Support Grant	0	0	0	30,000	0	30,000	14,000
Floral Displays	0	0	0	12,000	12,000	0	18,000
Tennis Coaching	0	0	0	0	0	0	7,000
Town Improvements	0	0	0	0	0	0	40,000
Civic Regalia	0	0	0	0	0	0	5,000
<b>Total</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£597,000</b>	<b>£160,600</b>	<b>£436,400</b>	<b>£571,645</b>
Overheads: Administration/Governance							
Elections: Initial	34,600	1,050	33,550	0	0	0	0
Elections: EMRs	0	0	0	10,000	10,000	0	10,000
Meeting Room hire	1,000	382	618	2,750	2,000	750	2,200
Refreshments	0	0	0	400	100	300	200
Councillor Expenses	500	0	500	500	0	500	200
New Councillor Packs	500	0	500	0	0	0	0
<b>Total</b>	<b>£36,600</b>	<b>£1,432</b>	<b>£35,168</b>	<b>£13,650</b>	<b>£12,100</b>	<b>£1,550</b>	<b>£12,850</b>
Overheads: Professional Fees							
Subscriptions	1,300	1,357	-57	3,960	4,000	-40	4,200
Audit/ Accountancy	2,000	0	0	1,500	1,800	-300	2,000
Staff Training	0	0	0	1,200	1,000	200	1,200
Councillor Training	1,000	475	525	800	400	400	500
Parish set up costs	5,000	0	5,000	0	0	0	0
Consultant set up	0	8,529	-8,529	0	0	0	0
<b>Total</b>	<b>£9,300</b>	<b>£10,361</b>	<b>£3,061</b>	<b>£7,460</b>	<b>£7,200</b>	<b>£260</b>	<b>£7,900</b>
Overheads: Other							
Communications	1,000	300	700	0	0	0	0
Miscellaneous	1,000	45	955	0	0	0	0
Consultant support	0	0	0	5,000	10,000	-5,000	10,000
Contingency	5,958	0	5,958	0	0	0	0
<b>Total</b>	<b>£7,958</b>	<b>£345</b>	<b>£7,613</b>	<b>£5,000</b>	<b>£10,000</b>	<b>£-5,000</b>	<b>£10,000</b>
VAT	1,123						
<b>Year End Totals</b>	<b>£125,108</b>	<b>£39,728</b>	<b>£89,352</b>	<b>£826,480</b>	<b>£333,042</b>	<b>£493,438</b>	<b>£830,336</b>