

Budget Notes to accompany draft budget

The Budget working group met on 24th November 2025 and considered in detail the draft budget for 2026/2027

The draft budget document is attached. The draft budget document shows the budget and outturn for 24/25, estimated outturn for 25/26 (the current year) and a proposed budget for 26/27. This budget columns are highlighted in green for clarity.

The budget plan includes several tabs at the bottom of the spreadsheet, including salary information and a list of regular contractors and suppliers, which council will need to review and record any resolutions.

EXPENDITURE

Subscriptions and Memberships: this is a fairly straightforward part of the budget: it is proposed that we continue with the current subscriptions. Both SALC and SLCC offer very good advice and training for Councils. The other subscriptions are historical. A 5% increase has been added to both SALC and SLCC subscription rates.

Grants and Donations: despite quite extensive advertising on noticeboards, website, etc. there have been few applications this year for funding. The budget reflects the requests received to date.

Salaries and Expenses: The Clerk's salary includes an estimated 3% increase for 26/27: No national agreement has yet been agreed. There was a huge increase for Employer's NI in 2025/6.

Councillors' expenses have been reduced slightly: The assumption is that there will be no change to the Clerk's homeworking allowance & expenses. The Chairman's allowance was increased in 25/26 by Council after the setting of the budget and is the same for 26/27

The minimum wage is estimated to increase to £12.71 so the Community Caretaker's salary has been calculated on that basis. The grant from BDC's Cleansing Department will only offset half of this amount in 26/27. They are phasing out contributions altogether in 27/28. The Community Caretaker is also entitled to an expense allowance to cover PPE and consumables. It is proposed to fully fund the shortfall in funding.

SALC payroll charges have increased and we have been given an indication of how much this will cost. For the last couple of years, we have received the last half yearly invoice at the beginning of the subsequent financial year and it is anticipated that this might be the case again.

Asset Maintenance and Other Works: Footway lighting has been positively affected by the LED lights and the slightly reduced "on" time. I have added 5% to this year's actual costs and have added a similar amount to the dog and waste bin emptying. We are expecting a small reduction in the cost of bin emptying due to not having to pay for Admiral Quarter's bins. However, there was an indication of a large

increase in these costs as we were told they had been heavily subsidised in previous years.

Grass cutting – I have amalgamated the budget for Church Green and Reade Field other grass cutting, as the invoices are never itemised. I have added 5% to the contract grass cutting. The increase was slightly larger than budgeted last year.

Tree Work – I included a budget for tree work on the advice of the tree warden. There has been £250 expenditure to date for 25/26

Playground Renewals and Maintenance: no major work or equipment is included in the 26/27 budget – however, additional funds have been added to the earmarked reserves to cover any remedial works or replacement.

Pavilion Maintenance: have included PAT testing and LX and water charges plus any nominal repairs. Have reduced the budget which includes a limited budget for minor repairs.

General Maintenance – there is an estimated cost for a 3 year maintenance contract required for the SID. Included here is maintenance support for the defibrillator also. There is a figure of £100 towards maintaining the memorial – plants etc.

Fitness Classes – there are no funds to continue classes after March 2026 and following a discussion, the Budget Working Group propose that the Parish Council don't continue to fund these classes, as there is limited uptake and not all the participants are from the parish. Instead, funding will be sought to try and maintain these sessions.

CSHG – a small budget for materials.

ADMINISTRATION

Most of these are self-explanatory and are budgeted at similar levels as last year. We have included the budget for books and publications with the stationery budget

Insurance: despite quite dramatic insurance increases generally, we managed to achieve cover at a similar level. A 7% increase has been included for next year.

Information Commissioner: the rate for registering increased in 25/26 but it is assumed that this new rate will continue for the next few years.

Audit fees: these are graded according to precepts and balances – as our balance (i.e. reserves) is increasing, there could be an increase in fees.

Water testing: we will still be carrying a small surplus in reserves for water testing. The solution this year has not been as successful as hoped. We are awaiting a charge for 3 months of testing for 25/26.

Parish Papers: as already discussed at Council meetings, the Parish Papers have increased dramatically in cost. We are looking at ways to reduce the cost, without affecting the quality of the publication – we increased the cost of advertising last year but we have recently lost some key advertisers. We are trying to replace them to

increase the income. The approximate cost per copy is 60p which the Budget Working Group agreed was good value.

Lottery: the expenditure budget is for the prize money and also the licence fee.

Bank Charges: this is a new category in response to the introduction of monthly bank charges by Lloyds.

GHGW: a small budget has been included here. There will be some funds left over from the prize money the Council received from the Community Award.

Youth Parish Council: this is a new category introduced in 25/26. There has been no expenditure to date, but the first meeting has taken place and the budgeted expenditure has been included in the estimated outcome.

Contribution to Reserves: No further reserves for the bus shelter are included as Council agreed we hold sufficient reserves already for this. An increased contribution to reserves for the pavilion has been included in the 26/27 budget, as well as £500 towards possible election costs..

INCOME

PRECEPT

In order to calculate the precept, the working group has carefully considered the draft budget, income and expenditure totals, plus contribution to earmarked and general reserves and have agreed an increase of £1,500 in the precept, which represents a 4% increase on last year's precept in financial terms. The tax base for Holbrook has reduced this year, which has affected the percentage increase. The tax base will be confirmed in January. However, in previous years there has been no change from the predicted tax base to the actual tax base.

The VAT claim is estimated based on the VAT paid this year. A claim is made each year after the end of the financial year.

Football charges remain the same – however it was unclear at the time of the budget meeting if the girls' team are managing to use the pitch. They had scheduled at least 3 matches. We had a contribution from the Veterans, but they are no longer using the pitch.

Advertising: invoices have been sent out for current advertisers – assume a slightly smaller budget than last year's. The outturn is an estimate if everyone pays and no further withdrawals – any additional advertising revenue will be a bonus.

Interest – As we are now getting increased interest, due to holding more funds in the Reade Field Account and this year having an additional Fixed Term Savings Account, the predicted annual interest has been included.

Grant Funding: There is no anticipated grant funding for next year at the moment, with the exception of the grant for 50% of the grant for the **Community Caretaker** from Babergh.

Some further notes on general and earmarked reserves:

The reserves spreadsheet (tab at the bottom of the budget plan) has been populated with the predicted outcome and the predicted resources at the end of the financial year. The total resources include funds held in all three bank accounts. The general reserves are calculated by deducting the total of earmarked reserves from the predicted total resources. The recommended level of general reserves for Parish Councils is between 3 months and 12 months of net revenue expenditure (NRE). This recommendation is from the Joint Panel on Accountability and Governance (JPAG) and is consistent with the Local Government Finance Act 1992. The smaller the authority, the closer the figure should be to 12 months NRE. In practice any authority with an NRE in excess of £200,000 should plan for a 3 month equivalent NRE.