

**BLYTH TOWN COUNCIL**

**Governance Committee**

**Tuesday 9 January 2024**

**Decision Report – Budget 2024/25**

**1 BUDGET 2024/2025**

**Recommendation**

**Consider and resolve to agree the Governance Committee budget for 2024/25 and the probable outturn for 2023/24.**

**Consider and resolve to agree the Environment, and Community Development Committees budgets for 2024/25 and probable outturn for 2023/24.**

**The agreed budget for all Committees for 2024/25, and Precept, is recommended for Council to approve.**

**To constantly review the financial climate and to re-model future years spending for Council to consider the precept and spending by 2029/30, to have a budget to negate the need to use reserves, and to balance the budget as well as maintaining an adequate level of reserves.**

**Ward**

Not ward specific.

**Risk Analysis**

A budget and precept must be set for the next financial year to ensure the finance available for services. A review by each Committee and ultimately overall consideration by Governance will ensure Council receive a well thought out mix of services and spending for approval. As a result of the financial climate, we are now in, the expenditure/precept profile has been rolled on for 7 years to allow the Council more confidence moving forward and tackling other issues over a longer period.

**Objective**

To promote good governance of the Town Council by adopting transparent practices and promoting public participation.

**Report**

The preparation of the budget for 2024/25 has been carried out based on:

- rolling forward the services we are currently providing.
- consideration of the Play Area refurbishment programme.
- critically looking at budgets to reflect savings where we can, without having a material effect.
- in the absence of other information, increased costs by up to 4%, unless a specific known change, for 2024/25.

During the compilation of the 2024/25 budget and the more certain financial climate of the coming years compared to the position of 12 months ago, we have forecasted the expenditure/precept profile for the next 6 years in order to allow the Council more confidence moving forward and tackling other issues over a longer period. The more stable financial markets make this an easier, but still a watchful exercise.

To date both the Community Development and Environment Committees have looked at their budgets and recommended them to the Governance Committee for consideration and onward recommendation to Council. These are shown on **Appendix 2**.

**Appendix 1** contains the Governance Committee’s budget sheets for 2024/25 as well as the original budget set for 2023/24 and the expected probable outturn for that year.

The Committee’s proposed budgets are as follows:

\*

<b>Committee</b>	<b>Net Budget 2023/24</b>	<b>Probable 2023/24</b>	<b>Committee Proposed Estimates 2024/25</b>
<b>Governance</b>	414,060	354,426	447,701
<b>Environment</b>	600,500	494,625	768,360
<b>Community Development</b>	396,000	377,220	394,750
<b>Total</b>	<b>1,410,560</b>	<b>1,226,271</b>	<b>1,610,811</b>

## Agenda Item 6

As you will see relating to the Governance Committee, there is an underspend in 2023/24 between the Budget and Probable of some £60k.

This is in the main, is due to savings of:

Item	Amount £k
Employee Costs	-54
Addtnl. Service Charges	12
Additional Income	-14

The increase between the budget set for 2023/24 and the proposed Budget for 2024/25 of £33k is mainly because of the items in the table below alongside other variances:

Item	Amount £k
Employee Costs	20
Service Charges	12
Professional Fees	10
Additional Income	-14

The budget summary of all the Committee spending, shown in a table above \*, has been incorporated into the table below as well as an indication of a Precept for 2024/25 that reflects a 1% increase over last year's charge along with an increase in the tax base. This then results in a projection of available Balances.

Given the above a small increase in the Band D charge as well as the increase in the Council Tax Base will lead to an increase of £46k in the Precept, and for a Band D property an increase from £134.10 to £135.44. This amounts to an increase of less than 2 pence per week and will apply to a significant number of properties within the Town.

<b>Committee</b>	<b>Net Budget 2023/24</b>	<b>Net Probable 2023/24</b>	<b>Net Proposed Budget 2024/25</b>
<b>Net Council Expenditure</b>	1,410,560	1,226,271	1,610,811
<b>Precept Income</b>	1,402,764	1,402,764	1,448,766
<b>Use of Reserves</b>	7,796	# (176,493)	162,045
<b>Total Resources</b>	1,410,560	1,226,271	1,610,811
<b>Tax Base</b>	10,460.92	10,460.92	10,696.66
<b>Precept Band D</b>	134.10	134.10	135.44

# Contribution to Balances

### Position of Reserves

	<b>2023/24</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>Budget</b>	<b>Probable</b>	<b>Budget</b>
1 April B/F	**879,869	**879,869	1,056,362
From/(To) Reserves	7,796	(176,493)	162,045
31 March C/F	872,073	1,056,362	894,317

\*\*Of which £103k has been earmarked for the Skate Park installation 2023/24.

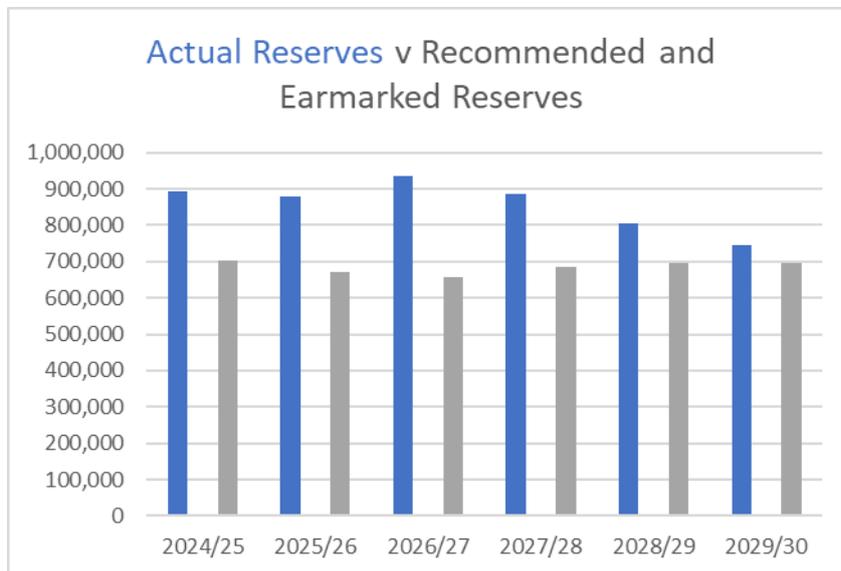
Based on the above, the proposed budget, of £1,610,811, would allow the Council to carry out its agreed commitments and allow consideration for further future schemes/projects to meet the Council's objectives, from future year's budgets, whilst maintaining an agreed level of Balances. The Council have agreed to review their objectives, and this is to take place during 2025, where initiatives may result that would reduce Balances in a measured way.

## Agenda Item 6

The graph below shows the financial projections based upon the above thoughts, which are significantly healthier than the situation we potentially faced some 12 months ago.

When comparing the actual reserves against the recommended reserves, it should also be borne in mind that as we don't insure external assets that Officers recommend that 10% of their valuation, £3m, is an earmarked reserve i.e. £300k for asset replacement.

With this recommendation in mind, the useable reserves are in the area of £50k, which is the smallest variance between the "years" in the graph below, should the Committee agree that the methodology is appropriate and at this stage no other measures are introduced to raise this level of reserve.



The Governance Committee are required to look at the above, plus their own budget not only for next year but with a brief covering the years ahead because of current methodology, inflation levels, the level of precept and the use of balances to mitigate against such council tax increases.

### Appendices

Appendix 1 - Budget Sheets - Governance

Appendix 2 - Budget Sheets –Community Development and Environment Committees

**Joseph Hughes**  
**Town Clerk**

**2 January 2024**