Highcliffe and Walkford Parish Council

2026/27 Budget and Setting of the Parish Precept

1. Purpose of the Report

This report updates the budget assumptions and process previously approved by Council on **12 November 2025**. Since that meeting, two material changes have arisen which require amendment to the draft 2026/27 budget prior to the formal setting of the Parish Precept:

1. An increase in the **Service Level Agreement (SLA) for Grounds Maintenance** advised by Bournemouth, Christchurch and Poole (BCP) Council.
2. The inclusion of a **Chairman's civic allowance** to enable appropriate recognition of residents (e.g. centenary birthdays).

The report presents the revised financial position, confirms the impact on the Parish Precept and Band D charge, considers statutory and policy implications, and makes a recommendation to Council.

2. Background

At its meeting on **12 November 2025**, Council approved the **draft budget for 2026/27** and agreed, in principle, a proposed Parish Precept of **£230,215**.

The draft budget was prepared in accordance with the approach set out in the November report, taking into account:

- Known contractual commitments
- Inflationary pressures
- Staffing and operational costs
- The need to maintain service standards for residents

The Parish is now required to formally set its precept for submission to BCP Council in advance of the 2026/27 financial year.

3. Updated Financial Information

3.1 Changes Since Draft Budget Approval

a) Grounds Maintenance SLA
BCP Council has confirmed that the Grounds Maintenance SLA for 2026/27 will increase from **£22,000** to **£23,016.19**, representing an increase of **£1,016.19**.

b) Chairman's Civic Allowance
It is proposed to include a modest provision of **£500** to enable the Chairman to purchase small gifts or flowers for residents on significant occasions (e.g. 100th birthdays). This reflects good civic practice and community engagement.

For budgeting purposes, the combined increase has been **rounded to £1,520**.

4. Revised Precept Calculation

4.1 2026/27 Position (Revised)

- **Proposed Precept:** £231,735
- **Tax Base (confirmed):** 6,865
- **Band D Equivalent:** £33.76

4.2 Comparison with Previous Years

Financial Year	Precept (£)	Tax Base	Band D (£)
2025/26	224,000	6,816.8	32.86
2026/27 (Draft – Nov)	230,215	6,865	33.53
2026/27 (Revised)	**231,735**	**6,865**	**33.76**

4.3 Impact on Residents

The revised Band D charge represents:

- An increase of **£0.90 per annum** compared to 2025/26
- A percentage increase of **2.75%**

This increase remains modest and proportionate when set against current inflationary pressures and rising service costs.

5. Legislative Framework

The setting of the Parish Precept is governed by the following key legislation:

- **Local Government Finance Act 1992** – requires local councils to calculate and issue a precept to the billing authority.
- **Localism Act 2011** – provides the framework for local financial accountability and transparency.
- **Local Government Act 1972** – places a duty on parish councils to act prudently and in the interests of their communities.
- **Local Government Act 2003** – requires councils to set a balanced budget and have regard to affordability and sustainability.

Parish Councils must ensure that sufficient resources are raised to meet known and reasonably foreseeable expenditure and to maintain an adequate level of reserves.

6. Rationale for the Precept Increase

6.1 Why an Increase Is Necessary

- **Inflationary Pressures:** Costs for contracts, supplies and services continue to rise and are largely outside the Council's control.
- **Contractual Commitments:** The Grounds Maintenance SLA increase is a contractual cost that cannot be avoided without reducing service provision.
- **Service Continuity:** Maintaining existing service levels is a clear expectation of residents.
- **Financial Resilience:** Adequate income is required to avoid an over-reliance on reserves, which is not sustainable in the medium to long term.

6.2 Why Freezing or Reducing the Precept Is Not Advised

- Freezing the precept would create a **structural deficit**, requiring the use of reserves to fund day-to-day services.
- Best practice guidance from sector bodies (e.g. NALC and external auditors) consistently advises against using reserves to support recurring expenditure.
- Reducing income in real terms would limit the Council's ability to respond to emergencies, asset maintenance, or future service demands.

7. Impact Assessments

7.1 Equalities Impact

The increase is modest and evenly applied across all Band D equivalent properties. No group with protected characteristics is disproportionately affected.

7.2 Environmental Impact

Maintaining adequate funding supports effective grounds maintenance and environmental stewardship, contributing positively to the local environment.

7.3 Crime and Disorder Impact

Well-maintained public spaces and community engagement contribute indirectly to reducing anti-social behaviour and improving community safety.

7.4 Financial Impact

The revised precept ensures a balanced and sustainable budget for 2026/27 while maintaining adequate reserves.

7.5 Resources Impact

The budget provides sufficient resources to meet staffing, contractual and operational commitments without reducing service levels.

7.6 Risk Management

Failure to increase the precept in line with costs would increase financial risk, reduce resilience, and potentially lead to service reductions in future years.

8. Conclusion and Recommendation

The revised budget reflects updated and unavoidable cost increases identified since the draft budget was approved in November 2025. The resulting precept increase is modest, justified, and necessary to maintain financial stability and service delivery.

Recommendation

That Council:

1. **Approves the amended 2026/27 budget**, incorporating:
    - The increased Grounds Maintenance SLA cost; and
    - A £500 Chairman's civic allowance.
2. **Sets the Parish Precept for 2026/27 at £231,735**, resulting in a Band D equivalent of **£33.76**.
3. Authorises the Proper Officer to submit the approved precept to BCP Council within the required timescale.

Prepared by:
Clerk and RFO to the Council
January 2026