**Whitby Town Council Full Council 22nd October Item 5**

**Information for Budget Considerations [Prepared October 2024]**

1. **Introduction**

1.1 Work will now begin on setting the budget for 2025/26. To help inform this process, this report presents the following information.

1.2 A table showing:

* The budget agreed by Council for this financial year [2024/25].
* An estimated projection of the position at 31st March 2025, the end of this financial year. This is based upon a review of the accounts at 30th September, 6 months into the year.
* A commentary on the estimated figures to help explain how they have been calculated.

Please note that this is just an estimate at this stage, and things may change in the months ahead.

1.3 After the table, the report sets out some key factors for Cllrs to be mindful of in their budget considerations.

1.4 At the meeting, Cllrs can consider and discuss all of this information.

1.5 After the meeting, work will continue on the budget as follows:

* Individual budget headings will be examined in detail at the committee meetings scheduled up to the next meeting of the Finance Policy and General Purposes Committee on 3 December 2024, alongside proposals for additional expenditure and new projects.
* The FP and GP Committee will consider progress towards a draft budget and recommendations for the Full Council meeting scheduled for 14 January 2025.

1. **Current Year End Projection:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Heading** | **Budget 2024/25** | **Estimated Year End Position 31/3/25** | **Notes on Figures** |
|  |  |  |  |
| **EXPENDITURE** |  |  |  |
| *Staff Costs* |  |  |  |
| salaries | 250404 | 250000 | A few thousand underspend at 30th September, but locum costs and new Town Clerk induction training will use these funds by year end |
| training | 1100 | 1500 | SLCC conference; emergency first aid |
|  |  |  |  |
| *Administration* |  |  |  |
| stationery | 575 | 500 | £246 at 6 months |
| photocopying | 625 | 1200 | Budget seems to have underestimated |
| postage | 475 | 600 | Budget seems to have underestimated |
| telephone/broadband/email | 3000 | 3000 | 6 months around £1,500 |
| office equipment | 1000 | 1400 | Dell for Pannett – grant funded - plus vacuum cleaner |
| audit | 21700 | 21700 | 22/23 audit costs £10k plus contingency for 23/24 audit costs as there have been objections.  We will need to make an additional provision in the 25/26 budget for the 23/24 audit costs as well. |
| subscriptions | 2900 | 2900 | YLCA paid; slcc to follow |
| It/hosted applications | 4625 | 4300 | Edge and sage subsciptions |
| website | 400 | 400 | Annual subscription paid |
| computer maintenance | 200 | 200 | Expect costs in second half of year – assume budget |
| insurance | 24000 | 11970 | Nordic costs paid |
| bank charge | 200 | 200 | £78 at 6 months |
| Health and safety | 300 | 720 | Legionella; emergency plan |
| data protection | 35 | 35 | Annual fee paid |
| travel | 500 | 200 | £14 at 6 months |
| admin saving | -2125 |  |  |
| *Costs without budget heading* |  |  |  |
| *recruitment adverts* |  | *610* | *Town clerk recruitment* |
| *room hire* |  | *120* | *Extra payment to lit and phil* |
|  |  |  |  |
| *Civic and Cllrs* |  |  |  |
| mayor allowance | 1600 | 500 | Only £110 spent at 6 months |
| councillor training | 550 | 300 | Only £77 spent at 6 months |
| civic reg | 500 | 1050 | Repairs completed |
| elections | 12000 | 6050 | Co-options save balance |
| mayor board | 100 | 75 | Completed |
| honorary citizenship | 100 | 0 | No anticipated expenditure |
| plaques/pennants/gifts | 100 | 0 | No anticipated expenditure |
| hospitality | 500 | 0 | No anticipated expenditure |
| S137 | 150 | 0 | No anticipated expenditure |
| events | 2000 | 500 | £300 at 6 months |
| legal costs | 600 | 600 | Zero so far but prudent to have a legal fees budget |
|  |  |  |  |
| *Building management* |  |  |  |
| gas | 4000 | 5000 | Additional charge paid in May |
| electricity | 10000 | 21000 | Budget seems to have significantly underestimated real costs |
| water rates | 3000 | 2000 | Some refunds received this year |
| refuse collection | 500 | 718 | Annual fee paid – budget underestimated |
| hygiene contracts | 2000 | 1100 | Only £535 at 6 months |
| ADT | 6500 | 17500 | Budget seems to have underestimated |
| Adt r and m | 2500 | 1300 | £630 at six months |
| repairs and maintenance | 18000 | 26000 | £18 k payment made funded by grant shown in income below – lift and shutters as well |
| cleaning hygiene supplies | 1500 | 3000 | £1667 at 6 months – budget seems to have underestimated |
| fixtures and fittings | 1000 |  |  |
| air con | 6300 | 3000 | £1417 at 6 months |
| heating system | 5250 | 6000 | Boiler costs paid |
| *payments not in budget* |  |  |  |
| *payment of 22/23 security* |  | *2823* | Vistech |
| *Other services* |  |  |  |
| allotments | 2600 | 1000 | Some maintenance needed |
| allotment fence cala beck | 1000 | 1000 | Fence to be installed |
| modern apprentice | 3500 | 0 | Defer to 25/26 |
| xmas lights | 10000 | 27000 | Commitment made to contractor |
| notice board | 150 | 0 |  |
| toilets | 5000 | 0 |  |
| wcs water charge | 43000 | 29000 | £14900 at 6 months |
| war mem | 250 | 270 | Armed forces day virement |
| harbour story board | 500 | 129 | Vinyl signs |
| twinning | 100 | 0 |  |
| spa well maint | 1000 | 1000 | Maintenance to be carried out |
| neighbourhood plan | 5000 | 10000 | Some professional costs paid already – around £4k spent to end of September. Grant is for £10,000 not £5,000 so putting £10k in expenditure. |
| xmas festival | 46500 | 50000 | Figures yet to be confirmed, so have added a £3.5k contingency just in case of overspend. |
| *Expenditure not in budget:* |  |  |  |
| *east pier footbridge* |  | *6000* | *WTC contribution to NYC payable annually* |
| *danfo historic payments [prior year]* |  | *13500* | *Historic payment as discussed with town clerk earlier in the year.* |
|  |  |  |  |
| **TOTAL EXPENDITURE** | **514900** | **538970** |  |
|  |  |  |  |
| **INCOME** |  |  |  |
| other refunds | 4200 | 2000 | To be claimed later in the year prudent amount entered |
| other refunds PAG | 4200 | 2000 | To be claimed later in the year prudent amount entered |
| allotments | 1400 | 3000 | £2100 at 6 months |
| ppm office rental | 2500 | 2500 | To be claimed later in the year |
| xmas lighting NYC | 10000 | 10000 | 10k grant confirmed |
| bank interest/loyalty | 150 | 50 | £30 at 6 months |
| pag commission | 600 | 600 | To be claimed later in the year |
| refunds lit and phil | 10500 | 8000 | To be claimed later in the year – prudent amount entered. |
| 60 % admissions | 47250 | 78000 | £75k in 23/24 and further improvement this year |
| capital/heritage grants | 5000 | 49000 | Tetratech grant for 22/23; shared prosperity funding |
| xmas festival income | 52500 | 50000 | Figures yet to be confirmed, so have reduced by £2,500 in case actual income is lower than budget |
| neighbourhood plan | 5000 | 10000 | £10k received from groundworks |
| community donation toilets | 6000 | 3000 | Actuals are lower - £50p coin and card payments reduce this |
| public toilets | 40000 | 20000 | Danfo net was a lot lower in 23/24 – so prudent estimate |
| *Income not in budget* |  |  |  |
| *Loss adjuster from flood* |  | *5000* | *Estimate* |
| *Grant for storage* |  | *18000* | *Expenditure shown above* |
|  |  |  |  |
| **TOTAL INCOME** | **189300** | **261150** |  |
|  |  |  |  |
|  |  |  |  |
| **Net expenditure** | **514900** | **538970** |  |
| **Net income** | **189300** | **261150** |  |
| **precept** | **325600** | **325600** | **Both payments received from NYC** |

1. **Some key factors for 25/26 budget**

3*.1 Reserves and audit recommendation*

The AGAR report presented to the Cllrs in June 2024 shows the following:

* Reserves at 31st March 2023 £105,996
* Reserves at 31st March 2024 £ 86,599
* Forecast reserves at 31st March 2024 £32,404

The auditors have recommended that the Council is mindful of the level of reserves when setting the budget/precept, and this is advice that the Council should follow.

The advice of our national body is that Councils reserves should be, at a minimum, 3 months expenditure - and, ideally, 6 months.

As our expenditure is around £530,000, this means our reserves should be a minimum of £132,500 and ideally nearer to £265,000.

Therefore, Cllrs should consider how this can be achieved in the years ahead when the budget for 2025/26 is set.

*3.2 Maintenance Responsibilities*

The Councils responsibilities [ Pannett, toilets, allotments etc] are extensive for the amount of staff resources available, and certain jobs get out back or delayed because of lack of resources. The current hours of the maintenance officer are 30 – it would be worth considering increasing these to full time. This will, of course, be subject to resources – although this would increase the salaries budget, we may also achieve some savings in third party costs.

More information of the need for this is being prepared for Council.

*3.3 Other Staffing Changes*

To help prepare for the future, it may be worth proceeding with an apprenticeship in 2025/26.

*3.4 Christmas lights*

The arrangements with our contractor have been confirmed for this year – and the Council has had to honour this contract.

A decision then needs to be made for future years, including putting the contract out to tender.

*3.5 Toilets income and expenditure*

Work has been taking place with the contractor to help the Council better understand what future income earned and expenditure commitments will be, as well as making sure there is a full understanding of the picture up to this point. Work on this is continuing.

*3.6 Asset and building maintenance*

Discussions have been taking place with the Lit and Phil, alongside reviews of the building survey and other key documents, to form an understanding of the commitments needed for 25/26 in terms of repairs or other alterations. Information for Cllrs will follow in due course.

*3.7 Audit Objections*

We are working with our auditors to understand what level of provision will need to be made in the 2025/26 budgets.

1. **Conclusion**

4.1 This report has presented:

* The latest financial information
* Some key factors for Cllrs to consider.

4.2 This information can be reviewed and discussed at the meeting, ahead of further work on the budget for next year.

Adam Chugg. Town Clerk and RFO.