

# **Battisford Parish Council**

## **Discussion paper- Annual Precept 2026/27 Paper discussed on 20.1.26**

### **1. Background**

Each year Parish Councils are required to consider their financial position and review the Precept (the proportion of Council Tax allocated for Parish Council functions and services) payable by residents.

### **2. What is the Precept used for?**

The Precept funds almost the entire function of the Parish Council (with the exception of income from external grants, and other payments, such as Cemetery fees), and covers;

- Provision, maintenance, and upkeep of local amenities such as the Village Green and Parish Cemetery, dog and litter bins.
- General administrative function, training and associated technical, financial, and legal support.
- Salary for the Parish Clerk/Responsible Financial Officer.
- IT services and information disseminated to the wider community, supported by IT hardware and software for the Clerk/Responsible Financial Officer.
- Grants to local interest groups.
- Support for local events.

### **3. What must Councillors consider?**

**3.1. Current financial and other assets-** this includes the balance held in the current and Reserves (savings) accounts. Councillors should also consider the condition and lifespan of all Parish Council assets.

**3.2. Anticipated expenditure-** the Parish Council annually conducts a due-diligence/forecasting exercise to scope, and prioritise, ongoing and new financial commitments, and therefore expected spend over the next 1-3 years. Forecasting is influenced by current and historical spend, anticipated cost increases for goods and services, and variance from anticipated expenses/income. The 2026/27 budget forecast has been prepared and should be referenced when determining the new Precept.

**3.3. Additional (one-off) burdens-** forecasting also includes provision for additional burdens, such as events of national importance, or expected (or unexpected) capital expenditure (e.g. acquisition of new assets or replacement of the Speed Indicator Device).

**3.4. Cost of living (Office of National Statistics/Consumer Price Index)-** when determining the reasonableness of any proposed Precept increase, the underlying cost-of-living data (the Consumer Price Index), supplied by the Office of National Statistics should be referenced. The CPI reflects inflation applied to a range of goods and services over the last 12 months (to November 2025) of 3.2%. Previous years' data gives an indicator of the longer-term trend. The figures for the past five years are:

**Table 1**

<b>Year</b>	<b>CPI</b>
2021	2.59%
2022	9.01%
2023	7.3%
2024	2.53%
2025	3.2%
<b>5 year trend</b>	<b>4.93%</b>

The figure for 2025 is therefore below the five-year trend but increased slightly from 2024.

**3.5. Affordability for residents-** Councillors should be mindful of the impact of any increase upon residents, particularly those on lower incomes. The Parish Tax Base (Precept) calculator provided by Mid Suffolk District Council calculates the increase for Band D Council Tax charges, allowing Councillors to understand the direct financial impact on residents. Consideration should also be given to the general economic climate.

**3.6. Reasonableness-** There is currently no cap on the increase a Parish Council may apply to its Precept, but any proposed amount must be:

- Reasonable.
- Proportionate.
- Justifiable.

**3.7. Longer-term financial stability-** Whilst it may be tempting in times of austerity to not increase the Precept, Councillors should be mindful that to do so has a cumulative and compound effect for future years. This is particularly impactful if inflation should increase and therefore widen the gap between actual spend and income raised through the Precept.

## 4. Current financial position and Reserves

- 4.1.** At time of writing (January 2026) the Parish Council had spent £15,215 against a (year-to-date) forecast spend of approximately £12,000. However, this includes circa £2,800 of commitments and late billing from the 2024/25 financial year, as detailed and accounted for in the 2024/25 Annual Accounts. It also includes an additional spend (cemetery gates repair) that has been largely offset by £745 grant money received. The actual spend is therefore reduced by around £3,500, and is broadly in line with that forecast (£11,700 vs £12,000).
- 4.2.** The budget forecast for 2026/27 is £15,152. However, should Councillors agree to the proposal to increase the Clerk's working hours to ensure statutory responsibilities are met and Council administration is better served, the forecast increases to £16,552.
- 4.3.** The 2025/26 Precept was £14,791, which is £361 below the minimum 2026 forecast, and £1,761 below the minimum realistically expected.
- 4.4.** Reserves enable the Parish Council to hold a reasonable 'savings' budget to support future projects and foreseeable expenditure/renewal of assets (e.g. replacement of play equipment). It caters also for the replacement of failing assets and unforeseen changes that may arise from legislation and statutory responsibilities. At time of writing (January 2026), the Parish Council had £5,572 in the current account and £25,071 in Reserves.
- 4.5.** Reserves held have increased by £5,474 from December 2024 and are considered reasonable; however, there is strong expectation that the Parish Council will need to commit substantially to:
- Consider an increase in Clerk hours (and hence salary) to ensure compliance with legislation and statutory responsibility.
  - Consider remedial works to, or replacement of, assets such as play equipment at the Village Green.

## 5. Considerations

- 5.1. Additional funds-** in the light of the information provided in this paper and the accompanying budget forecast, Councillors should consider an increase to Precept to reflect the forecast 2026/27 budget of £16,552. This figure reflects:
- The spend for 2025/26 is forecast to not exceed that budgeted for.
  - Reserves of £25,071 are considered reasonable, and have increased by £5,474 since 2024/25, boosted in the short-term by £5,000 transferred from the 2025/26 Precept payment. However, a significant proportion of

this transfer will be required for asset maintenance/replacement in 2026/27 and beyond.

- Increased revenue and employment costs (annual pay rise), and increase (if agreed by Councillors) in Clerk's hours worked, will be realised in 2026/27. If this increase is not covered by an uplifted Precept, costs will have to be met from Reserves which will reduce the amount held and may impact on any aspirations for asset replacement.
- Capital (Reserves) spend will be considered by Councillors in due course and should be prioritised to support the statutory functions of the Parish Council and community need.
- Financial grant support from our County and District Councils and Councillors, totalling £2,683, has greatly supported the Council's aspirations in 2025/26, and thus significantly reduced the spend from Parish Council Reserves. However, grant support, whilst always sought when available, is not automatic and should not be expected to fund the Council's statutory responsibilities and day-to-day business.
- An increase in line with CPI (inflation) of 3.2% rise would increase Precept from £14,791 to £15,309 (an additional £518). Whilst this increase would cover forecast minimum expenditure, it does not provide sufficient revenue for anticipated increased staff costs.

5.2. Table 2 below gives examples of % increases applied to the 2025/26 Precept, the impact on forecast expenditure, and the cost to a Band D Council tax bill.

**Table 2**

<b>% Increase</b>	<b>2025/26 (£14,791) plus increase</b>	<b>Increase</b>	<b>Difference from 26/27 <u>minimum</u> (£15,152)</b>	<b>Difference from 26/27 <u>expected</u> (£16,552)</b>	<b>Band D Council Tax</b>	<b>Band D increase</b>
<b>0%</b>	£14,791	£0	-£361	-£1,761	£55.76	£0
<b>2%</b>	£15,131	£340	-£21	-£1,421	£56.87	£1.11
<b>3.2% (CPI)</b>	£15,309	£518	+£157	-£1,243	£57.54	£1.78
<b>5%</b>	£15,576	£785	+£424	-£976	£58.55	£2.79
<b>7%</b>	£15,873	£1,082	+£721	-£679	£59.66	£3.90
<b>9%</b>	£16,170	£1,379	+£1,018	-£382	£60.78	£5.02
<b>11.58%</b>	£16,552	£1,761	+£1,400	<b>£0</b>	£62.22	£6.90
<b>12%</b>	£16,615	£1,824	+£1,463	+£63	£62.45	£6.69

### 5.3. Cost to residents

Example percentage increases to the Parish Council Precept element of Band D Council Tax would cause annual increases detailed in Table 2.

#### **5.4. Long-term impact**

Any change to Precept should support the Parish Council's Aim and Current Objective:

**Aim:** To work with the community of Battsford to improve the environment and well-being of the Battsford community in a transparent and lawful manner

**New Year Objective:** As well as normal business, to ensure that the community assets which the Parish Council are responsible for are regularly maintained and inspected, and remedial action taken as required.

#### **6. Conclusion**

Councillors are asked to consider and debate a 2026/27 Precept **increase to meet the anticipated minimum spend of £16,552.**

##### **Note**

Assuming an increase to Clerk's hours as proposed, the forecast minimum spend for 2027/28 is £17,380, and for 2028/29 is £18,249. These figures represent increases of 17.2% and 23% above the 2025/26 Precept. Councillors may therefore wish to consider a staged increase of 7-8% annually over 3 years to achieve the Council's revenue needs, albeit this would require some draw-down of Reserves.