

# **BUDGET 2024-2025 REPORT TO ANNUAL FINANCE MEETING**

**15<sup>th</sup> JANUARY 2024**

## **INTRODUCTION**

This report provides a commentary to the Draft Budget Figures for 2024-2025.

Under Section 50 of the Local Government Finance Act 1992 a Town and Parish Council must take the following factors into account in setting its annual budget:

- The expenditure it will incur in the year in performing its functions
- An allowance for contingencies in relation to expenditure
- The financial reserves it will be appropriate to raise for meeting its future expenditure
- The financial reserves necessary to meet a revenue account deficit for any earlier financial year
- The sums which will be payable to it for the year
- The amount of the financial reserves which the authority estimates it will use

Members' attention is drawn to the following risks:

- Further by-elections
- How the council will be affected by any future capping
- Unexpected/unplanned expenditure
- No long term Strategic Plan in place
- Lack of community engagement on spending proposals
- Swale Borough Council's future budget deficit and how that will affect Faversham

## **Council Tax Base Rate**

The 2024/25 Council Tax Base Rate is 7387.56, an increase of 3%. In 2023/24 the national average Band D rate was 79.35, an increase of 6.1% on the previous year. We were slightly above average at 82.80.

## **Precept History**

ELECTION	YEAR	PRECEPT	BAND D	TAX BASE	TAX BASE % INCREASE	OVERALL % INCREASE
	2024/25			7387.56	3	
<b>E</b>	2023/24	595,322	82.80	7189.88	4.5	7.62
	2022/23	533,132	80.39	6880.49	6.3	9.5
	2021/22	504,977	78.05	6470.17	1.60	0
	2020/21	496,710	78.05	6364.00	0.10	34.59

## Precept 2024/25

A range of percentage increases of the Band D are presented below, the figures already take into account the 3% increase on the tax base rate.

2023 started with an inflation rate in excess of 13% and at December 2023, stands at 4.2% (Source <https://www.ons.gov.uk/economy/inflationandpriceindices>).

<b>% Increase</b>	<b>Precept</b>	<b>Band D Annual</b>	<b>Band D Weekly</b>
<b>Current</b>	<b>595,322</b>	<b>82.80</b>	<b>1.59</b>
<b>0%</b>	611,689	82.80	1.59
<b>3%</b>	630,040	85.28	1.64
<b>5%</b>	642,273	86.93	1.67
<b>9%</b>	666,741	90.25	1.74

## Earmarked and General Reserves

At 31<sup>st</sup> December 2023 our Earmarked Reserves stand at £160,607 and General Reserves at £166,881. Earmarked Reserves are those allocated to a specific budget, which are expected to be spent within a reasonable period of time. General Reserves are funds which are not specifically allocated.

The current projection is for a figure of approximately £30,000 to be unspent from the current year's budget that will be placed in General Reserves, increasing this to nearly £200,000.

The following is a projection of funds to be earmarked:

<b>Budget</b>	<b>Value</b>
<b>Guildhall Reserves</b>	2,500
<b>Community Lottery</b>	8,900 (increasing)
<b>Leaflets</b>	3,000
<b>Climate and Biodiversity</b>	5,700
<b>Environment</b>	1,500
<b>Public Spaces</b>	3,500

The risk assessment carried out for our General Reserves Policy states £110,000 should be allowed for *circumstances around current structural change due to service provision and economic circumstances*. This leaves a sum of approximately £80,000 in General Reserves, which could be allocated within the budget.

## Budget Summary

The following Draft Budget is accompanied by an Excel report entitled *Annual Finance Meeting Draft Budget 2024.2025*. An increase of 9% is presented to Members, which sees Band D rise by 15 pence per week. This budget includes for

£36,120 to be taken from General Reserves (£26,120 4271 Creek and £10,000 4832 Stonebridge Pond Siltation Consultation).

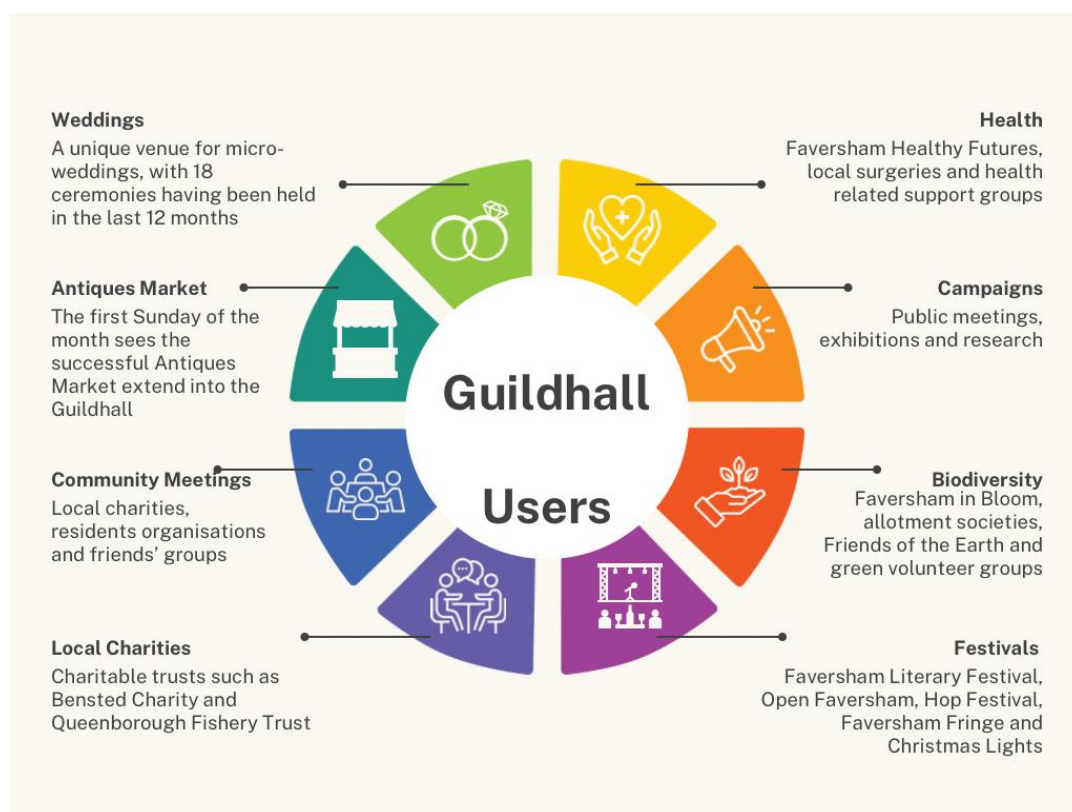
2024-2025 promises to be an exciting year for Faversham Town Council as it realises the transfer of ownership for T S Hazard and land in Perry Court, which includes additional allotments and a community orchard. It will see the start of the Faversham Hopper community bus service, further developments in Active Travel and a full diary of community events organised by our designated Events Officer.

Following an exponential growth in grant applications in the current financial year, this budget allows for an increase in the grant pot to help cover the anticipated demand.

As owners of listed properties, we are responsible in ensuring they are fully maintained.

The Guildhall is an iconic building in the centre of Market Place, many people are unaware of its importance as a meeting place to local groups, which sees its calendar full every year. It is also registered as a wedding venue.

As the last quinquennial report for the Guildhall was carried out in 2018, it is recommended that an updated report is undertaken and any necessary works to be commenced as one major project, with the assistance of a Public Works Loan. With this in mind a figure of £15,000 is recommended. Further discussions and due diligence should be carried out by the appropriate committees at the time.



The Council continues to push for an opening bridge for the Creek and for the general regeneration of the area. A budget of £30,000 is proposed, but it is anticipated that some work will be undertaken in the subsequent financial year, so funds should be taken from General Reserves when required.

At the time of writing this report, the Faversham Neighbourhood Plan is currently with the Inspector and we are awaiting his response. A referendum will be held for residents to vote for the Neighbourhood Plan and a further £15,000 has been proposed to cover the final work.

Overhead budget lines have seen an overall increase in line with inflation and general costs and have been updated to reflect this.

<b>100</b>	<b>General Income</b>	
1076	The draft budget is based on an increase of 9% to the Band D rate	666,741
1090	An expected increase due to higher interest rates on reserves	2,500
<b>200</b>	<b>Civic</b>	
1210	Carnival night event ticket money	300
4000	No increase proposed to Annual Meetings	2,500
4005	Carnival night event expenditure	200
4010	No change proposed to the Deputy Mayor's allowance	300
4020	No change proposed to the Mayor's Allowance	1,800
4025	No change proposed to the Mayor's Expenses	2,000
<b>210</b>	<b>Staffing and Professional</b>	
4100	Salaries (see Confidential Report)	250,000
4110	PAYE/NI	53,000
4115	Pension	44,000
4120	Increase Staff Training	8,000
4130	Councillor training and expenses no change	3,000
4135	Audit	3,000
4141	HR Expenses (WorkNest)	4,200
4142	DBS	200
4165	Planning Consultancy fee,	7,000
<b>220</b>	<b>Office and Administration</b>	
4105	Payroll services including Sage system	500
4145	Insurance – we are year 2 of a 3 year LTA	6,000
4150	Subscriptions includes memberships to KALC, SLCC	3,000
4155	Electoral provision	8,000
4160	Bank Charges	100
4180	Hygiene via Initial for both buildings	1,600
4220	Office equipment – IT, sundries etc	2,500
4225	IT support and 365 accounts	5,000
4227	Zoom account	500

4230	Postage and stationery	2,200
4234	Photocopier/printer	2,200
4235	Printing/Advertising	500
4245	Meeting refreshments etc	500
4250	Newsletter	8,000
4650	Website domain/hosting	200
4950	Rialtas Accounts and support	3,000
<b>230</b>	<b>The Guildhall</b>	
1300	General lettings income	200
1750	Wedding income	6,000
1752	Market contribution to electricity	1,000
4200	Rates	3,350
4205	Electricity	1,500
4210	Water	400
4215	Telephone lines including lift	500
4300	Clock maintenance	300
4305	Maintenance	5,000
4306	Alarm maintenance	800
4310	Window cleaning	400
4325	Lift maintenance	1,500
4330	Reserves – build up of reserves for maintenance	2,500
4340	Guildhall wedding market (attending wedding fairs, leaflets)	1,000
4343	External maintenance works	15,000
<b>240</b>	<b>Front Brents Jetty and Moorings</b>	
1400	Front Brents jetty mooring fees income	1,700
1410	Belvedere Road mooring fees income	4,100
4205	Electricity	300
4210	Water	200
4305	Maintenance	5,000
<b>241</b>	<b>Heritage, Buildings and Creek</b>	
1250	Proposed income from parking permits at T S Hazard	6,000
4271	The Creek	30,000
<b>245</b>	<b>Facilities Management</b>	
4125	Uniform	200
4145	Insurance for van	700
4170	Van maintenance	1,000
4175	Fuel	700
4215	Mobile telephones	350
4260	Equipment/tools	1,500
4264	Container storage	1,440
4265	Misc	1,000

<b>250</b>	<b>Grant</b>	
4492	Citizens Advice	6,000
	Faversham Hop Festival	5,000
	Christmas Community Lights	5,000
	Faversham Carnival	3,000
4500	Grants	26,000
<b>255</b>	<b>Community</b>	
1710	Faversham & District Lottery income	12,000
4670	Remembrance Day	500
4804	Community Development	5,000
4806	Youth SLA	30,000
4906	Faversham & District Lottery – given out as grants	12,000
<b>260</b>	<b>Tourism</b>	
1900	Income	1,000
4620	Visit Faversham leaflet reprints	1,000
4650	Annual What's On Guide	500
<b>261</b>	<b>Charter Exhibition</b>	
1836	Magna Carta merchandise income	1,600
1900	Other income	2,500
4146	Magna Carta insurance	27,000
4284	Education	1,500
4650	Website	100
<b>265</b>	<b>Events</b>	
1620	Christmas Night Food Market – stallholder income	800
1625	Mid Summer Night Food Market – stallholder income	1,200
1650	Festival of Transport income including sponsorship	3,500
4885	Festival of Transport expenditure	5,000
4905	Community events to be run by new Events Officer	10,000
<b>270</b>	<b>Environment</b>	
4811	Dog poo bags	250
4832	Stonebridge Pond siltation	10,000
4867	Climate and Biodiversity General	5,000
4901	Public Spaces Projects	2,000
<b>275</b>	<b>Active Travel</b>	
1320	Community bus income	3,000
1330	Community bus ticket income	5,000
1667	Bike hangar rental	700

4176	Community bus	5,000
4273	Bike hangar – purchase of additional	3,000
4274	Cycle fest event	700
4870	Active travel general	7,500
<b>280</b>	<b>Special Provision</b>	
4800	Town regalia	3,000
4825	Special projects	3,500
<b>290</b>	<b>12 Market Place</b>	
1310	Rental	3,600
4200	Rates	4,000
4205	Electricity	7,472
4210	Water	1,200
4215	Telephones	1,600
4237	Waste recycling	500
4290	Loan repayment	43,500
4305	Maintenance	2,500
4306	Alarm maintenance	1,000
4310	Window cleaning	600
4326	Lift maintenance	1,000

### Recommendations

It is for Members to decide whether there should be an increase to the Precept and in so deciding what next year's priorities should be. However, the following recommendations are made:

1. The above draft budget is a solid reflection of priorities for the new Administration and therefore an increase of 9% to Band D, or 15 pence per week, should be given due consideration.
2. Agreement to vire funds of £36,120 from General Reserves to ensure a balanced budget.

Louise Bareham  
Town Clerk  
9<sup>th</sup> January 2024