Brightling Parish Council – Budget 2027'28 Councillor Briefing Note (November Meeting)

1. Purpose

To look at options for the Council's budget for 2027'28 so that the Council can move to formally set and submit the precept (in January). By the end of the November meeting Councillors should resolve their chosen option (or amalgamation of options if that is the preference).

The draft budget options presented reflect the forecast end of year position based on actual expenditure to end October 2026.

Councillors are reminded that the budget should be set based on realistic, estimated costs for the year ahead, alongside any reserve allocations previously agreed or needed to rebuild to recommended levels. The precept should be calculated based on the costs expected and set at a level that allows the Council to meet its commitments, maintain agreed services, and manage staffing costs in a planned and sustainable way.

2. 2026'27 Budget and Spend

The 26'27 precept was set at £10376. This was an increase of 13.56% on the previous year.

Charge for Band D properties in Brightling 26'27 = £50.43[1]

Other income (VAT, Interest and Salary Uplift reserve) = £2132

Total (forecast) expenditure (2026/27): £11043 this is based on the position at the end of month 7 and assumptions on spend for the rest of this year.

Expected year end surplus = £1465 or potentially slightly more**.**

This surplus has resulted from some savings in staff costs and the expectation that the Park View land transfer won't go ahead before the end of the financial year (if at all!).

3. Reserves Position

At the start of 26'27 total reserves of **£7038** were designated as follows:

- Finger post reserve £750
- Community projects / Park View reserve £2000
- Salary Uplift (for 2 years) £2390
- General reserve £1898 *(equivalent to 1.8mths costs)*.

Following allocation of half the salary reserve in 26'27, and the expectation Park View won't go ahead, **at year end reserves will be £5843.**

<u>Recommendation ahead of 27'28 budget considerations</u>

The Council was reminded during the 25'26 year end audit that best practice recommends that general reserves (those not yet allocated to any project) should be maintained at a level equivalent to between 3 and 12mths monthly expenditure. Based on expected salary increases and other likely cost increases the monthly cost for Brightling in 27'28 (excluding projects) is estimated at £1070. Council is recommended to use the year end surplus to top up the general reserve to as near to £3400

[1] The National average Band D charge for comparison is £91. Brightling is currently charging just 55% of this.

(3.1mths core costs) as possible so that it starts the new financial year with the minimum recommended general reserves.

4. Budget Options – see accompanying breakdown

Three options are presented for consideration:

Option A: Based on total expenditure of **£16470** (including previous costs allocated to Park View of £2750, further in year contribution to finger post reserve of £500, community project reserve of £250 and general reserve of £880. Costs for training and expenses are maintained at current levels with the exception of IT costs that are increased to allow additional provision for a new internal laptop battery and service. Other costs have been assumed to increase by 4-5% (or based on recent increases if higher).

This would require a precept **rise of 24.57% to £12925** (a rise of £12.39 per year for a band D property, or £1.03 per month).

Forecast reserve position at the end of the year is shown in the accompanying breakdown (depending whether Park View goes ahead or not **total reserves at year end would be £5780 or £8530** respectively).

Option B: Based on total expenditure of **£15209** (including previous costs allocated to Park View of £2750, further in year contribution to finger post reserve of £250, community project reserve of £250 and general reserve of £345. Costs for training and expenses are reduced slightly, IT costs include cost of a new battery but not fitting. Other costs have been assumed to increase by 4-5% (or based on recent increases if higher).

This would require a precept **rise of 18% to £12244** (a rise of £9.07 per year for a band D property, or £0.76 per month).

Forecast reserve position at the end of the year is shown in the accompanying breakdown (depending whether Park View goes ahead or not **total reserves at year end would be £4995 or £7745** respectively).

Option C: Based on total expenditure of **£12734** (this is based on the Council deciding NOT to proceed with Park View at all, NO further in year contribution to finger post reserve, community project reserve allocation of £250 and general reserve of £1000. Costs for training and expenses are reduced further, IT costs are just the current costs with no contingency for hardware replacement. Other costs have been assumed to increase as before except the Annual Assembly reduces slightly and BVH contribution goes up slightly.

This would require a precept **rise of 12.5% to £11673** (a rise of £6.30 per year for a band D property, or £0.53 per month).

Forecast reserve position at the end of the year is shown in the accompanying breakdown. **Total reserves at year end for this option would be £7400** but the Council would not have acquired Park View even if it is available.

5. Decisions required

Councillors are asked to:

- Resolve whether to accept the recommendation to allocate the anticipated 26’27 year end surplus to general reserves allocation.
- Resolve which option to take forward to a final draft.
- If none of the options meet with the Council’s approval, Councillors must agree at the November meeting which, if any, elements of the options they want to keep along with any additional expenditure lines.

Option B is recommended to keep the precept increase below 20% but maintain the option to acquire Park View. However, Councillors should note that at the end of 27'28 the salary uplift will be spent so total income going into 28’29 must by then at least cover staff costs and other essential expenditure. Based on option B, core costs (excluding Park View costs as already spent but including continued £1345 allocation to reserves and 4% inflation on other expenditure) are anticipated to be approximately £13,600 for the year 28’29. If Councillors resolve to go with Option B this year a precept increase of £1356 will be required next year, a further increase of 11%, or an annual charge of £66.04 for BAND D properties (an increase of £6.54 per year or £0.55 per month).

6. Next Steps

Once Councillors have resolved their preferred option the Clerk will finalise the budget and reserves projection ready for final approval at the January meeting.