

## **Bugbrooke Parish Council – 2026/2027 Final Budget Explanation – December 2025**

Councillors had the opportunity to review and discuss the draft budget for 2026/2027 at the November Meeting. The following briefing note breaks down the reasoning and numbers behind the final version of the 2026/2027 Budget that is due to be approved at the December Meeting. All figures have been updated to reflect the current financial position following the payment of invoices in November.

### **Financial Position as of 28th November 2025:**

- |                                                                                          |
|------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• <b>Total Cash in Hand:</b> £160,332.75</li></ul> |
|------------------------------------------------------------------------------------------|
- **Current Account balance:** £93,936.57
  - **Forecasted spend for remainder of financial year:** £44,293
  - **Projected year-end balance in Current Account:** £49,643.57

### **Reserves and Financial Guidance**

According to Sections 5.33–5.36 of the JPAG Practitioners' Guide, parish councils should generally hold unearmarked reserves equivalent to between three and twelve months of gross expenditure.

A reserve of approximately 50% of annual operational costs (around six months running costs) is widely regarded as good practice.

Bugbrooke Parish Council currently holds:

- **£50,000 in reserves (CCLA account)**
- **£20,000 is generally retained in the current account** for immediate access (e.g. in the event of a delayed precept payment)

The breakdown of the projected year-end balance of £49,643.57:

- £20,000 remains in the current account as general reserves.
- £26,600 from the current account will be transferred or allocated to Earmarked Reserves projects. These projects have not been included in the precept request or the 2026/2027 budget as they may or may not happen in 2026/2027. This includes £5000 that will be allocated to be transferred to the General Reserves CCLA Account to gradually build the General Reserves held in the CCLA account to £70,000/£75,000 to align more closely with the 50% benchmark.
- The remaining £3043.57 will top up the precept to fulfil the budget requirements.

### **Budget Summary and Precept Proposal**

Based on predicted expenditure for 2026/2027 (see budget sheet attached for breakdown):

- Total budget: £159,715.00

- Proposed precept: £150,421.00
- Total Income including interest: £156,768.15
- Budget deficit: £2946.85 (covered by the remaining £3043.57)

The precept request of £150,421.00 represents a 3.8% increase, in line with predicted inflation. Using the new tax base estimations issued by WNC, this equates to an annual increase of £5.22 for a Band D household, bringing the total annual cost on the council tax bill for the parish council to £142.50 for a Band D household.

### Earmarked Reserves Summary

|                                           | Total in 2025/2026 | 2026/2027 Contribution | Total in 2026/2027 |
|-------------------------------------------|--------------------|------------------------|--------------------|
| <b>Twinning</b>                           | £ 2,750.00         | £ -                    | £ 2,750.00         |
| <b>Captain Close Wall</b>                 | £ 2,000.00         | £ 8,000.00             | £ 10,000.00        |
| <b>Streetlight Painting</b>               | £ 2,900.00         | £ 600.00               | £ 3,500.00         |
| <b>Possible Land Purchase</b>             | £ -                | £ -                    | £ -                |
| <b>Election Expenses</b>                  | £ 1,500.00         | £ -                    | £ 1,500.00         |
| <b>6 Year Streetlight Inspection</b>      | £ 2,000.00         | £ 1,000.00             | £ 3,000.00         |
| <b>Playground Improvements</b>            | £ 5,000.00         | £ 6,000.00             | £ 11,000.00        |
| <b>Johns Road Legal &amp; Maintenance</b> |                    | £ 5,000.00             | £ 5,000.00         |
| <b>CCLA General Reserves Fund</b>         |                    | £ 5,000.00             | £ 5,000.00         |
| <b>Brook Maintenance</b>                  |                    | £ 1,000.00             | £ 1,000.00         |
| <b>Interest</b>                           | £ 235.00           |                        |                    |
|                                           | <b>£ 16,385.00</b> | <b>£ 26,600.00</b>     | <b>£ 42,750.00</b> |

### Clerk Recommendations

The budget has been tweaked slightly to include the Community Resilience requirements. Also, since the draft version the clerk has allocated a fund for the potential Johns Road project, this will ensure the council have it available if needed. The amount was redistributed from additional earmarked funds for the CCLA account. Although, the council wish to build up that fund to around £70,000. Due to the £20,000 that the council keep unallocated in the Current Account, in effect the council have the £70,000 General Reserves in line with best practice.

A final version of the budget will be presented at the December meeting for formal approval and is also attached to the agenda. Once the final Budget has been approved councillors will be required to approve and set the precept requirement for 2026/2027.