Agenda Item 20 –Dec Meeting

Budget and Precept Summary

The purpose of this agenda item is to debate the requirements for the 2026/27 year in the light of submissions by councillors and other groups for capital expenditure and to consider suitable figures for revenue expenditure bearing in mind inflation.

To clarify, capital expenditure is generally a one-off for projects such as the Neighbourhood Plan proposals or the Pavilion/Tennis Court projects. Revenue expenditure covers day-to-day recurring expenses such as utility bills and the mowing contract.

We need to request a precept for 2026/27 and our budget should justify that request to residents. The current year precept is just over £77,000 and it is likely that we will underspend on our 2025/26 budget.

If that does occur, the surplus funds will be absorbed into our reserves bringing them to a level of around £120,000 at the end of March. NALC guidelines suggest we should carry between 50% and 200% of our precept as reserves (roughly £40K to £150K *at present*) but it is advisable not to stray close to the lower figure.

If we include unspent capital amounts in the 26-27 budget we are effectively charging it in the precept twice and we should therefore consider using some of our increased reserves to reduce the precept amount.

The figures on the final expenses page still need reducing to avoid a significant increase in the precept.

Colour coded items are carried forward or part carried forward from the 25-26 year

Proposal: To consider the draft precept budget proposals and amend as necessary. Final figures to be agreed at January meeting.

Phil Burgess

Clerk to East Dean and Friston