Agenda Item 11 – Budget 2027-28

The Clerk, as the Responsible Financial Officer, has started planning the budget for the next financial year 2027-28.

Some points to note:

- Costs relating to contracts will be increased as per the agreements.
- Other regular costs will be increased by an indicative amount, based on inflation or the previous year's increase/spend, or decreased if spend is falling regularly below the budgeted amount.
- The Clerk is speaking to contractors and service providers, where required, to obtain an indicative rate/increase for the next financial year.
- Allotment fees to rise by 5% from October 2027. This is in line with previously agreed annual increases. 12 months' notice has been given as required by legislation to increase water charges from October 2027 to meet increased costs.
- The Clerk has reviewed Cemetery fees, which are still in line with the fees being charged by other local parishes.
- The annual national pay increase for this financial year was 3.3%. Next year's increase will be based on this year's.

Potential Underspend

This year, once again the Clerk is forecasting an underspend, which is in the main due to the following:

1. No impact as yet from Local Government Re-Organisation (LGR) and as this is now paused by the Government with a review pending there is no clear direction as to the way forward at present.
2. Potential projects not yet coming forward
3. Some costs are lower than expected

The forecast underspend could change over the next few months if projects start coming forward or there is unplanned or additional spend.

The Clerk will make some suggestions for Council to consider as to the allocation of the predicted underspend as part of the budget setting process.

Key things for Councillors to consider:

- LGR is paused with a review pending. There is already £10,000 in an LGR earmarked reserve plus £14,000 in a legal expenses earmarked reserve, if required.
- Parish Council elections in 2027. If contested this costs several thousand pounds. If not contested the charge will be very much less. Consideration to be given to allocating additional funds for training as there will be a new Council from May 2027 with potentially some new Councillors.
- Consideration being given to re-joining DALC. Dependent on the outcome of item 14 this cost may need to be added to next years budget.
- Sufficiency of earmarked reserves for play areas – do any need additional funding? Any potential S106 monies will not become available for 3-4 years. Some play areas are showing their age i.e. Worcester Crescent and some

equipment is getting tired/worn in other play areas and likely to need replacement in the next couple of years.

- Projects – Consideration needs to be given as to any projects the Council would like to pursue and what funds will be needed. What funds are in reserves that could be used? What additional funds are required? Is additional Capital budget required? Are there external sources of funding available?
- It is prudent to hold around 6 months of the Precept amount in an Operational Reserve for the size of the Parish and ideally this should not be less than 3 months or more than 12 months revenue expenditure. This is a contingency to ensure that the Parish Council can continuing functioning if there are any issues/delays with receipt of the Precept or any unforeseen issues and expenses not covered by other reserves. The council last increased this figure in 2024 and it stands at £35.5k. It is suggested therefore that it be increased by around £5,000 to bring up to 6 months of the current Precept and that this is allocated from the predicted underspend.

The budget will be finalised for full consideration and agreement at the special budget meeting to be held on the 17th December, with the Precept being set at the 14th January meeting.

Debbie Bird
Clerk to Willand parish Council
October 2026