Kenilworth Town Council Budget 2025/26

Introduction

In setting a budget for 2025/26 Kenilworth Town Council ('KTC') seeks to ensure as far as possible the Council is able to:

1) operate an efficient Council;
2) invest in priorities that help make Kenilworth an even better place in which to live, work, learn and visit, and
3) deliver value for money for taxpaying residents.

Background

a) The majority of KTC's expenditure is almost an unavoidable cost of being a lowest tier local authority. 70% of total expenditure is budgeted to be spent on Administration, Governance and Civic activities in 2025/26. This means only 30% of KTC expenditure is currently spent directly on supporting community organisations and events
b) The majority of KTC's income comes from the precept or Council tax raised from residents. In 2025/2026 it is proposed that only 14% of income comes from non-precept sources.
c) The number of households paying Council tax ('the tax base') will increase to 10,496 Band D equivalents. We are grateful to WDC for providing this information in time for us to set our budget
d) Whilst KTC can control the income it raises from the precept, it has no influence over the level of Community Infrastructure Levy ('CIL') money that is received as a result of the number of new properties built in the town. This has implications for both the amount of interest earned from holding CIL funds and the administration costs that can be recovered for processing CIL grant applications.
e) KTC precept is a very small part of the Council tax paid by Kenilworth residents. For a Band D property it's less than 2% of the total.
f) As set out in KTC's reserves' policy, responsible governance requires that KTC has at least £75K in unrestricted reserves, i.e. not earmarked for any specific purpose.
g) The money that KTC has in reserves is taxpayers' money and to be used for the benefit of the town not accumulated for no apparent purpose.

The 2025/26 Income and Expenditure Budget

The attached spreadsheet proposes a total budget as follows:

		2025/26
Income	Precept	£281,815
	Non-precept sources	£24,200
	Transfer from reserves	£20,000
	TOTAL	**£326,015**

The precept income assumes the change in the tax base noted above with a Band D household paying £26.90 per annum. This represents an increase of £2.17 ***per year***.

Expenditure

The increase in Administration & Governance costs can be accounted for largely by increased staff costs, both salary and pension provision, of £28K compared to 2024/25. This results from a formal salary review and a decision to move members of staff to the Local Government Pension Scheme to bring their pension arrangements in line with other staff working for local authorities. The recent government decision to increase employer National Insurance contributions also affects the Council and results in a further staff cost increase.

The community grants and projects budget reduces slightly because the core funding for the Kenilworth Centre is reduced to £25,000 as agreed in the three-year settlement to provide core funding agree in 2023.

Impact on future reserves

A report on the impact on future reserves will be presented to the Council at its meeting on Thursday 16th January before the budget is approved.

Risk Analysis

86% of KTC's proposed income in 2025/26 will come from the Council tax precept to which no risk is attached. However, there are still income risks that a) interest rates may fall leading to less interest income and b) less CIL money may be received because of fewer houses being built. KTC has no influence over these issues and the only mitigating actions would be either to reduce investments in community projects or increase the funds transferred from reserves.

As far as expenditure is concerned, the major risks are that a) the funds set aside for elections are inadequate, b) the Jubilee House service charge is greater than expected and c) the demand for community grants is greater than budgeted. The level of investment in community projects will be strictly controlled but there is little mitigating action possible, other than drawing from reserves, that can be taken for either increased /additional election costs or a higher than budgeted Jubilee House service charge.

Summary

The proposed Council tax precept of £26.90 per annum in 2025/26 for a Band D household in Kenilworth still ensures that Kenilworth residents pay relatively little compared to other residents in the district for services provided by their nearest local authority.

The proposed budget will also result in the Town Council still having an acceptable level of reserves.

Cllr James Kennedy
Leader Green Group Kenilworth Town Council

Cllr Kate Dickson
Leader Liberal Democrat Group Kenilworth Town Council