

Paper for WHPC Meeting 3rd December 2024  
24/358  
Finance Working Group: DRAFT 2025-26 WHPC Plan, Budget and Precept

Purpose: For Councillors to

- a. note the timetable for finalising the budget and precept demand.
- b. to note the WHPC CIL + S106 Statement @ November 2024
- c. to note a revised full year forecast for 2024-25 receipts and payments.
- d. to resolve to vire earmarked reserves (bus shelter roof replacement) for other purposes.
- e. consider an updated draft budget for 2025-2026
- f. consider and provide guidance on the Precept to be demanded for 2025-26

## 1. Background

Parish Councils do not receive any direct funding from central government and rely on their Precept plus any other income they generate from services or facilities they provide. The Precept is a tax that Parish Councils charge their local electors to meet their budget requirements. East Devon District Council manage collection of the Precept via the annual Council Tax bills.

Parish Councils, irrespective of their size, have a statutory duty to prepare an annual budget. The budget is one of the most important annual tasks that the council must undertake and is required as part of the 'proper practices' set out in the Joint Panel on Accountability and Governance Practitioners' Guide. It is not lawful to set a Precept unless a budget has been prepared and approved.

The Council's financial year is 1<sup>st</sup> April to 31<sup>st</sup> March of the following year.

At the 5th November 2024 Parish Council meeting (Min 24/334) Cllrs considered and accepted:

- a review of the 1st half of the 2024-25 financial year
- a full year forecast for 2024-2025 costs
- a first draft of the 2025-26 budget prepared by the Finance Working Group following a detailed analysis of Business As Usual (Operational) costs, project costs and available reserves:

1<sup>st</sup> Draft 2025-26 Budget  
(£)

Operational Costs	61,135	Key assumptions: - no change to Clerk's working hours. - continued inflation - "business as usual costs" such as insurance, subscriptions, Lengthsman 2025 contract, etc
Project Costs	0	Assumed to be funded from s106 monies, CIL, Reserves or grants.
	£61,135	

2024/5 Precept     £56,875

## 2. Timetable

EDDC set a mid-January deadline for submission of the Precept Demand. To achieve this WHPC must meet the following timetable:

3rd Dec 2024	WHPC to consider a 2nd DRAFT 2025-6 Budget and discuss the Precept Demand
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During December	Finance WG to update the draft budget, as required, for approval at the 7 <sup>th</sup> Jan 2025 WHPC meeting
7th Jan 2025	Resolve to set a Budget and Precept Demand for 2025-26
Mid-Jan 2025	WHPC Precept Demand submitted to EDDC.

### 3. Community Infrastructure Levy (CIL) + s106 Monies Available to WHPC

At November 2024:

CIL monies held by WHPC	£31,872.63
S106 allocated to West Hill	£29,770.52

For further details please see appendix 1.

### 4. Revised 2024-25 Forecast Receipts and Payments

A detailed forecast of full year receipts and payments for 2024-2025 was presented to the 5<sup>th</sup> November Council meeting. This has been updated to reflect:

- The 2024/25 national pay award for Local Government workers, agreed in October 2024, effective from 1<sup>st</sup> April 2024
- Decisions taken eg to cancel subscriptions.
- Delayed Council activity due to Councillor vacancies.
- Delayed/cancelled Lengthsman activity due to bad weather.

Forecast full year costs are expected to further decrease to £6,000 below 2024/5 precept, £56,875. This represents a forecast underspend of approx. £15,000 against income (this includes £6k CIL monies).

The forecast includes a provision for additional External Audit charges up to £1,065 assumed to be funded from the contingency budget.

### 5. WHPC Reserves

WHPC held sizeable reserves, £133,605, at 31<sup>st</sup> March 2024, the close of the 2023/24 Council year, including CIL monies and provision for the new Pedestrian Path project. (Appendix 3)

As reported to the 5<sup>th</sup> November 2024 meeting (Min 24/244) during 2024/25 WHPC, as planned, the Council has drawn on reserves earmarked for:

- Invoices related to previous years (Solicitor's fees, External Audit Fees 2022-23)
- CIL monies (two benches replacement playpark benches)
- new pedestrian access project (Traffic Regulation Order (TRO) application fee, lease legal fees and Engineers)

Subject to the timescales and outcome of the TRO consultation managed by DCC Highways, if construction works are completed before 31<sup>st</sup> March 2025, reserves are forecast to be £89,821. This assumes the refund of s278 bond established for the works on the highway.

At the end of the Council year 31<sup>st</sup> March 2025, any underspend against income (forecast c£16,000), will be added to reserves. The Annual Meeting in May-25 will review and allocate reserves for the year ahead.

#### 5.1. For consideration:

WHPC holds an earmarked reserve of £15,000 for replacement of the bus shelter roof. As the bus shelter has been confirmed as an EDDC asset (min ref 24/315) the **Finance WG recommends:**

- the earmarked reserve of £15,000 for replacement of the bus shelter roof is vired as follows:
  - £5,000 Local Plan/Neighbourhood Plan Consultancy
  - £10,000 Village Hall Path Project

## 6. Funding for 2025-206/7 Projects?

WHPC has identified several projects for 2025-2026/7, some of which are yet to be defined in detail:

- a. Creation of a new pedestrian link to the Village Hall (ongoing)
- b. Enhance the playpark provision (to be defined following consultation)
- c. Development of an Emergency Plan for West Hill (ongoing)
- d. Development of a Neighbourhood Plan for West Hill (start date to be agreed)
- e. Project(s) arising from Community Consultation (2025).

**The draft budget for 2025-26 assumes that all projects will be funding from existing reserves, CIL, s106 or by third party grant awards.**

It is important that sufficient project funding is available and not double counted. How will each project be funded? Subject to eligibility, the Finance WG have assumed:

- Some of the projects will be eligible for CIL/s106 funding (projects a+b)
- Some projects will be eligible for external grant funding (projects c+d+ possibly (a)). Grant funding will be sought where appropriate (Neighbourhood Plan, Emergency Plan).
- Reserves will be used to provided additional funding as required.

Source of funding

Project	Project Cost Est	Earmarked Reserves	CIL £31,872.63 @Nov-24	S106 £29,770.52 @ Nov-24	External Grant Funding
New pedestrian link to the Village Hall (if not completed during 2024/5)	£35k est	✓	✓		?
Enhance the playpark provision	?	✓ £10k		✓	✓
Development of an Emergency Plan for West Hill	?		✓	✓	✓
Neighbourhood Plan for West Hill (start date ?)	?	✓ £10k			✓ Locality £10k available

### 6.1. For Consideration:

- a. **Is the Council satisfied that the project plan for 2025/26 can be funded?**

## 7. 2<sup>nd</sup> Draft Budget 2025-26

Following the Nov-24 Council meeting, the Finance WG has reviewed each line of the 1<sup>st</sup> draft 2025-2026 budget. The 2<sup>nd</sup> draft budget reflects the changes made:

- Staff costs:
  - The 2024/25 national pay award and provision for 2025/26 pay award.
  - Increase to Employers National Insurance contributions effective from April 2025
- Decisions taken to cancel subscriptions
- Minor adjustments

In summary:

	Draft 2025-26 Budget 9£)	1 <sup>st</sup> Draft	2 <sup>nd</sup> Draft
Business As Usual/Operational		55,635	53,267
Provisions		3000	3,000
Projects		0	0
Contingency		2,500	2,500
2 <sup>nd</sup> Draft 2025-26 Budget		<b>£61,135</b>	<b>£58,767</b>
2024-25 Precept			£56,875

The key assumptions made:

- Staff costs: no change to Clerk working hours, 25hrs/week contract. (An increase to 30hrs/week would increase the budget to circa £64K).
- Community grant awards: maintained at £3,000.
- All projects will be funded from s106, CIL, Reserves or external grant funding.
- Should the Council resolve to begin development of the West Hill Neighbourhood Plan, all project costs will be funded from reserves or grant funding.
- Renewal of the SWAST Community Defibrillators Scheme (2 defibs) £2,800+vat due March 2026 will be funded from CIL Monies.
- No provision for additional External Audit fees (other than from contingency)

Appendix 2 sets out the assumptions and in more detail.

#### 7.1. For Consideration:

- a. **Is the Council satisfied that the 2nd draft budget will meet its needs for 2025-26?**
- b. **If not, the Council to specify the amendments required,**

#### 8. 2025-26 Precept

WHPC's Precept Demand must be submitted to EDDC in January 2025 (deadline to be advised).

Each year WHPC considers its Precept Demand having set the future year's action plan and budget. The Parish Council must satisfy itself that it has set an adequate budget for 2025-26 whilst ensuring that the Precept Demand is not over-stated.

A Council has discretion over the size of the Precept Demand. For example,

- it could choose to set a Precept Demand below its budget ie the Council may choose to use some of its general reserves to fund day to day costs.
- Alternatively, it could choose to set the Precept Demand above it's budget if it was seeking to build reserves for a project.

For 2024-25, WHPC chose to set a "no-change" Precept below budget and to seek to make savings against budget.

The 2024-25 WHPC Precept Demand was £56,875, In April 2021 WHPC, for the first time, increased the Precept Demand by £500 to £56,875 and it has remained unchanged since.

The Council Tax Band D equivalent (Precept/tax base) is a recognised means of assessing the impact on householders. If WHPC decides the Precept is set as per 2<sup>nd</sup> Draft budget the Band D equivalent will rise to £50.31 (subject to confirmation of the tax base).

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-26	Year on Year Increase	
WHPC Precept (£)	56,375	56,875	56,875	56,875	56,875	<b>58,767</b>	%age Increase	£1,892
Tax base	1,157	1,156	1,156	1,162	1,162	<b>1,168</b>	estimate	3.33%
(Figs provided by EDDC)								
Council Tax Band D equivalent	£48.73	£49.20	£49.20	£48.95	£48.95	<b>50.31</b>	calculated	

Year on year, the impact on West Hill residents has been consistent and relatively low when compared to neighbouring areas. However, Councillors are asked to note that the Precept set by Town/Parish Council will reflect the range of services and facilities provided such as allotments, cemeteries, Town Hall, buildings etc:

- Nationally, the average Band D precept charged by local precepting bodies (including local councils) for 2024/25 is £85.89, an increase of £6.76 or 8.5%. (source NALC).
- The 2024/25 Council Tax Band D equivalents for neighbouring councils: Whimble £36.36, Ottery St Mary £96.68, Aylesbeare £54.56, Budleigh Salterton £58.07 (source EDDC).

The table below considers the Band D equivalent of various WHPC 2025/26 Precept scenarios:

2024-2025 Precept £56,875:

2025-26	Unchanged	+ £500	+ £1,000	+£1,892/3.3%	+2.5%
WHPC Precept (£)	56,875	57,375	57,875	<b>58,767</b>	58,297
Council Tax Band D equivalent	£48.95	£49.38	£49.81	<b>£50.57</b>	£50.17

2nd Draft Budget

### 8.1. For consideration

The Finance Working Group recommends:

- The WHPC Precept Demand for 2025-26 is set at £56,875 and unchanged from previous years. The General reserve is used to fund any shortfall against budget.

Finance Working Group, 25<sup>th</sup> November 2024