

## Budget 2026/27 – Councillor Briefing

### Purpose

To review the draft 2026/27 budget, note the two-year phasing of the Clerk salary uplift via reserves, and agree the assumptions to finalise at the January meeting (to set the precept).

### Headline position (draft)

- **Total expenditure from income (26/27):** £12,881.50
- **Non-precept income (interest + VAT + other):** £660.00
- **Clerk salary at SCP27 with on-costs (QE pension, NI):** £7,452.50
- **Even phasing of uplift from 25/26 → 26/27:** total uplift £2,390.50 → £1,195.25 covered by reserves in 26/27 and £1,195.25 in 27/28.

### Implied precept

- **2026/27:** £11,026.25 (= £12,881.50 – £660.00 – £1,195.25)
- **2027/28 (illustrative):** £11,873.75 (= £13,529.00 – £460.00 – £1,195.25)

*(Precept %s vary because other lines move—CPI, VAT assumptions, etc.—not because the salary split isn't even.)*

### Assumptions used

- **CPI uplift:** 4% applied selectively.
- **VAT income:** cautious (rather underestimate than over).
- **Some lines held:** e.g., Training held flat.
- **Fingerpost ESCC match funding (Twelve Oaks):** not assumed (treated as upside only).
- **Salary phasing policy:** uplift funded evenly over two financial years via reserves.

### Reserves – current trajectory

- **Opening general + earmarked (25/26):** £7,728.87
- **26/27 draws:**
  - Earmarked/projects (incl. Fingerpost): £1,195.25 (salary split) + project amounts per draft.
- **Illustrative 27/28 draw:** second £1,195.25 (*salary split*).
- **By end of Year 3 (latest projection shared):**
  - **Expenditure:** £13,862.00
  - **Closing reserves:** £2,799.16 → 20.19% of annual spend ≈ 2.42 months cover.
  - **Reference point:** small councils commonly aim for 3–6 months of gross spend.

**Gap to reach 3 months at end of Y3:** ~£666 additional reserves. This could be achieved through underspend or increased precept.

## Contingency – Clerk recruitment risk

If no replacement Clerk is in post at end of Jan 26:

- Locum cover (Feb–Apr): 15 h/month × 3 months × £40/hour = £1,800.00
- Scope: core operations only (meetings and finance; no planning comments).
- Funding: Reserves.
- Note: broadly similar to paying 90 hours at SCP27 incl. on-costs (£1,863.12), so limited impact on overall position, but should be flagged.

## Options councillors may wish to consider (to smooth precept or protect reserves)

1. **Fix S.137 grants (non-BVH) for 3 years** (no CPI uplift).
2. **Prioritise BVH only** under S.137 (no legal duty to fund other grants).
3. **Trim CPI to 3% (or 0%)** on selected lines (subs, web/hosting, bank charges) if desired. Runs risk of cost increases not being budgeted for.
4. **If ESCC Fingerpost match is received**, transfer up to £1k to General Reserve at year-end (don't build into the precept).

## Decisions requested

Confirm the two-year phasing approach and the reserve draw of £1,195.25 in 26/27 (and the same in 27/28).

- Agree **which lines (if any)** to cap or de-inflate (S.137 policy, specific CPI trims).
- Endorse a reserves target (pragmatically 3–6 months), with an acceptance that current trajectory ends Year 3 at ~2.4 months unless changes are made.
- Note and accept the **locum contingency** (3 months @ 15 h/month, core-only) funded from reserves if required.

## Timeline and next steps

- **12 Nov:** Councillors provide feedback/steers (CPI scope, S.137 policy, reserves target, locum contingency noted).
- **Late Nov/Dec:** Clerk to revise draft per steers; plug any updated VAT or grant info; reflect ESCC match decision if it arrives.
- **Jan meeting:** Finalise budget and set precept to meet the council's agreed risk appetite and reserves target.