

Agenda Item 9 – Budget 2026-27 Update

A spreadsheet accompanies this paper giving draft figures.

Decisions on the budget are for the extra meeting on the 18th December 2025. This paper is for information only for the 11th December meeting. Some key considerations and suggested recommendations for the budget meeting are set out below.

Allocation of predicted underspend:

1. There is a predicted underspend of circa £25k. It is **recommended** that this is allocated as follows:
 - i. An elections earmarked reserve is set up and £2,000 of the underspend is transferred to this to allow for contested elections. A further £1,000 has been allocated in the draft revenue budget under Office Admin.
 - ii. A Local Government Reorganisation earmarked reserve to be set up and £10,000 of the underspend transferred to this to start building up a fund towards acquiring assets or taking on additional services that may be required or prudent to undertake because of devolution. See note 2 below.
 - iii. £4,000 is added to the Legal Expenses earmarked reserve, which ties in with ii above – legal costs to acquiring assets and/or taking on additional services. A further £1,000 has been allocated in the draft Capital Budget. With existing Reserves this will increase the available funds for legal services to £15,000.
 - iv. £3,000 is allocated to the Chestnut Drive play area earmarked reserve, now at nil balance, to allow for unplanned repairs and maintenance work.
 - v. £3,000 is allocated to the Worcester Crescent earmarked reserve to allow for the replacement of the Multiplay within the next couple of years as set out in the Capital Programme plus ensuring sufficient additional funds remain in the reserve for unplanned repairs and maintenance.
 - vi. £3,000 is allocated to the Neighbourhood Plan Reserve for projects coming forward from the advisory committee. Alternatively, or in addition, monies could be transferred from the General Opportunity or Local Community Projects reserves when projects come forward, subject to the approval of Council.

These are estimates, the exact amount of the underspend will not be known until the end of year budget is finalised as at 31.3.2026. It is

therefore **recommended** that the Clerk is given delegated authority for the allocation of the final figures, subject to these being broadly in-line with the amounts approved at the December 2025 budget meeting with the final figures reported to Council in April 2026. Council has the option to transfer funds between earmarked reserves, transfer funds from the general fund to an earmarked reserve or create further earmarked reserves at any point in the year subject to resolution, available funds and budget.

Budget/Precept 2026-27:

2. It is **recommended** that given the funds already in reserves for local projects the Capital budget for this is removed from 2026-27 and instead £5,000 allocated towards the potential costs of Local Government Re-Organisation. With the reserves set out in 1(ii) this will give a total of £15,000 to be used for the acquisition of assets or taking on some services.
3. It is **recommended** that the insurance budget is increased to £2,500 to fully cover all physical assets for loss or damage.
4. Other draft costs amended in line with either known contract costs, forecast based on previous or known likely spend (increase or decrease) with allowances made for increases as deemed appropriate.
5. It is **recommended** therefore that Council approve the budget as set out in the accompanying spreadsheet.
6. It is **recommended** that Council agree that the Precept should be formally set at £77,664 for 2026-27 at the 8th January Council meeting. This represents a 1% decrease from the previous year, a reduction of £2.20 on the annual precept for a Band D property due to the increase in the number of Band D properties.

Debbie Bird
Willand Parish Clerk
December 2025