

BUDGET 2024/25 (agreed at Full Council meeting 11th December 2023)

1. Background

The precept is the Parish Council's share of Council Tax and enables the delivery of local services, maintenance of assets, and investment in improvements.

Council Tax bills include contributions to:

Hampshire County Council; Eastleigh Borough Council; Police & Crime Commissioner; Fire & Rescue Authority; **Hamble Parish Council** (precept)

The Parish precept typically represents **around 5% of a resident's total Council Tax bill**.

2. Structure of the Parish Council Budget

The agreed budget for 2024–2025 is built around four core components:

2.1 Expenditure

Expenditure reflects the cost of maintaining and delivering Council services and includes:

- Grounds and open space maintenance
- Management of buildings and Parish facilities
- Environmental works, community projects, and events
- Staff costs, utilities, and operational overheads

2.2 Income

Income supports expenditure and is sourced from:

- Fees and charges, including Foreshore car park and facility hire
- Contributions from partner organisations
- The precept

Income opportunities remain limited as the Parish currently receives no direct developers contributions directly.

2.3 Precept

The precept is collected by EBC on behalf of the Parish Council and is issued in **two instalments** each year. It is the Council's most reliable income source and is essential for meeting core service costs.

2.4 Reserves

Parish Councils must maintain adequate financial reserves — usually the equivalent of **six months of annual expenditure** — to meet emergencies or unforeseen events.

- Hamble's average monthly spending is approx. **£35,000**, creating a reserve requirement of around **£210,000**
 - Current reserve balances at the end of March 2023 (Box 8 AGAR): **£124,705**

A portion of these reserves is allocated to **Earmarked Reserves (EMRs)** for specific future projects.

3. Considerations Leading to the Decision

3.1 Rising Costs and Service Pressures

The Council faces increased costs across several areas, including staffing, grounds maintenance, utilities, and contract services. A precept increase is necessary to maintain service levels and avoid reductions.

3.2 Review of Fees and Charges

A review was undertaken to ensure fees and charges remained appropriate. Some increases were applied, including at the Foreshore car park, to support income generation. However, these increases alone are insufficient to cover inflationary pressures.

3.3 Sustainability of Reserves

Although reserves have been used previously to fund projects (e.g., Foreshore benches), this approach is no longer sustainable.

To meet national guidance and maintain financial stability, reserves must be protected and not used to subsidise ongoing operational costs.

4. Precept Decision for 2024–2025

At the Full Council meeting on **11 December 2023**, Councillors agreed that the precept for 2024–2025 should increase by **5%**.

4.1 Precept Demand & Impact on Band D Properties

- **Total Precept:** £292,823.26
- **Percentage Increase:** 5%
- **Band D charge:** £151.08
- **Annual increase:** £7.19 per household

This decision ensures a balanced budget, maintains service delivery, and protects required reserve levels.

5. Conclusion

The decision to increase the precept by 5% for 2024–2025.