



2025/26 Budget for Full Council January 2025

1 INTRODUCTION

A lot of work has been taking place on the 25/26 budget.

An initial document was discussed at FP and GP, where the following motion was passed:

'To note the report and ask the clerk to prepare options to increase reserves more gradually and reduce the proposed increase in the Precept.'

In addition, information on the tax base calculation to use to set the Precept amount was received from North Yorkshire Council.

This included changes to the tax base caused by the introduction of second homes money.

More work was then undertaken, taking all of this into account, and a previous draft was shared with all Cllrs.

Please now find below:

- A Proposed budget
- Alternative precept amounts and % increases
- Information about increasing reserves
- Breakdown of how the tax base is calculated
- Suggested amendments from individual Cllrs

2 THE TABLE - PROPOSED BUDGET

The table below shows:

- Each line of income and expenditure
- The budget set for 2024/25
- The projection for 2024/25 shared with Council in October
- Estimated 2025/26 Budget
- Narrative
- Precept calculation

Heading	Budget 2024/25	Estimated Year End Position 31/3/25	Budget 2025/26	Notes on Figures
EXPENDITURE				
<i>Staff Costs</i>				
salaries	250404	250000	266500	Increases: ER NI £1500 Pay rise this year and next year £10000 Maintenance extra day £5000 - report about this to be brought to Council
training	1100	1500	1500	Keep £1500 based on 24/25 actual
<i>Administration</i>				
stationery	575	500	600	Additional stationery costs so expect this to be £600

photocopying	625	1200	1000	£1000 and manage use closely
recruitment	0	619	1000	Make £1000 to make sure we have a recruitment budget in case we need one.
postage	475	600	600	Keep £600 based on actuals for 24/25
telephone/broadband/email	3000	3000	3000	24/25 does show some underspend. Prudent approach is to set budget at £3000 again.
office equipment	1000	1400	1000	Will need some new IT equipment so set at £1000
audit	21700	21700	20000	Keep at £20k with £10k to be carried over from this year so have £30k available.
subscriptions	2900	2900	3000	Keep at £3000
It/hosted applications	4625	4300	5000	Suggest £5000 in case of price increase
website	400	400	450	May have price increase £450
computer maintenance	200	200	200	Zero actual last 2 years – keep £200 just in case
insurance	24000	11970	15000	Not sure why budget so high. Actuals in 23/24 around £15000 and £12k this year – so suggest £15,000
bank charge	200	200	200	Keep at £200
Health and safety	300	720	1000	Suggest £1000 – more training or new equipment always needed
data protection	35	35	40	Annual fee paid - make £40 in case of price increase
travel	500	200	200	Keep at 24/25 actual of £200
admin saving	-2125			N/A
Room hire	0	250	250	Occasional need for meeting rooms where we have to pay – keep at £250
<i>Civic and Cllrs</i>				
mayor allowance	1600	500	500	Only £110 spent at 6 months but Christmas cards to be added – keep at £500
councillor training	550	300	550	Keep at £550 – more work next year to ensure Cllrs are aware of training opportunities and are encouraged to take them up
civic reg	500	1050	0	Repairs completed ZERO
elections	12000	6050	6000	Keep a contingency of £6,000 just in case.

mayor board	100	75	0	ZERO
honorary citizenship	100	0	0	ZERO
plaques/pennants/gifts	100	0	0	No anticipated expenditure
hospitality	500	0	0	No anticipated expenditure
S137	150	0	0	No anticipated expenditure [hold the general power of competence]
events	2000	500	1500	VE Day and Armed Forces Day
legal costs	600	600	600	KEEP AT £600 as a contingency
<i>Building management</i>				
gas	4000	5000	6610	Gas prices are rising steeply – estimates obtained, and this is about the best we can do
electricity	10000	21000	18133	Estimate provided by utility broker
water rates	3000	2000	2000	Based on 24/25
refuse collection	500	718	750	£750 based on 24/25 actual
hygiene contracts	2000	1100	1200	Use 24/25 actual and add £100
ADT	6500	17500	10000	The £17.5k includes a disputed amount – estimate £10000.
Adt r and m	2500	1300	1000	Call outs reduced in 2024
repairs and maintenance	18000	26000	18000	A number of maintenance items are needed as per the list discussed at JMC. No major items in 2025/26, but funding is being sought for some other projects. To help with the future, an increase in earmarked reserves is suggested below Also includes lift maintenance Decoration inside and out is also included.
cleaning hygiene supplies	1500	3000	2200	Average of last 2 years is £2000 – add 10% for price increases
fixtures and fittings	1000	0	2000	Expect some new lighting in 25/26
air con	6300	3000	3000	Actuals around £3000 in last 2 years
heating system	5250	6000	4000	With repairs and new equipment in 24/25, reduce to £4k

<i>Other services</i>				
allotments	2600	1000	10000	Allotments are in need of serious attention e.g. fencing costs of at least £5k
allotment fence cala beck	1000	1000	0	Added above
modern apprentice	3500	0	0	On hold
xmas lights	10000	27000	20000	Current arrangement has just finished 3 rd of 3 years – will look to get decent display for 2025 for around £20000
notice board	150	0	0	zero
toilets	5000	0	0	Zero actuals for 2 years
wcs water charge	43000	29000	30000	Based on 24/25 actuals
war memorial	250	270	250	Some work so leave at £250
harbour story board	500	129	250	Leave At £250
twinning	100	0	0	Leave At ZERO
spa well maintenance	1000	1000	1000	No maintenance in 24/25 so will carry out works in 25/26
neighbourhood plan	5000	10000	5000	Expenditure estimate – will carry over groundworks grant to cover this
xmas festival	46500	50000	40000	Event will be run as a 'breakeven' event so these costs are the same as the income – can make some savings on 2024 event
Expenditure not in budget:				
east pier footbridge	0	6000	6000	WTC contribution to NYC payable annually - ADD THIS
devolution	0	0	5000	Professional costs to help take council's case forward
Contingency			10000	To cover any unanticipated expenditure
Increase earmarked reserves in case of extra building or allotment costs in the future i.e. a safety net			27000	Suggest this initial figure towards roof, electrics, boiler, election costs
TOTAL EXPENDITURE	514900		553083	Increase of around £41k including the £40k increase in earmarked reserves

INCOME				
Refunds relating to gallery and museum	4200	2000	2000	Mirror 24/25
Financial transfers relating to museum and gallery	4200	2000	2000	Mirror 24/25
allotments	1400	3000	2000	£2100 in 24/25 so estimate similar amounts
ppm office rental	2500	0	0	I believe this arrangement has finished but am seeking clarification
xmas lighting NYC grant	10000	10000	15000	15k confirmed in 2024 – fits criteria so expect same grant in 2025
bank interest/loyalty	150	50	100	£30 at 6 months so put in £100
Pannett bank commission	600	600	600	Leave at 23/24 amount
refunds lit and phil	10500	8000	10000	£8700 in 23/24 and relevant costs have risen since then
60 % admissions income	47250	78000	75000	£75k in 23/24 and further improvement this year but reduce to 75k next year to be on the safe side
capital/heritage grants	5000	49000	10000	Tetrattech grant for 22/23; shared prosperity funding 24/25 Expect small grants in 2025
Xmas festival income	52500	50000	40000	Balances to the expenditure figure above
neighbourhood plan	5000	10000	5000	Balanced to the expenditure figure above
community donation toilets	6000	3000	6000	Based on latest figures, £3,000 too low and £6,000 looks reasonable
public toilets	40000	20000	20000	Danfo figure down to 17k for 2024 but actions being demanded to increase this. Also include £1000 school income here
TOTAL INCOME	189300		187700	Slight decrease as some historic income has reduced
SUMMARY AND PRECEPT:				
Net expenditure	514900		553083	

Net income	(189300)		(187700)	
Increase in general reserve			39617	Looking at auditor recommendations it would be sensible to add £170,000 to reserves in the next 3 years to bring reserves to £200,000 or approximately 40% of turnover. This gives us a starting point
Figure to balance	325600		405000	Increase of £79,400 including increase in Earmarked Reserves of £27,000 and the General Reserve of £39,617.
precept	325600		405000	
Tax base from North Yorkshire Council	4972.10		5664.27	Please note the significant change. The new arrangements for second homes make up a large part of this adjustment as per table later in the report.
Band D annual charge	65.49		71.50	Annual Council Tax element for the Town Council. This is calculated as: Precept/Tax Base £71.50 represents an increase of 9.18% or £6.01 per year.

3 ALTERNATIVE INCREASE %s

As can be seen, a Precept of £405,000 gives an increase of 9.18%

Here is what happens with different Precept figures – in other words if there are increases or reductions in expenditure from the proposals above.

PRECEPT AMOUNT	% INCREASE
415,000	11.88
410000	10.52
405000	9.18
400000	7.83
395000	6.49
390000	5.13

385000	3.79
380000	2.44
375000	1.08
370000	(0.26)

4 RESERVES

It cannot be emphasised enough that the current level of reserves is significantly below the required amount.

It is recommended good practice to have reserves between 30 and 50% of turnover. For Whitby Town Council this means between approximately £150,000 and £250,000.

The current level is around £30,000.

One approach is to seek to increase them gradually between now and the next election of May 2027. This would mean raising reserves each January - 2025, 2026 and 2027.

A start needs to be made now, and then more work can be done to strengthen the reserves through this period.

5 PRECEPT AND TAX BASE CALCULATIONS

North Yorkshire Council have provided the following breakdown of how the tax base for Whitby has been calculated, including the 2nd Homes Money amount.

Calculation of Whitby Band D Equivalent Base	
As per 'Northgate System Report'	5817.83
New 2 nd Homes Policy	549.81
CTR Adjustment [reduction]	(680.30)
Empty Properties 2-5 years	29.78
Empty Properties 5-10 years	4.22
Empty Properties 10+ years	11.67
MOD homes contribution	21.61

Total before adj for non collection	5754.62
Non collection rate	98.43%
TOTAL BAND D BASE	5664.27

6 AMENDMENTS SUGGESTED BY CLLRS

SUBMISSION ONE

Proposed savings:

Christmas Lights	20,000
Devolution	5,000
Reduce increase	
In earmarked reserves	15,000
Less – loss of NYC grant	(15,000)

Additional Saving 25,000 [Precept Increase now 2.44%]

SUBMISSION TWO:

a. £10,000 be set aside to upgrade the gallery as a meeting space. 'my motion still stands as the gallery has not been upgraded'

As can be seen above a further £10,000 will make the precept £415,000, an increase of 11.88%

'Not use second homes money for reserves but be earmarked towards revamping local area when WTC are in a position to start to regenerate the Town'

b. In practice, the second homes money is quite a significant contribution towards the total and there would be very little increase left for reserves if we were to do this.

7 SUMMARY

This report has set out:

- A Proposed budget
- Alternative precept amounts and % increases
- Information about increasing reserves
- Breakdown of how the tax base is calculated
- Suggested amendments from individual Cllrs

At the meeting, Cllrs will consider the report and set a budget.

ADAM CHUGG Town Clerk