

## Edenbridge Town Council statement on Draft Budget and Precept for 2025-26

The draft budget for 2025-26 was considered by Council at its December meeting. The Finance Committee first scrutinised the budgets, expenditure and income, and looked for savings that could be made, but mindful of the increases to utilities, services and the ongoing maintenance costs to the numerous open spaces and council owned buildings.

It is important to the Council to ensure that it maintains and protects the high standard of facilities for residents to enjoy, as well as ensuring the stability of the council's finances. Budgeting always means some difficult decisions, and councillors are mindful of the cost of living pressures that we all face.

### **Budget 2024-25 comparison update**

The 2024-25 budget allowed for an end-of-year (EOY) surplus of £5,000. This was to continue with the Council's aim to strengthen the General Reserves (GR) position (the Governance now suggests this should be in the region of 50% of the Precept). The Earmarked Reserves (EMR) are funds allocated for future projects, expenditure or maintenance for the open spaces and buildings.

Income for 2024-25 is up on budget, with an increase of Rickards Hall hirers; an additional grant from FA Kent of £5,332; an insurance claim paid for damaged streetlight in 2023, £5,444.27; but one of the grants for the Community Warden is not expected.

Forecasting the end-of-year includes the unbudgeted expenditure and underspends, as well as the CIL funds which can skew the perception of council surplus and reserves. The CIL Funds do form part of the council's income and expenditure but the Council is effectively custodians as there are strict rules on how this money can be spent and is set aside for community infrastructure and not Council ongoing costs.

This year's unbudgeted expenditure included:

- £25,100 for the new Kubota (£3,572 was released from EMR) so £21,528 effectively taken from GR
- £18,508 for repairs to external of Rickards Hall (£9k was released from EMR) so £9,508 from GR

Whilst the budget surplus forecasts a £23k surplus, this is due to staff savings approx. £28k and other savings in the budget. Otherwise, the budget forecasted EOY would be in deficit, of -£7,392.

The proposal is to move the staff savings to the EMR to allow for unexpected staff costs.

### **Budget 2025-26**

We know utilities will increase, with one supplier already advising that some businesses could see increases as high as 50%; and business rates are also expected to have an increase although at this stage, we do not know by how much. Staff costs already make up over 55% of council expenditure, but with the fall in the National Insurance threshold at which employers pay contributions from £9,100 to £5,000 as well as the rise in the rate of employer's contributions from 13.8% to 15% this adds additional pressure.

The Council's buildings have had some unplanned repair works which have come to the forefront with the costs currently being investigated. This is in addition to the 10-and-30-year maintenance plans which vary each year depending on planned works.

Other considerations in the draft budget:

- Insurance – the 3-year agreement ends 2025. A new agreement will be researched. An increase of about 10% has been allowed in the budget and to match current index linking.
- Community Assets – whilst it is not yet known the possible outcome of the War Memorial relocation, if it does move it will become a Council asset. Proposed budget has included £2.5k for possible costs or future maintenance reserve.
- Legal and Professional fees has increased to allow for the new Museum Lease, and the Local Plan representations.
- Rickards Hall requires some internal repairs and redecoration.
- Pavilion building maintenance repairs.
- Salaries overall budget (includes wages, NI, pension, medical, P11) with estimated NJC pay award, total recommendation to sustain staffing levels £516,563.62.
- To create a new EMR for Strategic Projects, initial allocation of £10k (not calculated into the net draft budget 2025-26 below).

The propose draft budget suggests a Precept of £780,301 would be needed to achieve a balanced budget.

	2023-24	2024-25	2025-26
Income Total	£844,674.91	£858,575.00	£123,951.12
Expenditure Total	£871,636.55	£853,575.00	£904,252.62
Net	£ 26,961.64	£ 5,000.00	<b>£780,301.50</b>

NB: I&E includes CIL.  
Budget 2025-26 no CIL inc. or Precept

However, this only allows for the budgeted income and expenditure to achieve a balanced budget, and without drawing down on the GR - an area this council has worked hard to restore to a healthier level. Recognising unforeseen building maintenance for the Pavilion, and the need to increase the buildings' EMR to address other maintenance needs, as well as the £10k towards strategic projects, the Council has included an allowance towards this and recommends a 7.9% Precept increase, raising the total to **£804,054**.

### Band D tax level

The tax base is defined as the number of Band D equivalent properties in a local authority's area. Sevenoaks District Council has advised the tax base for 2025-26 of 3998.66 (1.05% increase on last year's figure). This would take a Band D tax level to £201.08, a £12.76 per year increase, or £1.06p per month.

The Council is proud of the facilities and services it provides for the community including several well-maintained open spaces including Stangrove Park, the Recreation Ground, Marsh Green and Millennium Wood; 5-playgrounds; four cemeteries; and two allotment sites. It owns and maintains nine buildings, and the public toilets. It is responsible for 247 streetlights with a replacement programme to provide newer and energy efficient columns. In addition, it provides Council office services, promoting tourism, manages the Market, and works with agencies and groups to represent Edenbridge.

*Council will confirm the draft budget and Precept recommendations at its meeting on 13 January 2025.*

## Reserves position

Looking at the Council's GR and EMR reserves spreadsheet, this reflects the opening position for the financial year, with the current known movements. The forecasted I&E net position, with the planned movements.

Edenbridge Town Council - Reserves View Sheet						
As of 31 October 2024	2024-25 budget - Draft for Council December 2024					
BASED ON THE I&E ACCOUNTS		Budgeted EMR	Currently forecasted			
	31/03/2024	Accrual	Year-end	Planned	31/03/2025	2025-26
ETC - Reserves Forecast	Opening	Release	I&E	Mvmts	Closing	Budget
<i>Budget 2025-26</i>						-904,253
<i>forecasted other income</i>						123,951
<i>Precept income</i>						790,302
<i>Budgt surplus/deficit</i>						<u>10,000</u>
<b>Ear-marked Reserves</b>						movement +/-
<i>Movement from 2024-26 for project/EMR</i>						
Neighbourhood Plan	15,000				15,000	15,000
Election	19,636				19,636	19,636
Depreciation Equipment & tools & vehicles	12,272	-3,572		1,000	9,700	8,700
10/30 Year Building Plan	106,497	-10,524		5,885	101,858	95,973
10/30 Open Spaces Plan	280,200	-890			279,310	279,310
Cemetry	3,296				3,296	3,296
Community Warden	3,771				3,771	3,771
Staff	17,600			28,000	45,600	45,600
Grants (and deposits)	3,144				3,144	3,144
Projects carried over	16,378				16,378	16,378
Strategic Plan projects (new code for 2025)						10,000
	477,794	-14,986	0	34,885	497,693	500,808
General Reserve	320,058	363	38,267	-34,885	323,803	323,803
	797,852	-14,623	38,267	0	821,496	
CIL allocated	126,922	-71,846		23,960	79,036	
CIL unallocated	29,172	91,469		-23,960	96,680	
<b>Reserve Totals -</b>	<b>953,946</b>	<b>5,000</b>	<b>38,267</b>	<b>0</b>	<b>997,213</b>	