

BUDGET 2025/26 (agreed at Full Council meeting 13th January 2025)

For the financial year **April 2025 – March 2026**, Hamble Parish Council is asked to consider a proposed **25.4% increase to the precept**, which would result in a **Precept Requirement of £366,250.42**.

For an average Band D property:

- **Band D charge:** £189.40
 - **Annual increase:** £38.22 per household (£3.19 per month)
-

2. Structure of the Parish Council Budget

2.1 Expenditure

The proposed 2025/26 budget reflects the cost of delivering and maintaining essential Council services, including:

- Grounds and open space maintenance
- Management of community buildings and facilities
- Environmental works, community projects, and events
- Staffing, utilities, contracts, and operational overheads

Key cost pressures expected in 2025/26 include:

- Increases to National Insurance from 1 April 2025
- Staffing costs as the Council returns to a full complement of seven employees
- Higher costs for public space and facility maintenance
- Rising prices for materials, utilities, and contracted services

2.2 Income

Income is sourced from:

- Fees and charges
- Partnership and contribution income
- The precept

Income streams remain limited, and the Council continues to receive no direct developer contributions, increasing reliance on the precept.

2.3 Precept

The precept, collected by Eastleigh Borough Council, remains the Council's most reliable income source for core operational costs. Councillors are asked to consider whether the proposed level provides sufficient financial resilience.

2.4 Reserves

Parish Councils are advised to maintain reserves equivalent to approximately six months of operational expenditure.

- Average monthly spending (2025/26): £35,000
- Required minimum reserves: £210,000
- Reserves at March 2024 (as per box8 of the AGAR) : £178,559 (including earmarked reserves) estimated reserves for 2025 £230,698

Reserves should not be relied upon for routine operational costs and must remain protected for emergencies and future projects.

3. Key Considerations

3.1 Rising Costs

Increased expenditure across staffing, maintenance, utilities, and contracted services will place pressure on the budget. Without additional income, reductions to services may be required.

3.2 Review of Fees and Charges

A review has been undertaken to ensure fees and charges remain fair and comparable to market rates. While minor increases are proposed, the resulting income uplift is modest and insufficient to meet wider inflationary pressures.

3.3 Sustainability of Reserves

Reserves have supported previous one-off projects but cannot sustainably support ongoing operational spending. They must remain sufficient to:

- Ensure financial stability
 - Support emergency responses
 - Enable future capital investment
-

4. Precept Recommendation for 2025–2026

Councillors are asked to consider the proposal to increase the precept by **25.4%** in order to maintain service levels, meet rising costs, and fund agreed strategic priorities.

5. Rationale for the Proposed Precept Increase

5.1 Rising Costs

The proposed increase reflects the need to maintain service delivery despite rising costs, including:

- Higher National Insurance and staffing costs
- Increased maintenance needs for public spaces and facilities
- Rising prices for contracted services, utilities, and materials

5.2 Investment in Local Assets

Several assets require renewed investment following periods of underfunding. The proposed budget provides for:

- Repairs and maintenance at Mount Pleasant
- Foreshore toilets and village car park upkeep
- Replacement and repair of benches, bins, and public infrastructure
- Improvements to community green spaces
- Strengthened asset management to reduce long-term liabilities

5.3 Funding the Hamble Airfield Appeal

The Council continues to work with:

- Hamble Peninsula Residents Group
- Eastleigh Borough Council

to challenge Cemex's appeal regarding the proposed quarry. The proposed precept uplift would help meet costs associated with:

- Legal advice and representation
- Specialist consultants and technical assessments
- Preparation of evidence and strategic casework

This ensures the financial burden is shared fairly across the community through Council Tax.

6. Conclusion

Councillors are invited to consider the proposed **25.4% precept increase** for 2025/26, which aims to:

- Sustain essential services
- Invest in community assets
- Protect and rebuild reserves
- Support the Hamble Airfield appeal

The proposal is designed to deliver a balanced, sustainable budget for the year ahead.

At the **Full Council meeting on 13 January 2025**, Councillors **resolved to adopt the proposed 25.4% increase**, resulting in a **Precept Requirement of £366,250.42**. This decision enables the Council to maintain services, invest in local assets, protect reserves, and support strategic priorities for the coming year.