

**LLANFAIR WATERDINE
PARISH COUNCIL**

Financial Report 7: Proposed Budget and Precept for 2025/26

1. At its meeting in November 2024, Council considered a proposed Budget for 2025/26 prepared by the Clerk. This Budget reflected the Council's earlier decision not to draw on General Reserves for the next 3 years until they are restored to acceptable levels and, indeed, to make provision for their increase in a staged manner over that period.
2. The current best estimate of the likely financial outturn for 2024/25 is £6,139.18. This would leave an underspend, adjusted for shortfalls in 2024/25 Receipts, of £631.69. Moving this underspend to General Reserves would significantly reduce the annual amount required to restore the General Reserve to an acceptable level by 2027/28.

General Reserve Calculations

General Reserve if agreed Full 2024/25 Budget spent £1,323.55

Full Budget for 2024/25	£7,005.87	
Estimated Outturn	£6,139.18	
Estimated Carry Forward	£866.69	
Less reduction in budgeted EMG from SC	£200.00	
Less reduced Llanfair Times donations	£35.00	
Estimated Adjusted Carry Forward	£631.69	£631.69

Estimated General Reserve at end March 2025 £1,955.24

(If Underspend to moved to Reserves)

6 Months Revenue Expenditure Target for 2027/28 £3,716.26 (assume 3% incr per annum)

Reserve Build up Plan	2024/25	2025/26	2026/27	2027/28	Average Annual Incr Required
Original Plan	£1,323.55	£2,121.12	£2,918.69	£3,716.26	£797.57
Revised Plan	£1,955.24	£2,297.10	£3,006.68	£3,716.26	£587.01
Increments		£341.86	£709.58	£709.58	

IT IS RECOMMENDED that underspend against the 2024/25 Budget be moved to the General Reserves.

3. Council indicated at its November meeting that it was broadly content with the proposed Budget. There have been no major changes in anticipated expenditure or income since then other than the inclusion of a nominal provision against the cost of elections in May 2025.

The proposed Budget for 2025/26 is, therefore, as follows:

BUDGET HEADING	Budget 2024/25	BUDGET 2025/26	Explanation	Increase/ (Decrease)
INCOME				
PRECEPT	£5,500.00	£6,800.00		£1,300.00
From General Reserves	£735.45	£0.00	No money to be taken from Reserves as per policy	(£735.45)
EMG Grant from Shropshire Council	£400.00	£200.00	Assumed – no confirmation yet	(£200.00)
Grant from Llanfair Trust	£200.00	£200.00	Assumed – no confirmation yet	£0.00
Llanfair Times Donations	£50.00	£30.00	Takings down in 2024/25 on previous years	(£20.00)
VAT Reclaim	£120.42	£25.12	2024/25 VAT to be reclaimed	
TOTAL available to spend	£7,005.87	£7,255.12		£249.25
OPERATING COSTS				
Clerk/RFO Salary	£3,777.49	£3,890.81	Assume increase of 3% as settlement in Nov 2025	£113.32
Clerk's Expenses & Home Working	£111.00	£111.00	Assume remains the same	£0.00
Office Equipment		£175.00	Provision for new laptop: 50% in 2025/26 and 50% in 2026/27.	£175.00
Insurance	£250.00	£275.00	Assume 10% increase; payable February 2026	£25.00
Hall Hire	£91.00	£67.00	1@£7, 6@£10 (6 PC - assume Parish Meeting is part of May meeting, Provision for 1 extraordinary meeting)	(£24.00)
Councillor Training	£30.00	£110.25	3 x Councillor Fundamentals (Assume 5% on 2024/25 costs)	£80.25
Staff Training	£120.00	£0.00	Clerk's CiLCA Training funded by Bursary	(£120.00)
Audit	£112.50	£115.00	Quote dated 11/4/24 accepted.	£2.50
Website and email	£252.00	£253.07	£19.99 per month for website + Domain (assume 10% increase on 2024/25 cost)	£1.07
			Overall Operating Costs Position	£253.14
OTHER COSTS				
Provision for transfer to General Reserves	£0.00	£341.86	Assumes projected underspend this year is moved to General Reserves; and that the Target to get reserves to 6 months' expenditure is to be achieved by April 2027	£341.86
Provision for transfer to Earmarked Reserves (Elections)	£0.00	£100.00	Provision for elections in May 2025. Advice from SC is £2.30 per elector (180). Actual cost will need to be provisioned in 2026/27 Budget	£100.00
SALC & ICO Membership	£215.88	£221.10	SALC: 50p per elector(196) + £70. NALC:8.34p per elector. Assume 5% increase for ICO	£5.22
Production of Llanfair Times	£946.00	£845.00	Assume 3 editions x £265 (assume 5% increase in costs) + £50 misc expenses	(£101.00)
Grants to Organisations	£0.00	£200.00	Nominal Provision – may need something to support History WG recommendations or non-EMG environmental work	£200.00
Environmental Maintenance	£800.00	£400.00	Environmental Maintenance Grant (Note – there may be no grant in 2025/26 but assume £200)	(£400.00)
	£300.00	£150.03	Contingency – low uncertainty	(£149.97)
VAT				£0.00
			Overall Other Costs Position	(£3.90)
TOTAL EXPENDITURE	£7,005.87	£7,255.12	Overall Position	£249.25

4. There are some points to note:

- Given the financial constraints under which Shropshire Council is operating, there may be no Environmental Maintenance Grant in 2025/26. In this event, Council could reduce the proposed expenditure on this item.
- The grant from the Community Trust towards publication/distribution of the *Llanfair Times* is not guaranteed. If it were not forthcoming, Council would need to consider ways in which it might reduce the costs, and/or seek alternative funding, and/or consider whether it could meet any deficit out of Contingency and underspend on other items.
- The provision for the May 2025 Elections is low should a contested election arise. However, the costs are unlikely to be payable until 2026/27 which would allow for them to be included in the Budget for that year.
- Overall, the proposed Budget represents an increase in expenditure of only 3.6% over 2024/25. However, because Council cannot draw upon General Reserves this year to mitigate costs, the overall increase in the Precept required to balance expenditure will be 23.6%.

5. **IT IS RECOMMENDED** that Council accepts the proposed Budget as its Budget for 2025/26.
6. The proposed Budget requires a Precept of £6,800 in 2025/26. Shropshire Council has now confirmed the Tax Base to be used for 2025/26. The figure for Llanfair Waterdine has increased which means, on a like-for-like basis, that the Precept charge for a Band D Household has reduced compared to 2024/25. Therefore, the actual increase in the charge levied on a Band D Household would be £9.69 per annum, which would represent a 19.1% increase over 2024/25.

IT IS RECOMMENDED that Council sets the Precept for 2025/26 as £6,800.