

Sutton Parish Council

Budget Proposal for 2026/2027



The Budgeting Process

- Parish councils can raise revenue to meet their spending requirements by issuing a 'Precept'
- Every year in November or December the Parish Council needs to agree the Precept for the next financial year
- The Finance Working Party reviews the council's spending commitments and creates a draft budget for the next year
- The council discusses and agrees the budget for the next financial year
- The council then agrees the Precept, which together with other income and drawings from Reserves, needs to cover the planned expenditure

Sources of Income

- **The Precept**
 - This is the total amount to be raised through the Council Tax from all the dwellings within the parish
 - The 'Precept' is converted into an amount per Council Tax band and is part of the Council Tax bill from the District Council
- **Income from Facilities**
 - Hiring fees charged on users of the Community Room, the Pavilion and The Glebe
- **Income from Community Infrastructure Levy**
 - The Community Infrastructure Levy (CIL) is a charge levied by local authorities on new development in their area
 - It can only be spent to provide new infrastructure or maintain existing infrastructure needed to support new development

Recap on 2025/26 Budget

- Budget for 2025-26 has seen a decrease in utility costs but facility hire income has dropped
- Precept decision for 2025-2026:
 - Precept rose from **£ 188,960** to **£200,000** a Council Tax rise of **£9.27** to **£139.59** for a Band D property **(+6.9%)**
- Forecast General Reserve rise to 54% of Net Operating Requirement by 31 March 2026
 - Recover to 32% by 31 March 2027
 - Remain steady at around 30% by 31 March 2028

Backdrop to 2026/27 Budget

- Started 2025/26 with a strong level of Reserves
 - General Reserves of £96,802 at 31st March 2025
 - It is anticipated that the balance on 31st March 2026 will be approx £108,761 (54% of Net Operating Requirement)
- Need to keep General Reserve above 25% of Net Revenue Expenditure
 - Based on guidance from Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide March 2025

Key Budget Changes 2026/27 (1)

- Salaries/NIC/Pension/Tax contributions have all risen due to Annual Pay Awards and budget allows for a 4% rise for 2026/27.
- Funding for grants has increased from £2,500 to £3,000.
- Grass cutting adjusted to align with the higher anticipated costs in 2026/27.
- Added £10,000 for a Youth Club, details to be determined

Key Budget Changes 2026/27 (2)

- Adjusting expected income from Facilities -
 - Total income forecast at £21,080 for 2024/25
 - Total income forecast at £20,330 for 2025/26
 - Total income forecast at £20,150 for 2026/27

Recommendation for Precept

- Last year agreed precept of **£200,000**
 - A Band D Council Tax of £139.59 (+6.9%)
 - Annual increase of **£9.27** or **18p per week**
- Proposal for 2026-2027:
 - Precept to remain the same at **£200,000** Leading to Council Tax rise from **£139.59** to **£140.28** for a Band D property (<1%)==
 - Annual increase of **£0.67p** or **1.3p per week**

Impact on the General Reserve

- Starting position on 31 March 2025
 - General Reserve balance of £96,802
- Anticipated impact on GR in current financial year
 - Anticipated gain of £11,959 by year end
 - Leading to GR balance of £108,761 on 31 March 2026
- Anticipated spend from GR in 2026/2027
 - Draft budget forecasts decrease of £12,240 in 2026/27
 - Leading to GR balance of £96,521 on 31 March 2027

Medium Term Outlook

- **Short term:** General Reserves are comfortably above 25% minimum at the end March 2027
- **Medium term:** Balanced budget should be feasible without further action on General Reserves
 - Precept increases expected to roughly track inflationary pressures on future expenditure
 - Mortgage payments of £12,000 per year for The Glebe cease March 2027 which will reduce the income/expenditure gap to zero
 - New properties being build in the parish could enable reduced future Council Tax increases or further services

Earmarked Reserves 2025/26

- CIL totals **£138,839.77**
- Agreed to allocate CIL Money as follows;
 - Footpath Bowls Club **£9580**
 - Glebe Rear Garden Refurb £5,000
 - The Old Rec Ditch **£4995**
 - Glebe Windows £10,000
 - Glebe Maintenance £2,500
 - Pavilion Maintenance £2,500
 - Community Room Maintenance £2,000
 - LHI Weight Restriction £15,000
 - Total £42,575

Earmarked Reserves 2025/27

Future CIL Payments:

- 11 February 2026 - £88,837.06 to be paid to SPC March 2026
- 16 June 2026 - £133,255.59 to be paid to SPC October 2026
- 08 December 2026 - £133,651.09 to be paid to SPC March 2027