



BUDGET 2025/26

TOWN COUNCIL MEETING

REPORT 04/25

10 FEBRUARY 2025

The purpose of this report is to summarise the Town Council's anticipated expenditure for the financial year 2025/26 and provide the basis for the formal adoption of a Budget for that year and the setting of the related Precept.

No. DETAIL

1) BACKGROUND

- a) A letter from the Isle of Wight Council requests the Island's 33 Town and Parish Councils to submit their Precept requirement for 2025/26 by 10 February 2025.
 - b) We have written to the responsible Officer, Richard Wheeler, explaining that the Town Council's Precept requirement will be agreed on 10 February and therefore we will be in a position to send the required information to them on 11th February.
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2) DRAFT BUDGET FOR FINANCIAL YEAR 2025/26

- a) In line with the agreement at the Town Council's Informal Budget meeting of 15th January, and the discussions prior to then, the attached draft Budget for 2025/26 provides for an increase in the Precept of £112,161, a 10.55% increase in the Band D charge: 38 pence per week.
 - b) It should be noted here that around £300,000 of the proposed Precept total is the consequence of the Town Council's commitment to retain services from which the Isle of Wight Council would have otherwise withdrawn funding: the Paddling Pool, Grounds Maintenance, the Library, Beach Cleaning, Ventnor Park, Ventnor Central (former Youth Centre), Youth activities, Public Toilets and associated administration costs.
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3) CHANGES IN REPORTING STYLE

- a) *Salisbury Gardens & Car Parks*: Previously, Salisbury Gardens and the Car Parks that Ventnor Town Council operate were listed as a net budget contribution, whereas now their individual income and expenditure are listed separately. This explains why the totals of income and expenditure have varied so significantly from last year's figures.
 - b) *Staffing Costs*: Some staffing costs had previously been accounted for as part of project costs; i.e. staffing costs relating to cleaning the Public Toilets were allocated to the Public Toilets heading, whereas now they are included in Item 4: *Cleaning, Maintenance, Paddling Pool Salaries*. This change in the way things are reported results in seemingly very significant changes to various items.
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4) LEVEL OF RESERVES

- a) Due to higher-than-anticipated expenditure on a variety of items in the current year (2024/25), as well as previous years, the Town Council's reserves are lower than is recommended by Local Government guidance bodies.
 - b) For 2025/26, an amount of £5,000 has been allocated to contribute to the reserves. This does not bring the level of reserves up to what would be expected of a Council this size, but having budgeted more prudently for expenditure in this coming year, it is hoped that the reserves can be increased more significantly in the following years without such a significant increase in the precept.
 - c) It is still unknown at the time of writing this report whether the elections currently scheduled for May 2025 will take place. If they do not take place, then half of the budgeted amount could be added to the general reserves, and the other half earmarked to pay towards the costs of the re-arranged election, with the other half being funded from the budget for that year.
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5) RECOMMENDATION

The Town Council is recommended to:

- i) adopt the Draft Budget attached to this Report;
 - ii) confirm its Precept-related Budget for 2025/26 to be £587,878
 - iii) authorise the Town Clerk to inform the Isle of Wight Council accordingly.
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