

REPORT TO FINANCE COMMITTEE

DRAFT COUNCIL BUDGET 2025/26



Report Reference F-24-06
Meeting Date 2nd December 2024
Agenda Item 7
Prepared by Town Clerk

1.0 INTRODUCTION

1.1 INTRODUCTION

This report accompanies the draft 2025/26 council budget and provides a committee level commentary as well as the precept calculation and draft reserve allocations. The Town Clerk has updated budget projections as of 25th November.

The draft taxbase¹ for 2025 is 6144.16 an increase of 144.96, this figure accounts for changes in the number of council tax paying properties over the last 12 months and will be confirmed by Cheshire East Council in December.

1.2 PRECEPT CALCULATION

With the budget and reserves as presented to the committee, the precept is calculated as follows:

Projected Bank Balance 31/03/2025	428,537	(a)
2025/26 Reserves	439,437	(b)
Balance	(10,900)	(c) (a-b)
Budget Income 2025/26	214,061	(d)
Budget Expenditure 2025/26	1,011,055	(e)
Net Budget Expenditure 2025/26	796,994	(f) (e-d)
Precept Required	807,594	(f-c)

This represents an increase of £88,083 (12.2%) and results in the annual council tax for a Band D household being £131.49, an increase of £11.51 (9.59%). This is an additional 96p per month (total £10.95 per month).

2.0 RESERVES

2.1 RESERVES OVERVIEW

The draft reserve allocations are set in accordance with the draft Reserves Policy presented at this

¹ The town council submits a precept demand to Cheshire East Council for a set amount which is paid in full to the town council in two instalments. Cheshire East Council divides the precept by the tax base to work out the amount to be paid by a Band D property and uses this figure to determine the amount paid by the other bands as a proportion of the Band D.

meeting.

The recommended general reserve for the council's net revenue expenditure is approximately £175k and a slight increase has been applied to move towards this position noting that the council has other re-allocatable reserves which provide some protection additional budget protection i.e. the elections, community services, infrastructure and rental reserves. It remains the intention is to restore the reserve to a 25% net expenditure over time without significantly impacting the precept.

The CIL Receipts reserve reduces by the difference between the current year receipts and the expenditure incurred for the Ladies Mile path works. The EM Play Areas reserve has been increased by £1,000.

The Market Hall reserve is exhausted to cover the budget deficit in the current year with the balance going towards the refurbishment works. The Capital Receipts reserve reduces by the balance required for the market hall refurbishment. 10% of commercial rental income has been added to the EM Rental Reserve. Further commitment has been added to the EM Infrastructure and EM Neighbourhood Plan reserves. £20,000 has been drawn down from the EM Community Services reserve which is the grant agreed for The Welcome in 2024/25. An EM Town Awards reserve has been added to hold the upfront sponsorship received from the Forum of Private Business to sponsor the awards for the coming years.

The Elections Reserve has been increased to £18,000 with a view to a further increase in 2026/27 to take the reserve to £25,500, the approximate cost of fully contested elections. Reaching the reserve target a year earlier than needed provides some additional resilience for by-election costs in the interim which would reduce the reserve.

2.2 PROPOSED RESERVE LEVELS

Reserve	Current	Proposed	Difference
General Reserve	123,150	150,000	26,850
Capital Receipts	153,290	118,068	-35,222
CIL Receipts	26,497	23,588	-2,909
E/M Allotments	5,157	5,157	-
E/M Elections	10,500	18,000	7,500
E/M Rental Reserve	4,384	6,624	2,240
E/M Market	34,622	-	-34,622
E/M Play Areas	4,500	5,500	1,000
E/M Infrastructure	5,000	10,000	5,000
E/M Neighbourhood Plan Review	10,000	20,000	10,000
E/M Community Services	100,000	80,000	-20,000
E/M Town Awards		2,200	2,200
	477,100	439,137	-37,963

3.0 COMMITTEE BUDGET SUMMARY

The below provides an overview of significant changes in committee budgets since previous years and any significant changes to projected figures since committee approval.

3.1 FINANCE COMMITTEE

The interest income for 2025/26 has been reduced slightly to reflect a lower reserves total than the original calculation had been made based on. There are no other material amendments since the committee agreed its draft budget at the last meeting.

3.2 COMMUNITY COMMITTEE

As this is a new committee, new cost centres were created for 2024 to align the start figures the current year to 800 codes, all current and next year expenditure is under the 800 codes, old code numbers are shown in the last year column.

The Flowers in Wallwood activity costs have moved from the Town Centre Committee to this committee (under 815). There is no income shown for Town Awards as this will now be funded from the EM reserve.

There are no other significant changes from the current year.

3.3 ASSETS AND OPERATIONS

Current year business rates costs have benefited from tapered transitional rate relief, 2025/26 will see this relief end and the full cost of rates applied.

60 King Street (205) will be slightly over budget due to asbestos removal costs. The budget for 2025 is currently based on existing management of the building.

There are no other significant changes from the current year.

3.3 ENVIRONMENT AND TRANSPORT COMMITTEE

Cost Centre 310 (Heritage) is increased to fund the production of the conservation area guidance documents. The committee has added a budget of £37,500 for the development of a detailed design for the Moor to Parkgate Lane active travel path to progress this project.

There are no other significant changes from the current year.

3.4 EVENTS COMMITTEE

The budget for the Picnic in the Park event has been amended slightly following the initial event held this year. The committee has included a small budget for an Open Air Cinema event (£1,200) balanced by a reduced budget for Heritage Open Days and minor reductions in other areas.

There are no other significant changes from the current year.

3.5 TOWN CENTRE COMMITTEE

As this is a new committee, new cost centres were created for 2024 to align the start figures the current year to 900 codes, all current and next year expenditure is under the 900 codes, old code numbers are shown in the last year column.

Centre 910 (Promotional Events) has been increased slightly to reflect costs for those events (e.g. Flash Fashion, Knutsford at Home and Family Fest).

The committee has included a budget of £32,500 for the development stage of a Business Improvement District. The committee will be working on this being reimbursed to the council in the event of a positive BID ballot and a BID being established.

The committee has included a £5,000 budget for progression of the development of a Town Centre Masterplan following SPF funded work in the current financial year. The income/cost for preparing the annual town centre maps, budget for working with Visit Chester and Cheshire and the Coach Friendly Town budget has been included in the Tourism cost centre. The Christmas Lights budget is reduced to match the new five-year contract.

There are no other significant changes from the current year.

3.6 PERSONNEL COMMITTEE

The Personnel Committee had agreed minor changes to the staffing structure subject to the outcome of the Corporate Peer Challenge, that review had focused on one area of staffing. The Corporate Peer Challenge recommended that a more thorough review be undertaken. The Town Clerk has undertaken this review and discussed the output with the Chairman of the Personnel Committee, the recommendations will be tabled to its next meeting (10th December). The staffing costs element of the budget has been adjusted to reflect the proposed staffing structure, in the event the Personnel Committee does not accept the recommendations, the budget presented to Full Council in January would be amended. The changes involve adding amending the hours of two posts and creating an additional two part time positions to align staffing more closely with the council's strategic plan and create more specialism within roles; the changes are equivalent to an additional 1.4 FTE on the committee's previous resolve position.

The budget for 2025 makes provision for salary progression and forecast inflationary pay increases (estimated at 2.5%).

3.7 PLANNING COMMITTEE

No budget provision is planned for 2025.

4.0 DECISION REQUIRED

The committee should consider the budget submissions from committees, the allocation of reserves and the resultant precept calculation.

The committee should approve a draft budget, reserves and precept requirement and produce a recommendation to Full Council for the January meeting.