

Budget 2025/26 statement

Woodbridge Town Council approved a 7.2% increase in its precept request for the financial year 2025/26 at its meeting on Wednesday 22nd January – the Town Council’s request represents 6% of the total Council Tax levied on a household.

The terms of reference for the Council’s Finance Committee state that the Committee shall review the Clerk’s proposals for the annual budget forecast including the financial precept. The Finance Committee has since October 2024 considered various versions of the budget spreadsheet, and at its January 15th meeting agreed its recommendation to Full Council.

Draft 1 – 25.10.24

Draft 2 – 27.11.24

Draft 3 – 11.12.24

Draft 3a – 08.01.25

Draft 4 – 15.01.25

This statement aims to provide guidance to parishioners interested in the Council’s budget forecast for 2025/26 financial year.

What is a precept?

All local councils set a precept as every council has a budget – the amount of money required to fund their operations. The precept is a calculated amount of money after a council has deducted its predicted income from its planned expenditure for the upcoming year. Most budgets have specific lines (budget codes) detailing the identified income streams (rent payments, hire fees etc) and expenditure items (salaries, cleaning, expenses etc). It is the role of the Finance Committee to consider each budget line and agree on the sum for the forthcoming year.



Some Councils ‘massage’ their precept figure by utilising their own reserves in order to keep the precept increase as low as possible – Woodbridge Town Council has used this method in the past however the current year’s budget is purely income ‘vs’ expenditure (which is far easier for accounting purposes!).

How is the precept converted into a Council Tax figure?

Once the income and expenditure budgets have been agreed, the calculated precept figure is divided by the Council tax base, a figure which is provided by East Suffolk Council in early November. The Band D figure is used as these are the most common house size in the District (Bands A – H). This calculation provides the Woodbridge Town Council proportion of the Council Tax levied on Band D properties, which for the current year is £146.36, which represents around 6% of the total figure levied on residents.

The figure commonly associated with Council Tax is the percentage increase from year to year – the Council Tax bills issued by East Suffolk show this figure individually for each tier of local government and is the most recognisable figure for Parishioners.

The difference between the Band D Council Tax for the current year and 2023/24 is £ £20.96, which in percentage terms equates to 16.7% – the table below provides more detail for the last three years of budget calculations – the excel spreadsheet used by the Council has a live calculation for these figures.

Highlights	2021/22	2022/23	2023/24	2024/25
Band D Equivalentents	3100.12	3226.36	3389.95	3378.86
	£	£	£	£
Band D Council Tax	110.67	119.50	125.40	146.36
	£	£	£	£
Net Band D Increase	8.50	8.82	5.90	20.96
Percentage Terms	8.3%	8.0%	4.9%	16.7%
	£	£	£	£
Cost per week	2.13	2.30	2.41	2.81
		£	£	£
Increase per week		0.17	0.11	0.40

An interesting point to note for this year following the receipt of Council tax base from East Suffolk is that following the enactment of the Levelling Up and Regeneration Act 2023 on 26 October 2023, councils were given the discretion to charge additional council tax of up to 100% on furnished homes not used as a sole or main residence.

At East Suffolk Councils Full Council meeting on the 21st February 2024, the Council resolved to charge a "100% premium" for second homes from 1st April 2025 resulting in a 200% charge. It is estimated based on current data that this will result in an additional 129.99 number of Band D equivalent properties for your parish.

This means that if our precept requirement was to be the same as for the current year 2024/25 (i.e. £494,522.00), this would result in a charge of £139.69 for a Band D property and this charge will show as -4.56% change on the 2025/26 Council Tax bills against the Parish element.

If we wished to keep the parish charge the same as 2024/25 (i.e. £146.36) this would show as a 0% change on the 2025/26 council tax bill and a precept of £518,149.53 would need to be requested – an increase of £23,627.53 on the precept will show as a 0% increase.

How is the precept collected?

East Suffolk Council (ESC) have set a deadline of January 27th 2025 to receive precept requests from Town and Parish Councils. ESC provide a simple form which is returned by the Town Clerk. ESC publishes the precept requests in February and the Council will receive funds in two equal tranches via bank transfer in April and September.

Budget requirements

Income

Removed from the income budget this year are significant sums from the Kingston Pavilion (£6000) and Shire Hall 1st floor (£5,400), as these lease agreements come to an end.

Interested persons will note that the actual income budget has however increased from £60,990 in the current year to £229,476 in the budget forecast, which is driven by the following:

- Wedding income – Increased from £17,000 to £30,000. At the time of writing the Council has already received bookings to the amount of £26,671.82 for 2025, therefore the Committee were confident that a 'target' of £30,000 could be achieved.
- Interest received – Increased from £2,000 to £15,250 – The Council has significant sums across three accounts where interest is received – whilst rates will fluctuate the best assumption is as follows: Suffolk Building Society – £290,000 – Rate 3% – £8,700. HSBC – £200,000 Rate 1.75% – £3500. Unity Trust – £200,000 – Rate 2.75% – £5500. Over £20,000 has been received in interest during the current year.
- CIL – The Council has never before budgeted for the income of CIL – The Finance Committee have decided that as on average the Council has received around £6000 for the last ten years, that it is a safe bet to assume that additional CIL funds will be received. In line with *The Community Infrastructure Levy (Amendment) (England) (No.*

2) *Regulations 2019 (Regulation 9)*, CIL funds can only be allocated to a project once they have been received.

- Capital receipts - The most significant change to the income budget and driver of the large increase is the inclusion of £150,000 for capital receipts. The Council has agreed to take to market its properties at the Theatre Street toilet site and 15 Tide Mill Way, and whilst final valuations have yet to be received, the Committee felt these sums reflect a potential income for the Council. As such a sum included solely as income would result in a negative budget, the same amount is included as a contribution to the Council's EMR's, therefore the overall impact on the budget is zero.

Expenditure

Operating costs

Despite this being the first year that the Council's expenditure budget has been split between operating costs and town support, the Town Clerk has been able to extract comparison figures from the current year budget to allow for cross referencing at this point.

For the current year the operating costs are budgeted at £357,008 – the forecast provides a figure of £379,343 for 2025/26. As detailed below, £13,000 of this increase is met from the staffing budget, which feeds directly into the operating costs tab.

Other significant contributing factors include the addition of £9000 to 'Professional fees' in the knowledge that the Council will be paying sums to estate agents and solicitors as part of the planned sale of assets, and an increase of £2000 to cover the cost of utilities for the Council's estate (Shire Hall, Whisstocks Place, War Memorial, Elmhurst Park toilets and shed).

The two new lines in the operating costs budget are the inclusion of £600 travel and mileage and £400 for subsistence, which is applicable for both Members and Officers. These sums have previously been included in the salary costs, but must now be removed to ensure correct submission of year end figures and annual return submission.

The operating costs budget is otherwise relatively stable as the costs for many of the smaller items are well known and the Council has a long accounting history enabling secure predictions of future spending.

Town support

The Finance Committee wished to separate these figures from operating costs in order that parishioners and interested persons could understand the funds being allocated by the Council which provide a direct benefit to residents, separate from the day to day running of the Council. Furthermore, the town support budget has been split into a number of sub-sections:

Events – The Finance Committee were told by the Council to include sums of £8000 (Shire Hall 450th birthday), £2,250 (Hop to it sponsorship), £6,500 (VE Day) and £1,200 (Remembrance Day) to facilitate the direct organisation of these events by the Council.

The Finance Committee noted the success of the Christmas Lights event which was funded by the Council by organized by a third party (Woodbridge Festival and Choose Woodbridge), and therefore provided a further £18,250 of funding to support financially the planning and production of 'Core Events' in the town. The Council will at an upcoming meeting need to decide to whom to allocate these funds.

Town Council grant scheme – The Council's grants budget has been reduced back to its traditional £16,000 – for the current year the amount was £26,000, but this included funds previously allocated to support the Tide Mill and Woodbridge Regatta – this financial support has again been separated in the forecast.

Committee spending – The Council's spending Committees (Amenities and Climate and Ecological Emergency) have retained their £10,000 in year budget which can only be spent on items which relate to the undertaking of that Committee's Terms of Reference. New for this year are Committee budgets for Highways and Transport (£5000), which matches the sum available to the County Councillor for Woodbridge, and Planning (£1000).

Committee projects – The Council's Financial Regulations provide that spending Committees can provide project requests to the Finance Committee for inclusion in the forthcoming years budget. For 2025/26 funding has been provided in the budget for the installation of boardwalk on Fen Meadow (£10,000), potential improvements to Kingston Pavilion (£10,000), funding for the Amenities Committee to produce a Kingston Field improvement masterplan (£12,500), and funding for the Climate and Ecological Committee to develop their plans for improving the resilience of the Council's estate against climate change (£25,000).

The Finance Committee also received requests from the Amenities Committee for funds toward the replacement (and potential relocation) of the Fen Meadow play area equipment, and installation of a water bottle refill/ hydration station. The estimated cost of the replacement of the Fen Meadow play area is £60,000, and therefore the Council will in due course received a recommendation that the funds for this project are met from the Council's 'Play area reserve'. The hydration station will be funded by the Amenities Committee budget.

WTC Estate – The Council is the freehold owner of the Woodbridge Tide Mill, the most recognisable building in the town and one for which significant ongoing maintenance is required. The Committee also recognises the significant work undertaken by the Woodbridge Tide Mill Charitable Trust in managing the building, and therefore the direct contribution to that organisation is again included as a standalone item in the budget.

On a much smaller scale the Council owns the red telephone box on the Market Hill, and therefore a small sum of money is needed to pay for the Wifi and 'Ring Protect' which operate from the 'Little Hub of Happiness'.

WTC Priorities

The Finance Committee have tried to identify the areas which the Council consider as priorities for financial support to support the work of the Council and the people of the town – the Council's Youth Council and budget of the £5000 has proven to be a successful pilot for the provision of funds to certain groups to help improve what the Council and town can offer/ provide. The Committee has provided funding for Young adults (£5,000), Seniors (£5,000), Nationally Significant Infrastructure Projects (NSIPS) (£2,500) and International/ Twinning (£1,000). It is expected that a lead Councillor or group of Councillors be allocated to these budget lines in order to bring forward to Council spending proposals.

Staffing budget

Announced during the 2024 Autumn Budget, changes to National Insurance (NI) are set to have a big impact on employers across the UK. Chancellor Rachel Reeves revealed that employer NI contributions will rise, while the earnings threshold at which employers start paying NI will drop, starting from the 2025/26 tax/ financial year.

These changes mean significantly higher payroll costs for many businesses – this update provide the Council with a summary of the impact upon the Council's staffing budget.

The 2024 Autumn Budget introduced the largest single increase in employer NI contributions in years. From April 2025, employers will see two key changes:

- The threshold on employee earnings at which NI applies will drop from £9,100 to £5,000
- The NI rate will increase from 13.8% to 15%

The Council's staffing budget is divided into three lines, salaries, PAYE/ NI (Employer and Employee National Insurance contributions and Income Tax) and Pension Contributions. The total budget for the current year is £184,394, split as follows:

2024/25 Staffing budget summary:

4600	Salaries	£	112,764
4601	Salaries PAYE Tax/NI	£	33,070
4602	Salaries Pension Contribs	£	38,560

Budget line 4601 can be further divided as follows:

Employee NI contributions - **£6,950.25** (*Employees pay NI over a monthly threshold of £1048 per month. The remaining salary over this amount is liable to 10% NI contribution (following the 2023 Autumn Statement)*)

Employer NI contributions - **£12,014.44** (*Employers pay NI over a monthly threshold of £758 per month (£9100 per year) The remaining salary over this amount is liable to 13.8% NI contribution).*

Income Tax - **£14,104.98** (*Employees pay income tax of 20% on gross wages above the taxable allowance (£12,570)).*

As detailed above, the significant impact to the Council's budget is the lowering the threshold on earnings when employer NI applies, and the % of NI applied to the impacted wages.

The other impact on the Staffing Budget next year is the continued reduction, as detailed in the Suffolk Pension Fund Report actuarial valuation, of the Council's contribution toward Officer pensions – for 2025/26 the Council will contribute 20% of Officer salaries, down from 21% in the current year (and down from 25% in 2020). The staffing tab calculation has also been updated to include the recent pay award received by Officers, and the contractual pay rises to be received, and a estimate of 4% of the pay award likely to be achieved in the next financial year.

The Council's staffing budget is therefore projected to be £197,417:

4600	Salaries	£	119,032
4601	Salaries PAYE Tax/NI	£	39,354
4602	Salaries Pension Contribs	£	39,031

Budget line 4601 can be further divided as follows:

Employee NI contributions - **£6,093.02** (*Employees pay NI over a monthly threshold of £1048 per month. The remaining salary over this amount is liable to 10% NI contribution (following the 2023 Autumn Statement)*)

Employer NI contributions - **£17,824.38** (*Employers pay NI over a monthly threshold of £416.66 per month (£5000 per year). The remaining salary over this amount is liable to 15% NI contribution.*

Income Tax - **£15,437.03** (Employees pay income tax of 20% on gross wages above the taxable allowance (£12,570)).

The Council's staffing budget is therefore increased by £13,023, split by:

Increase:

4600	Salaries	£	6,268 (5.5%)
4601	Salaries PAYE Tax/NI	£	6284 (19.1%)
4602	Salaries Pension Contribs	£	471 (1.2%)

Routine and Future Maintenance

The Council has a wide and varied estate which requires significant in year maintenance. Whilst it is difficult to predict such spends as many are quite reactive such as repairs to play equipment or works to trees following storms, the Council budgets a total of £14,101 for Routine Maintenance across it's estate, split across the following budget lines:

General (Admin/ Building costs) - £2,129

Elmhurst Park - £2,154

Kingston Field - £1,750

Fen Meadow -£500

Other (War Memorial, Broomheath, Fitzgerald Green) - £800

Shire Hall - £2,508

Whisstocks Place - £3,900

Separately, the budget forecast provides a contribution to the Council's reserves of £14,450 for the long term maintenance/ repairs of the play areas in Elmhurst Park, Fen Meadow and Kingston Field, and £2,938 for long term maintenance of the Shire Hall included door painting, carpet replacement, kitchen repairs etc.

Contributions to reserves

A significant feature of the Councils precept request is the contribution of funds to its Ear Marked Reserves. Earlier in this meeting the Council has considered the re-organisation of its EMR's, and the fact that £50,000 has (hopefully) been reallocated to the Shire Hall project EMR has allowed for much of the capital spending provided in this budget to be included.

Quite simply, the Shire Hall project dominates the future spending forecasts of the Council. For the current year the Council included £75,000 of funding toward the project which was

almost solely the reason for the large increase on the Council Tax (£25,000 toward consultancy fees and £50,000 toward the final project). The Finance Committee had originally included a contribution of £100,000 in the budget forecast toward the Shire Hall project, but the reorganisation of the Council's reserves allowed this figure to be reduced to £50,000 in the forecast. Looking ahead, regardless or not if the Council are successful in its bid to the National Lottery, significant remedial works will have to be undertaken in the near future.

Of the £236,250 of funds proposed to be allocated to the Council's Ear Market Reserve, Members must remember that £156,000 of that money is offset via income provided for CIL and Capital receipts (the same sums show in income and contributions therefore having a zero impact on the precept). Removing this amount and the £50,000 Shire Hall ringfence, leaves a total of £30,350 being allocated as follows:

- Election (To pay for future election costs) - £2462
- Shire building maintenance - £2,938
- Tide Mill support - £7,500
- Greater Whisstocks - £3,000
- Play areas - £14,450

The Finance Committee agreed to recommend to Full Council that the precept to be demanded from East Suffolk Council for the Financial Year 2025/26 should be £555,642, which represents an increase of 7.2%, makes a band D equivalent of £156.95, an increase of £10.59 for the year or 20p a week.

- Precept - £555,642
- Band D Equivalents - 3540.24
- Band D Council Tax - £156.95
- Net Band D Increase - £10.59
- Percentage Terms - 7.2%
- Cost per week - £3.02
- Increase per week £0.20

WTC requirement	2023/24	2024/25	2025/26
Total income (ex Precept)	£50,942	£60,990	£229,476
Contribution to reserves	£75,837	£87,004	£186,350
Shire Hall contribution/ ringfence	£0	£50,000	£50,000
Expenditure (Operating costs)		£357,008	£379,343

Expenditure (Town support)		£73,500	£169,425
Budget	£400,193	£430,508	£548,768
PRECEPT	£425,088	£494,522	£555,642

Highlights	2023/24	2024/25	2025/26
Band D Equivalents	3389.95	3378.86	3540.24
Band D Council Tax	£ 125.40	£ 146.36	£ 156.95
Net Band D Increase	£ 5.90	£ 20.96	£ 10.59
Percentage Terms	4.9%	16.7%	7.2%
Cost per week	£ 2.41	£ 2.81	£ 3.02
Increase per week	£ 0.11	£ 0.40	£ 0.20

To view the publicly available version of budget spreadsheet please click [here](#).

Anyone with further questions should contact the [Town Clerk](#).

Mr G E Diaper

Town Clerk and Responsible Financial Officer.

23.01.25