

REPORT TO PARISH COUNCIL

Date of Meeting: 18 November 2025
Title: Budget – 2026 / 2027
Report of: Finance and Risk Group

SUMMARY:

To consider the remaining income and expenditure for 2025/26 and to consider the setting of the level of precept for 2026/27.

REPORT:

Last year, significant concerns emerged over drainage issues on Houghton Village Green, Brunstock Common, Linstock Village Green and Crosby playing field. A difficult decision was taken, therefore, to increase the precept for the first time in a number of years. However, although some works have been completed, others have been managed without significant expenditure or confirmed to be out with the Council's responsibility. This means the Council is in a stronger position financially than anticipated. This strengthened financial position means that the Council can consider reintroduction of its earlier plans of street furniture replacement and increase its grant support to local organisations. The following report will therefore outline the remaining plans for the current financial year, detailing expected expenditure and income, and recommended options for 2026/27.

Expenditure still to be incurred for the remainder of this financial year is estimated at £23,265 and includes:

- Routine administrative costs, such as expenditure on the Clerk and Assistant, administration, stationery, and the internal audit. Budget has been allocated for printer ink and minor office equipment as currently required commensurate with the replacement of the IT equipment.
- Expenditure on immediate necessary tree works, the Linstock track traffic barrier, a replacement gate for Brunstock common land and a new battery for the SID in Houghton.
- Drainage on Brunstock common, estimated at £8501.

Expenditure in 2025/26 is therefore estimated currently to be £61,063. Income expected will be a VAT repayment along with some bank interest.

At present, based upon information available to date, it is estimated that we are likely to hold approximately £47,796 in reserves at the end of March 2026. As explained in previous years, the external auditor recommends that the level of reserves held are equal to 3-12 months gross expenditure, i.e. (based on 2024/25 actual spend) between £15,466 and £61,863. The Council is therefore anticipated to hold reserves that are comfortably within these limits.

Budget 2026/27

The Council is required to set its budget and determine the precept by early January, although Cumberland Council have not yet confirmed the date. The precept will therefore need to be determined at the December meeting. Adjustments to the budget for 2026/27, recommended by the Clerk, are outlined below.

Parish Council Services and Projects

Services and projects, as normal, form the bulk of the projected expenditure in 2026/27.

- The grass cutting budget has been maintained as the contracted price was to remain static for the three-year duration. It is noted that, as normal, the full budget has not been spent in the current financial year, however provision must be allocated for the contracted sum. As such, additional provision for hedge cutting is made in the general maintenance budget.
- The general maintenance budget has been substantially increased. The bulk of the expenditure is anticipated to be required for tree and hedge works as well as any necessary repairs to existing street furniture.
- A sum has been allocated for drainage works around Houghton Village Hall still requiring maintenance.
- A budget has been allocated for tree works which are ongoing and identified in the recent inspection (priority 2 and 3). Budget is also made for planting, and aeration works at Brunstock common.
- Provision is made for 1 or 2 replacement noticeboards as part of a rolling street furniture update programme as well as an automated speed indication device for installation on Houghton Road. Consideration will be given as to where/if the existing board is to be re/located.
- The summer play scheme budget has been increased slightly.

The budget is therefore recommended as:

• Community Development	£7,500
• Rural Play Scheme	£1,200
• General maintenance	£10,000
<u>Total</u>	<u>£18,700</u>

Administrative Budget

Employees

- The Clerks Gross Salary and Admin Assistant Salary have been increased to accommodate a probable increase in NJC scales. Please note that although this budget is increased, it remains lower for the two current members of staff than it would have been for the Clerk alone, as the Clerk has reduced working hours at the higher pay grade. This arrangement has been working adequately and is anticipated to continue throughout the next financial year.
- In line with current expenditure, modest increases have been made to admin budgets where required to cover increases due to inflation.

Grants

It is proposed that for next year, the grant budget is increased to £6,000; however, it is not proposed that the grant criteria are amended (i.e. only capital project are to be supported).

Income

The only guaranteed income source is the precept. VAT returns are made annually, although the figure is contingent upon expenditure incurred. Any other income achieved will be through grant income for specific projects, not yet applied for although this cannot be relied upon in the current financial climate. Bank interest will be reduced in the

forthcoming year due to a reduction in interest rates and will be naturally declining due to the reducing bank reserves.

Level of Precept Required

If the Council agree with the budget decisions above, then expenditure will be approximately £59,043. The precept last year was £51,150. It is suggested that this precept amount is retained for the forthcoming financial year. There is no requirement to raise the precept at this time. If expenditure is realised, the Council will hold in reserve £40,503 on 31st March 2027 however this amount will increase if full expenditure of all budgets is not realised.

ACTION:

The Finance/Risk working group is asked to consider the above budget and consider if any further items of expenditure (or income) need to be considered before agreeing the following recommendations for the Finance/Risk group to present to the Full Council in December: -

- To accept the proposed budget for 2026/27
- To consider agreement to retain the precept at £51,150 for the Council year 2026/27.