

Budget 2025 /2026

Report by the Clerk / Responsible Finance Officer after consultation with the Finance Working Group.

Introduction.

As the Responsible Finance Officer for Corfe Castle Parish Council, I have a legal duty to advise councillors on the anticipated operating costs for the 2025/26 fiscal year. While these forecasts reflect my professional assessment, councillors are not legally obligated to adopt or approve the recommendations provided.

For administrative clarity, all recommendations are also summarised at the end of this report.

Please note, this report was prepared prior to the national budget announcement and will be presented in November for preliminary discussion and approval in principle. In early December, I will update the report to incorporate any amendments required from the national budget announcement plus incorporate the Band D Tax Base information, after which it will be resubmitted to the Council for final approval on the 2025/26 Precept.

National Context.

The 2025-26 national economic outlook continues to present significant challenges, despite some signs of stability. The UK economy remains fragile, with key factors shaping the economic context:

1. **Economic Growth:** Gross domestic product (GDP) estimates as the main measure of UK economic growth based on the value of goods and services produced during a given period. UK GDP is estimated to have grown by 0.2% in August 2024, after showing no growth in July 2024. Real GDP is estimated to have grown by 0.2% in the three months to August 2024 compared with the three months to May 2024. (Office for National Statistics)
2. **Interest Rates:** The Bank of England raised rates from 0.1% in December 2021 to 5.25% in August 2023 to tackle high inflation, which peaked at 11.1% in October 2022. Inflation has since dropped to 1.7% In September 2024, close to the Bank's 2% target. However, it's expected to rise to 2.75% by the end of 2024 before falling again in 2025. (Bank of England)
3. **Inflation:** Twelve-month CPI inflation fell to 3.2% in March '24 from 3.4% in February. CPI inflation is expected to increase slightly at the end of this year to around 2½%. CPI inflation is projected to be 1.9% in two years' time and 1.6% in three years in the May Report. The 12-month average CPI rate until August 2024 is 3.1% (Bank of England)
4. **Public Finances and Fiscal Policy:** The Office for Budget Responsibility usually produce a detailed forecast for the coming five years alongside the Spring and Autumn budget. With the Autumn budget due 30th October 2024, the following figures are taken from the March '24 report. The public sector is forecast to raise from taxes and other sources £1,139 billion (£39,000 per household). It is forecast to spend on things like public services, state pensions £1,226 billion (£42,000 per household). This forecasts a deficit of £87.2 billion. (Office for Budget Responsibility)
5. **Energy Costs:** Energy prices in 2025 are expected to be much more stable than they currently are or have been over the past couple of years. This steadiness, however, relies on a few factors, for example, the UK becoming much more energy-independent and a net producer. (Direct Business Solutions)
6. **Political changes:** Since Keir Starmer became Prime Minister after winning the July elections, there have been few surprises. He appointed his shadow cabinet to similar roles, and policy announcements so far have aligned with Labour's manifesto. With a large majority and experienced ministers, Starmer is well-positioned to pass legislation, including on North Sea energy and planning reform. However, addressing public services, will be harder due to a lack of consensus and limited fiscal space. Labour's foreign policy will be more pro-EU than the Conservatives', while still supporting NATO and Ukraine. (Economist Intelligence)

Tax Base

Dorset Council are expected to release the 2025-26 Tax base figures in early December. The data released will show tax base numbers, which in turn will dictate the amount each household will pay regarding the Precept level we set.

Corfe Castle Parish Council Accounts.

In 2024/25, Corfe Castle Parish Council implemented a modest precept increase of 4.77%. The amount set ensured the Council could continue to operate efficiently on a day-to-day basis while also bolstering reserves. These reserves allowed us to fund necessary repairs and replacements of assets as they arose, ensuring the long-term sustainability of our community infrastructure.

General reserves are still below the agreed level of 50% average Precept, and it will take a couple more years to reach the agreed level, but as a whole the Parish Council is financially secure for day-to-day operations.

CCPC to discuss:

1. Car Park Permit costs.

As previously agreed, this financial year's income from the Car Park will be placed into the Car Park earmarked reserves for future maintenance work. The addition to the earmarked reserves is approx. £10,000.

Dorset Council offer a Residents Flexi-Stay Car Parking Permit at a cost of £290 per year or £27.50 per month. This permit is limited to one registered vehicle per permit.

Corfe Castle Parking Permit fee at current levels are Residents £450 (inc VAT) & Second homes owners £750 (inc VAT).

Recommendation: To retain the current pricing structure for residents parking permit at £450 (inc VAT) and second homeowners at £750 (Inc VAT).

2. Contributions / Donations

The current contributions / donations are:

Citizens Advice: £300

Air Ambulance: £150

Corfe Valley News: £1000

Swanage Defib Partnership: £325

Other: £200 (For use throughout the year if help requested and agreed)

Recommendation: To retain the current donation levels as listed above.

3. Membership

Recommendation: To re-affirm the current subscriptions made to various organisations: (DAPTC (£525), SLCC (£175) & CPRE (£36))

4. Gods Acre Fees

Year to date Gods Acre has an income of £3,393 with expenditure standing at £2,194.22, an excess of £1,199. This FYTD there has been 13 interments, in comparison to the previous year's 15. The Clerk has compiled a price comparison for local burial grounds and for most charges Gods Acre is the cheapest in the local area.

Recommendation: To increase full body interment fees by 10% and cremated remains interment by 5% (rounded to nearest £5 or £10).

Budget

Corfe Castle Parish Council

Summary of Year to Date (TYD) Receipts and Payments, Forecast Year End Total & Proposed Budget for 25-26

2024 - All Cost Centres and Codes (Between 01/04/2024 and 30/09/2024)

Figures exclude VAT

Administration		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
1100	Interest		1,053.40	-1,053.40				2,106.80		2,106.80	
1102	Precept	55,179.00	55,179.00	0.00				55,179.00		55,179.00	
1104	Grants										
1106	Miscellaneous Income										
5002	Clerk's Hours (Inc Additional Hrs.)				15,000.00	7,103.27	7,896.73		15,000.00		15,000.00
5004	Expenses				720.00	464.07	255.93		928.14		928.14
5008	Pension Contributions				975.00	449.90	525.10		975.00		975.00
5012	National Insurance Contributions				1,749.00	986.11	762.89		2,000.00		2,000.00
5026	Stationary / Postage / Copying		84.18	-84.18	350.00	225.14	124.86	168.36	450.28	168.36	450.28
5028	Audit - Internal & External				900.00	115.00	785.00		900.00		900.00
5030	T-phone & B-band		152.20	-152.20	500.00	214.10	285.90	304.40	428.20	304.40	428.20
5032	Equipment (Asset)				100.00	37.49	62.51		37.49		
5034	Sundry Items		19.44	-19.44	100.00	78.16	21.84	38.88	156.32	38.88	156.32
5036	Admin Subscription (Inc domain & hosting)		14.98	-14.98	600.00	114.99	485.01	29.96	1,000.00	29.96	1,000.00
5038	Training Course Cost				500.00	1,217.50	-717.50		1,600.00		1,600.00
SUB TOTAL		55,179.00	56,503.20	-1,324.20	21,494.00	11,005.73	10,488.27	57,827.40	23,475.43	57,827.40	23,437.94
Grants and Subscription		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
5202	Grants (Not Inc S137)										
5204	Subscriptions & Memberships (No Admin related)				1,010.00	885.06	124.94		1,410.00		1,410.00
5206	Contributions				1,350.00	30.00	1,320.00		2,000.00		2,000.00
	SUB TOTAL	0.00	0.00	0.00	2,360.00	915.06	1,444.94	0.00	3,410.00	0.00	3,410.00
		Receipts YTD 24-25			Payments YTD 24-25						

Playground & Sportsfield								Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
5302	Rent				134.00	178.53	-44.53		350.00		350.00
5304	Grass Cutting				2,950.00	1,734.33	1,215.67		2,950.00		2,950.00
5306	Repairs & Maintenance				200.00	1,527.96	-1,327.96		1,527.96		1,527.96
	Inspection										
	SUB TOTAL	0.00	0.00	0.00	3,284.00	3,440.82	-156.82	0.00	4,827.96	0.00	4,827.96
Others		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
5402	Insurance				1,300.00		1,300.00		1,360.00		1,360.00
5404	Highway Maintenance / Weeding										
5406	Sundry Items		5.27	-5.27	50.00	93.79	-43.79	5.27	93.79	5.27	93.79
5408	Reserves - Elections										
5410	Youth Club				3,725.00	2,569.00	1,156.00		3,877.00		3,877.00
5412	Village & Town Hall Rent				450.00	228.00	222.00		456.00		456.00
5414	Legal										
5416	Reserves- Pavement Refurb										
5418	Reserves - Special Projects					56.00	-56.00		56.00		
5420	Reserves - Community Maintenance Fund										
5422	Reserves - Defibrillator					64.99	-64.99		64.99		
5424	Reserves - General Contingency										
5426	Community Infrastructure Levy (CIL)										
5428	20mph										
	SUB TOTAL	0.00	5.27	-5.27	5,525.00	3,011.78	2,513.22	5.27	5,907.78	5.27	5,786.79

Gods Acre		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
6004	Refuse Collection				270.00	143.85	126.15		287.70		
6006	Grass Cutting - GA				4,050.00	1,518.00	2,532.00		3,036.00		
6008	Repairs & Maintenance				300.00	16.66	283.34		33.32		
6010	National Non-Domestic Rates (NNDR)				280.00	88.71	191.29		177.42		
6012	Grounds Maintenance (Grave Digging)		240.00	-240.00		160.00	-160.00	160.00	160.00		
6014	Sundry Items					106.10	-106.10		106.10		
6016	Donations		25.00	-25.00				25.00			
6400	Deeds / Rights		400.00	-400.00				685.00			
6402	Interment		2,403.00	-2,403.00				2,538.00			
6404	Memorial Rights										
6406	Memorial Installation / Re-engraving										
6410	Clerks Hours & Expenses - GA		325.00	-325.00	800.00	160.90	639.10	325.00	200.00		
6412	GA Administration Income										
	SUB TOTAL	0.00	3,393.00	-3,393.00	5,700.00	2,194.22	3,505.78	3,733.00	4,000.54	0.00	0.00
Toilet Block		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
7002	Sanitary Bin Collection				362.00	635.88	-273.88		1,271.76		1,271.76
7004	Water Supply & Removal				1,054.00	276.64	777.36		553.28		553.28
7006	Electricity				2,600.00	471.69	2,128.31		943.38		943.38
7010	Cleaning & Maintenance Toilet Block				8,297.00	4,081.62	4,215.38		8,163.24		8,163.24
7012	Sundry Items								120.00		120.00
	SUB TOTAL	0.00	0.00	0.00	12,313.00	5,465.83	6,847.17	0.00	11,051.66	0.00	11,051.66
Environment Group		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
5600	Donations										
5602	Miscellaneous Costs										
	SUB TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Receipts YTD 24-25			Payments YTD 24-25						

Caretaker								Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
5506	Hours				5,500.00	2,716.75	2,783.25		5,433.50		5,433.50
5508	Repairs & Maintenance				200.00		200.00				
	SUB TOTAL	0.00	0.00	0.00	5,700.00	2,716.75	2,983.25	0.00	5,433.50	0.00	5,433.50
Residents Car Park		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
Code	Title	Budgeted	Actual	Variance	Budgeted	Actual	Variance	Receipts	Payments	Receipts	Payments
7300	Car Parking Permit	9,500.00	833.33	8,666.67				9,500.00		9,500.00	
7302	Maintenance Car Park					25.00	-25.00		50.00		
	SUB TOTAL	9,500.00	833.33	8,666.67	0.00	25.00	-25.00	9,500.00	50.00	9,500.00	0.00
TOTAL		Receipts YTD 24-25			Payments YTD 24-25			Forecast Total YE 24-25		Forecast (take out spend from reserves)	
NET TOTAL		64,679.00	60,734.80	3,944.20	56,376.00	28,775.19	27,600.81	71,065.67	58,156.87	67,332.67	53,947.85
Spend excluding reserves									53,947.85		

Key	
Text	Forecast over budgeted incoming
Text	Forecast over spend
Text	Manual entry

Explanation by Cost Centre / Nominal Code (NC)

All forecast budgets for most nominal codes see a generic increase by 4%, unless specifically stated below.

Administration

1. **Nominal Code (NC) 1100 Interest.** As Interest rates are starting to fall there is no guarantee regarding the amount of income Corfe Castle Parish Council will gain. Therefore, this NC has been reduced to a modest income.
2. **NC 1104 Grant:** To date no grants have been discussed or applied for and therefore this NC has been left blank.
3. **NC 5002 Clerks Hours:** You will have noticed this month NALC have released the 2024-25 pay increase settlement figures. As is standard practice for the pay settlement to be agreed part way through the year, the increase in this NC allows for both National and annual increases. The nationally agreed increase is .63p per hour for SCP23 or 3.85% compared to the last two years which saw a flat £1 per hour increase.
4. **NC 5004 Expenses:** This NC covers working the home working allowance and mileage for the Clerk to attend one off meetings (Ferry inquiry, SE Parish Meetings etc).
5. **NC 5008 & 5012:** Both these nominal codes are linked to NC 5002. NI Increase to 15% and reduction to £5,000 limit
6. **NC 5026 & 5030:** The income is acquired from Puddletown Area Parish Council, as Corfe Castle Parish Council have an agreement in place which allows them to use the printer, and phone line / broadband for a nominal fee each month.
7. **NC 5038:** The training course cost incorporates both a budget for Councillor training plus the fees for the Clerk to continue her Community Governance course and previously approved.

Grants & Subscriptions:

8. **NC 5202:** Grants To date no grant application form has been received.
9. **NC 5204:** This NC incorporates Dorset Association of Parish and Town Councils, (DAPTC), Society of Local Council Clerks (SLCC), Campaign to Protect Rural England (CPRE) & Swanage Defib Partnership (SDP).
10. **NC 5206:** As listed in the main body of the report.

Playground & Sportsfield

11. **NC 5302:** This NC incorporates both lease agreements for the playpark and playing field.
12. **NC 5304:** This nominal code allows for the contractual CPI increase.
13. **NC 5306:** This nominal code has been left blank as should be covered by reserves.
14. **NC To be created:** It is suggested we create a nominal code for play park inspections. Noting we have two providers on supplying the Quarterly reports and one creating the more in-depth annual report.

Others

15. **NC 5406:** Sundry Items is blank as any expenditure is covered from general reserves.

Gods Acre

16. The number of interments within Gods Acre is an unknown and fluctuating amount, with interment (Full burial and cremated remains) numbers varying from 3 to 26 a year.
17. As Gods Acre is a parish asset all income and expenditure will be assigned to / from Precept.

Toilet Block

18. **NC 7002:** Sees an increase due to the change in contract mid-way through last year.

Caretaker

19. **NC 5506:** This nominal code allows for the contractual CPI increase.
20. **NC 5508:** This nominal code has been left blank this year, as the projects the Caretaker is due to work on (Gods Acre & Playpark) both have reserves of their own.

Residents Car Park

21. **NC 7300:** It was agreed previously that any income generated from car park permits would be placed into the car park reserve for re-surfacing. After investigation this year it was concluded the cost to maintain the current surface was less than estimated and therefore some of the income from the car park could be used to help top up some of the other reserves. Moving forward the Income and expenditure will no longer equal, instead some of the income will be used to keep Precept down with the rest held for maintenance and unforeseen expenditure

Reserves

In line with the Practitioner's guide Corfe Castle Parish Council must review reserve levels, reasons for holding the reserve and proposed reserve limits.

Reserves Balance

Between 01/04/2024 and 30/09/2024

Reserve	Opening Balance	Precept Transfers	Spend	Receipts	Current Balance
20 mph	45.18				45.18
CIL	633.99				633.99
Community Maintenance	2,300.00				2,300.00
Defibrillator	648.40		64.99		583.41
Environment Group	3,242.42				3,242.42
General Contingency	14,247.29	4,120.00			18,367.29
Gods Acre (Reserves)	12,062.23				12,062.23
Gods Acre (Working Funds)	0.00		2252.52	3,393.00	1,140.48
Office Equipment	1,152.53		37.49		1,115.04
Parish Council Elections	5,100.00				5,100.00
Pavement Refurb	5,000.00				5,000.00
Playground Equipment	14,498.96	4,500.00			18,998.96
Residents Car Park	0.00		25.00	833.33	808.33
Special Projects	7,820.17		56.00		7,764.17
Toilet Block	4,980.50				4,980.50
Total Earmarked	71,731.67	8,620.00	2,436.00	4,226.33	82,142.00

The following is recommended:

1. Close 20MPH and move balance to General Funds to help keep Precept low
2. Close Community Maintenance and move balance to General Funds to keep precept low
3. Close Special Projects and move to playground reserves
4. Car Park Income 24-25. Allocate £4,191.67 to Car Park Reserves & £5,019.50 to Toilet Block Reserves, leaving possible £288.83 for general funds if all permits renew
5. Close Gods Acre Working Funds and allocate to General Contingency

If recommendations followed leaves:

Proposed Balance

Reserve	Opening Balance	Transfers	Spend	Receipts	Balance
20 mph	45.18	-45.18			0.00
CIL	633.99				633.99
Community Maintenance	2,300.00	-2,300.00			0.00
Defibrillator	648.40		64.99		583.41
Environment Group	3,242.42				3,242.42
General Contingency	14,247.29	5,260.48			19,507.77
Gods Acre (Reserves)	12,062.23				12,062.23
Gods Acre (Working Funds)	0.00	-1,140.48	2252.52	3,393.00	0.00
Office Equipment	1,152.53		37.49		1,115.04
Parish Council Elections	5,100.00				5,100.00
Pavement Refurb	5,000.00				5,000.00
Playground Equipment	14,498.96	12,264.17			26,763.13
Residents Car Park	0.00	4,191.67	25.00	833.33	5,000.00
Special Projects	7,820.17	-7,764.17	56.00		0.00
Toilet Block	4,980.50	5,019.50			10,000.00
Total Earmarked	71,731.67	15,224.65	2,436.00	4,226.33	89,007.99

Proposed Increase from 25-26 Precept assuming proposed balance approved

Reserve	Balance	25-26 Precept	Balance
CIL	633.99		633.99
Defibrillator	583.41	416.59	1,000.00
Environment Group	3,242.42		3,242.42
General Contingency	19,507.77	492.23	20,000.00
Gods Acre	12,062.23		12,062.23
Office Equipment	1,115.04	384.96	1,500.00
Parish Council Elections	5,100.00	1,000.00*	6,100.00*
Pavement Refurb	5,000.00		5,000.00
Playground Equipment	26,763.13	1,436.87	28,200.00
Residents Car Park	5,000.00		5,000.00
Toilet Block	10,000.00		10,000.00
Total Earmarked	89,007.99	3,730.65	92,738.64

* Invoice due from Dorset Council for local election costs. (Unknow amount as uncontested election).

Reason to hold Reserve

Reserve	Proposed Level 25-26	Reason
CIL	0.00	Spend on community approved projects
Defibrillator	2,000.00	Repair / replace any of the 4 current defibs,
Environment Group	3,242.42	Donations ring fenced
General Contingency	28,000.00	Strive towards holding ½ average precept
Gods Acre	12,062.23	Unforeseen maintenance (Dry stone wall, shed)
Office Equipment	2,000.00	Replace office equipment
Parish Council Elections	5,100.00	Cost of local elections
Pavement Refurb	5,000.00	Pavement refurbishment
Playground Equipment	30,000.00	Replace / repair playground equipment
Residents Car Park	5,000.00	Surface / Sump repairs / maintenance
Toilet Block	10,000.00	Roof / building exterior and interior repairs
Total Earmarked	102,404.65	

Precept Calculations

The Precept amount is worked out on a simple calculation of forecast expenditure – forecast Income + Reserve Requirement = Precept.

For example:

Forecast Expenditure	£	
Forecast Income	£	-
	£	
Reserve Requirement	£	+
Precept	£	

Tax Base and Band D equivalent costs to follow.

Budget Options

To follow once Tax Base numbers released.