

Agenda item 4

For decision - Work programme, budget, and precept demand for 2025/26

Authors: Paul Wynne, Town Clerk and Sarah Williams, Business Manager

Summary

This report is in three parts. First, it proposes the work programme for 2025/26; second, some proposed changes to the staff body; and third, the budget required to deliver the work programme along with the precept demand.

The proposed precept of £2,777,932 represents an increase of 35p a week for Frome on the current year for Band D properties, although 76% percent of households in Frome will pay less being in Bands A – C.

These documents in draft form have been discussed in detail with Cllrs.

It is recommended that Council approves these and with them, the annual precept

1. Introduction

The proposed work programme and budget are fluid documents and can flex through the year. We can react to emergencies and opportunities as they arise and we are able to remove, postpone and add elements to the work programme accordingly. The staff body is flexible too. We can redeploy staff where necessary.

While staff will be on hand to answer questions on the night, it would be appreciated if Cllrs could raise specific points with staff or lead Cllrs prior to the Council meeting.

The Leader of the Council, Steve Tanner, will introduce the report, Paul Wynne, the Town Clerk, will summarise key elements of the work programme and Sarah Williams, the Business Manager, will present the proposed budget and precept demand.

2. The Work Programme for 2025/26

The proposed annual work programme is at [Appendix 4.1 and can be viewed on the website here](#). Please note that the way the work programme is laid out shows an estimation of staff cost allocation (net of grant funding) at the bottom of each section.

Frome Welcome Hub for displaced people – for future decision

Government grant funding (via and Somerset Council via CHARIS) continues to support the Hub. If after June 2025, this grant funding ceases FTC can decide at the time whether to continue to support the Hub from its own budget. Funding has been allocated in the 2025/26 budget from General Reserve to enable Council to enable this. The budget line related to the Welcome Hub for displaced persons in Frome is at row 9 of Community Engagement & Development – dept 100 – page 1.

Elements of the Devolution Deal - for future decision

Many of the elements in the Devolution sections (Devolution – dept 400 – page 7) are not certain. At this stage, it is proposed to allocate the budgets listed and when negotiations are complete, to come to Council to decide formally whether to proceed. Like the Welcome Hub budget, if these budgets are not used, they can be re-allocated to other projects or placed in the general reserve at year end. £212k of the Devolution budget created in 2024/25 is proposed to be carried forward to fund Devolution costs in 2025/26.

Other uncertainties for future decision

There are some other projects across the work programme that will need to be worked up prior to Council approval. This may be because the engagement and fact finding part of the project is still in progress or we are unclear about the precise project design or likely cost. In these cases, Council or Oversight Committee will decide whether to approve them.

3. Staff

Council has recently agreed some amendments about how proposed new staff are considered and changed Standing Orders accordingly. The proposed staff salary budget includes four new posts: a Town Centre Officer, two Rangers and an HR/Business Administrator.

Council now decides whether it agrees the overall staff *budget*, including budget for the proposed new posts and, subsequently, Oversight Committee considers a business case for *each proposed post* and decides whether to approve it. If Oversight Committee doesn't approve the business case, it may ask for further clarification and review a refined business case or it may decide not to proceed with the new post. If the allocated budgets for any of the proposed new posts are not used, they can be re-allocated to other projects through the year (subject to Council approval) or placed in the general reserve at year end.

In addition, Council has recently agreed to review just the management structure at this meeting rather than the whole staff body as in previous years. The proposed management chart is at [Appendix 4.2 which can be viewed on the website here](#). There are no proposed changes to the structure.

4. Budget and precept demand for 2025/26

This part of the report explains the components of the expenditure budget and the income required to match it. This includes the proposed precept amount.

The proposed budget is at [Appendix 4.3 and can be viewed on the website here](#). Sarah Williams will provide the highlights.

The first section below discusses the various parts of the expenditure budget. The second section discusses how it is proposed to match expenditure with income. The third section considers our General and Earmarked Reserves.

4.1. Total budgeted expenditure for 2025/26

Each year, the budget planning starts with a clean sheet. Known or very firm costs are added in, followed by costs required to deliver the work programme. These costs are shown in summary form on the right-hand columns of the work programme. The total expenditure required to deliver the work programme for 2025/26 is £3,678,543.

The summary proposed line by line budget for 2025/26 is in the proposed budget at Appendix 4.3.

As part of the work programme, Cllrs received a draft budget for 2025/26 in December 2024. That proposed budget was refined to reflect discussions with Cllrs and to incorporate the latest year end forecast.

Please contact Sarah Williams in advance of the meeting if there are any questions about the detail.

Once total expenditure is calculated, total income is considered. At the start of the new financial year budgeted expenditure equates to budgeted income.

4.2. Total budgeted income for 2025/26

Income for 2025/26 comes from three different sources

| | |
|---|-------------------|
| Total budgeted income during 2025/26 | £3,678,543 |
| Of which: | |
| a. Precept (from Council taxpayers in Frome) | £2,777,932 |
| b. Income from room hire, rents, sales, and interests on savings | £188,440 |
| c. Income from grants (net of salary grants, salaries also excluded)* | £75,000 |
| d. General Reserve & Earmarked Reserves | £637,171 |

* There are outstanding grant applications and more that will be applied for. This figure of £75k is known.

4.2.a. Income from the precept

The precept is the amount we receive from Council Taxpayers in Frome. It is usually discussed in terms of the amount a Band D household in Frome will pay for the Frome portion of their Council Tax bill. Banding is based on the value of a property; the range goes from Band A (lowest) to Band H (highest). In 2024/25 Frome Town Council's portion of the annual council tax bill in a Band D property was £276.82.

To enable FTC to support the delivery of the proposed work programme, the 2025/26 proposed precept is £2,777,932: an increase to the annual amount paid by a Band D household in Frome of £18.29 to £295.11 per annum - an increase of 6.6 per cent. This equates to a weekly increase of 35 pence for a Band D household.

Roughly 76 per cent of Frome households will pay less than the Band D amount as they are in Bands A to C. In addition, approximately 28 percent of the total 13,000 households in Frome pay a reduced amount of Council Tax through single occupancy or student discounts and/or are receiving benefits.

4.2.b. Income from rents, sales, and interests on savings

| | |
|---|-----------------|
| Budgeted revenue income during 2025/26 | £188,440 |
| Of which: | |
| a. Investments and Discover Frome sales | £84,800 |
| b. Room hire and rental income from Frome Town Hall | £56,540 |
| c. PV panels & Open Spaces works | £18,100 |
| d. Devolved assets/services (markets, Key Centre estimated) | £29,000 |

4.2.c. Income from grants

| | |
|--|----------------|
| Budgeted grant income during 2025/26 | £75,000 |
| Of which: | |
| e. Green & Healthy Futures Frome (Lotto funding) (Please note that Lotto funding is £178k in 2025/26 but £103k covers salaries for the G&HF project staff. These salaries are not included in the budgeted salary figure therefore the grant contribution is also not shown.) | £75,000 |

4.2.d. Income from the General Reserve and Earmarked Reserves (EMRs)

The General Reserve is for unplanned and emergency expenditure. The Council's Financial Regulations currently say that the general reserve should be a minimum of £350k.

General Reserves began the financial year at 1 April 2024 at £496k, in a strong position in the face of Somerset Council's financial emergency. The estimated underspend at March 2025 is currently £94k which includes projects being carried forward to next year.

It is therefore proposed to use £248k of General Reserves to subsidise next year's revenue budget. This would leave the General Reserve figure at 1/4/2025 starting next financial year at £342k, just slightly under the figure stated in the financial regulations.

We are also proposing to support the 2025/26 work programme with £389k from Earmarked Reserves that were established for that purpose or are now no longer needed. The full proposed use of reserves is shown in the table below.

| | |
|---|-----------------|
| General Reserve & Earmarked Reserves (EMR) use in 2025/26 | £637,171 |
| Of which: | |
| Forecast underspend from the General Reserve 2024/25 | £94,503 |
| General Reserves | £153,497 |
| EMR 321 SALC grant of 2020 | £4,400 |
| EMR 326 VP café/toilets | £66,238 |

| | |
|---------------------------------|----------|
| EMR 334 Play Equipment | £25,000 |
| EMR 341 Sustainability | £6,000 |
| EMR 354 Devolution budget 24/25 | £212,000 |
| EMR 356 Saxonvale | £20,000 |
| EMR 400 Town Hall Investment | £55,533 |

4.3. Status of our reserves

It is forecast that, at 1 April 2025, the General Reserve will start the year at £342k, £8k below the £350k stated in Financial Regulations. It will be reviewed at year end and presented to Council for approval at the May 2025 meeting. Council will need to decide whether to waive the Financial Regulations for 2025/26 regarding the setting of the General Reserve figure.

Earmarked Reserves are amounts that have been established – sometimes over several years – to pay for specific projects. For example, we add to an Elections EMR annually to cover the costs of the next elections. EMRs are also created when budgeted work is postponed from one year to the next. The forecast list of EMRs (after proposals above) is at [Appendix 4.4 and can be viewed on the website here](#). It will be adjusted again at year end and presented to Council for approval at the May 2025 meeting.

Recommendations

1. Approve the work programme for 2025/26 at Appendix 4.1
2. Approve the proposed management structure for 2025/26 at Appendix 4.2
3. Approve the budget for 2025/26 at Appendix 4.3
4. Approve the General Reserve to be £342k at 1/4/2025 and thereby waiving the Financial Regulations which state that the General Reserve should be £350k
5. Approve the forecast Earmarked Reserves at 1 April 2025 at Appendix 4.4
6. Approve the precept demand of £2,777,932 to be submitted to Somerset Council