BAGBY AND BALK PARISH COUNCIL

Budget Precept Report 2026/27

To be discussed at the Ordinary Parish Council Meeting 12/11/2025

Purpose

The Parish Council is required to set out a budget and Precept for 2026/2027, in accordance with the information set out by the Responsible Financial Officer (RFO).

Background Information

Bagby and Balk Parish Council agrees a budget annually for the next financial year and submits a Precept demand to North Yorkshire Council. In accordance with section 25 of the Local Government Act 2003, this report provides members with information concerning the recommended budget and adequacy of balances and reserves, to meet the financial requirements of the next financial year.

Bagby and Balk Parish Council is required to set its Precept in accordance with statutory requirements. The report sets out implications of setting the Council's Precept for 2026/2027 and the impact it will have on the Council's proportion of the Council Tax Bill. The recommendation of the RFO is to be ratified by full Council.

2026/2027 Proposed Budget

A draft budget has been prepared, please see attached Excel document. The budget document proposes three options: figures based on a 10% increase in expenditure, a 15% increase in expenditure, and a third option based on a larger increase in the precept to assist the Council in achieving similar financial reserves to those held by the Council in recent years. All three budget options have been formulated to take into consideration current costs, inflation and potential earmarked reserves. The key changes proposed to Expenditure are as follows:

1. **Staffing**: A budget increase has been recommended to cover up to 3 hours' overtime per month for the current clerk, only to be used as necessary during particularly busy periods. It is also recommended that the Parish Council establishes a reserve to cover locum staffing costs for 3 months in the unlikely event of long-term staff sickness (see Balance and Reserves below).
2. **Website**: With the introduction of Assertion 10, it is highly recommended that the Parish Council moves to a .gov.uk domain and secure email addresses. Existing emails can be migrated at a small additional cost, hopefully ensuring a seamless transition: this reflects the slight increase in budget from the existing website costs (which had increased significantly from the previous year while offering no additional benefits).
3. **Training**: Considering the relatively recent appointment of the clerk, Chairman and up to two co-opted councillors, it is recommended that the Parish Council increases the budget for training provided through the YLCA. Training courses currently cost £35 on average, with more expensive introductory courses for new councillors – the budget should allow interested councillors and the clerk to attend 6-8 sessions throughout the year.
4. **ICO Registration**: the ICO registration fee increased by almost 18% between 2024 and 2025. The budget for 2026/27 reflects a further 18% increase, should the same happen again.
5. **Defibrillator**: the increase in budget reflects the need for a new battery for the defibrillator, which is now 8 years old, but also seeks to begin building reserves for a replacement

defibrillator, due in the next 2-4 years (anticipated to cost approximately £1500, see Balance and Reserves below).

6. **Road Safety**: a small additional sum has been budgeted for the replacement of a battery for the VAS, should the need arise.

2026/2027 Precept Calculation

Each parish forecasts how much money it is going to need the following year. This is then divided by the number of properties in the parish that fall into Band D Council Tax bands. This figure is adjusted to take account of such things as exempt properties and planned new houses to get the precept each Council Taxpayer in the parish will contribute. It is estimated that there are approximately 281.07 Band D equivalent properties in Bagby and Balk, and the current Precept is £12,000.

Balance & Reserves

Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. There is no specified minimum level of reserves that an authority should hold, and it is the responsibility of the RFO to advise the Council about the level of reserves and to ensure that there are procedures for their establishment and use. In recent years, Bagby and Balk Parish Council has carried a balance forward into the following financial year that represents 3-12 months' of Council expenditure, providing a sound financial buffer in the case of unanticipated costs. Following the expenditure involved in setting up the new allotment site, it is necessary for the Council to look to re-build similar reserves to those held in recent years.

The following table outlines recommended reserves for the Council to consider building over the next three financial years:

Budget Heading	Current (£)	2026/27 (£)	2027/28 (£)	2028/29 (£)	Notes
Staffing reserves	0	1,170	1,287	1,416	No need to increase in future beyond the expected rate of inflation
Election recharge reserves	0	1,250	2,500	2,500	Elections due May 2027 (£100 uncontested, £700 contested, plus contingency fund for unscheduled contested by-election £2,500)
Defibrillator reserves	0	500	1,000	1,500	Saving for new defibrillator
Allotment reserves	0	500	1,000	1,500	Intended for general site maintenance
General reserves	2700	4935	7402	11,103	Balance carried forward from one year to the next

Staffing reserves are planned to increase in line with inflation over the years, ensuring that there is no need for further rises outside of inflationary pressures. **Election recharge reserves** have been set aside in anticipation of elections scheduled for May 2027, with additional provision made for the possibility of a contested by-election - whilst unlikely, funds must be in place to protect the Parish Council against such eventualities, and North Yorkshire Council have confirmed these figures. On the advice of Community Heartbeat, **Defibrillator reserves** are being gradually accumulated to fund a future replacement, and an **Allotment reserve** has been created from allotment rental income to allow for future maintenance. As far as **General reserves** are concerned, the NALC Practitioner’s Guide 2025 recommends these should be maintained at ‘between three and twelve months of net revenue expenditure. […] The smaller the authority, the closer the figure may be to 12 months expenditure’. It is therefore recommended that the Parish Council looks to build reserves in line with best practice, as outlined above.

Risk Assessment

The budget has been prepared in accordance with key principles of prudence and transparency, and the levels of balances, reserves and contingencies within the budget are considered to be adequate.

Recommendation

The Parish Council is asked to consider the issues raised above and to agree its budget. The Parish Council is asked to agree a Parish Precept of £15,000 for 2026/27. This represents a 22.94% increase on the current precept, with detailed financial changes to households outlined below:

Band	Projected 2026/27 Charge	Current Charge per Band
Band A	£35.58	£28.94
Band B	£41.51	£33.76
Band C	£47.44	£38.59
Band D	£53.37	£43.41
Band E	£65.23	£53.06
Band F	£77.09	£62.70
Band G	£88.95	£72.35
Band H	£106.73	£86.82

If the Parish Council is unwilling to approve the suggested budget, then it will need to agree both a revised figure for total expenditure and the corresponding changes required to individual budget headings.

Prepared by:

Rosie Hedger (Clerk and RFO)