

Agenda Item 6

Budget & Precept Level 2025-26:

The Clerk will start assessing the financial needs for 2025-26 over the next month with a meeting of the Finance Working Group being called in December to discuss both the budget and the precept requirement for 2025-26. With the Budget being presented to the January Meeting.

The Council has in recent years seen increases in the following budget areas with additional ones in next year.

Expenditure:

Public Utilities: The Council has been shielded from some of the steep increase in gas and water by three-year fixed price contracts, but as these expire the renewed contracts have increased significantly. The tariffs increase set by OFGEM doesn't seem to apply to standing charges which have doubled or tripled in recent years. OFWAT are also allowing larger increases to cover infrastructure repair/renewal costs over the next few years.

Staffing Costs: The recent increase in the employers NI contribution announced in the budget will be mitigated for Public Bodies, but NALC has informed the Council that Initial feedback from MHCLG officials is that parish & town councils will not be compensated for the increase in employers' national insurance contributions announced in the budget.

The reduction of the starting threshold from £9,100 to £4,000 and the increase in the rate from 13.8% to 15%. This will equate to an additional £3192.93 on this year's salary levels next year. Next year's increases will need to be factored into employers NI contributions on top of next year's national wage settlement and associated NI increase. This year's wage settlement was 2.5% but this could vary next year.

Barrowford Memorial Park: The maintenance contract figure of £32,005 for 2025-26 has been approved. A further £11,500 for safety surfacing and £15,000 for repairs to Coronation Walk and £5,000 for tree works/wastebins. With additional repairs of around £5,000.

Income:

Interest: Although interest is predicted to start falling the total will exceed last years budgeted income but could generate up to £1,000 more than 2024-25 budget estimate.

Rental Income/Luncheon Club: Allotment rent will increase due to the increase approved for 2025-26. Luncheon Club income has increased due to additional numbers attending.

Precept Base: The precept base should increase slightly year on year as approved housing permission is built and come liable for precept. This figure is unquantifiable but there should be a slight increase year on year.

Overview:

After several years of low precept rises brought about by using underspend from the previous year the capability of continuing this practice diminishes year on year. This

Agenda Item 6

year's precept will need to reflect the predicted expenditure and possibly consider how to address Pendle Borough Council's persistent policy of devolving services to the lowest tier of Local Government to balance their books. This is becoming more onerous on smaller Parish Councils when considered that many Government Funding Streams and mitigation funding are not open to Parish & Town Councils.