REPORT TO FULL TOWN COUNCIL

RFO REPORT

Report Reference	**FTC-24-28**
Meeting Date	**16th January 2025**
Agenda Item	**178**
Prepared by	**Town Clerk**

INTRODUCTION

In this precept / budgetary report, I present an update on the Town Council's finances for 2025/2026.

It has been a challenging time recently, with an increase in spending due in part to a rise in costs and the running of the Recreation Ground.

Previous years

As part of its budget for 2023/24, the Council set a deficit budget, using reserves to bridge the gap. In summary, the budgeted income was £295,793, whilst the budgeted expenditure was £326,622 – a planned deficit in the year of £30,829.

For the 2024/25 budget, the Council increased the precept to £338,402 as a result the Net income over expenditure is expected to be zero (the Council are not expected to lose money).

GENERAL RESERVES

A good practice is to hold between 4 and 6 months of operating costs in General Reserves. With less than 4 months of operating costs, the Council risks insufficient funds for unforeseen contingencies, and the auditors may also criticise this figure.

On average the Council spend £25,000 a month.

The Council would need £100,000 in the General Reserves to cover four months' operating costs. However, it would be prudent to strive for a figure of £125,000, which is below the six-month level.

As of the end of September, the Council has £100,000 left in General Reserves.

Ear Marked Reserves (EMRs)

Ear Marked Reserves represent money assigned for special projects such as the New Community Facility. The EMRs can only be used on the projects that they are designated for. The Council currently has £401,598 set aside in EMRs, split into the following categories:

1) New Community Facility £300,000
2) Amenities & Recreation £76,598
3) Anti-Social Behaviour £20,000
4) Elections £5,000

ONCE THE EMRs ARE GONE THEY ARE GONE.