

## FINANCE WORKING GROUP REPORT:

### TOSTOCK PARISH COUNCIL BUDGET 2026-2027

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**Finance Working Group:** Cllr Julian Kearsley (Finance Councillor and Chair), Cllr Paul Callow, Cllr Andrew Sharkey and Cllr Jane Storey

The Group met on Monday 8 December and agreed recommendations for both the Council budget and precept requirement for 2026-2027 to be submitted for approval by the Ordinary Parish Council Meeting of Tuesday 13 January 2026. The Group recommendations are based upon the information presented below.

#### 1. Revenue Expenditure

- 1.1 **Personnel:** Costs adjusted to allow for potential rises from April 1 2026.
- 1.2 **Expenses:** Have decreased as payments are now majorly effected on-line, thereby saving postage/stationery costs each month.
- 1.3 **Grants:** The budget has been maintained against possible bids from village groups/bodies.
- 1.4 **Subscriptions, Insurance and Audit Fees:** Increased given expected rises.
- 1.5 **Bin Services:** The reduction this year is unlikely to be replicated - hence the proposed budget is the same as that for 2025-2026.
- 1.6 **Venue Hire:** A straightforward budget based on seven meetings at £15.00.
- 1.7 **Tree Audit:** The budget is to cover a review of village trees some of which it has been suggested may need some degree of maintenance for health and safety reasons.
- 1.8 **Website:** The budget is based on the cost of maintaining the website plus the separate cost of the Council e-mail facility.
- 1.9 **Data Protection:** The Information Commissioner's Office raised the annual fee in 2025 to £52.00 per annum so a further rise is very unlikely.
- 1.10 **Tostock Chronicle:** See the separate note below.
- 1.11 **Legal Fees:** The anticipated cost of The Leys and The Village Green being registered with the Land Registry.

#### 2. Tostock Chronicle

In 2023-2024 it cost £2,080.00 to produce with income at £522.50 - a gap of £1,557.50 which was felt to be an unacceptable deficit and resulted in action to reduce the size of the newsletter and advertising prices being doubled. Although two issues this year were 20 pages long (against the 16 page requirement), the expected cost of £1,640.00 against

advertising receipts to date of £1,310.00 have resulted in a deficit down to £330.00. Assuming the 16 page target is actually maintained then costs next year should be £1,602.00 and if only one or two more advertisers could be found then the newsletter could, to all intents and purposes, be close to self-financing.

### **3. Income**

There is little scope to influence this apart from the precept. Bank interest has been good but that position can only be maintained as long as Community Infrastructure Levy funding remains unspent. Newsletter advertising costs have been doubled fairly recently though could be increased by a small percentage next autumn when due for renewal.

### **4. General Reserve**

Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to be mindful of reserves needed for meeting estimated future expenditure when fixing budget requirements. The General Reserve has no restrictions on use is held primarily in case of unexpected events. According to the Practitioners' Guide 2025 published by The Smaller Authorities Proper Practices Panel (SAPPP): "*Smaller authorities have no specific right to accumulate funds via the precept. All reserves should be reviewed and justified regularly (i.e. at least annually).*" It goes on, "*The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.*"

In the absence of a General Reserve in 2023-2024, the Council set a reserve for 2024-2025 at 25% of the anticipated revenue expenditure for that year. This has grown steadily since, being supplemented by interest gained on the Council Reserve Account and so is now in an even healthier position.

### **5. Earmarked Reserves**

These are simply funds set aside for specific purposes. The Finance Working Group opted to allocate £2,500.00 for an extra speed device and to retain the sum dedicated for highways works. For 2025-2026 £1,000.00 was set aside to start to prepare for the eventual replacement of the Council mower and a further £4,000.00 has been added given a potential end-of-year surplus in the current account. To plan for potential parish council elections in 2027, a reserve of £500.00 has been created.

### **6. Precept Recommendation**

The 2023-2024 precept was subject to a reduction by the previous Council. This which presented financial difficulties for the present Council which had to take the decision to promote a significant rise in the precept for 2024-2025. As a result of effective financial management by the Council in that year, there was no need to increase the precept again for 2025-2026.

**For 2026-2027, given the continued effective financial management of the Council and the financial pressures affecting residents, the Finance Working Group is recommending that the Parish Council Band D council tax should not be increased but remain unchanged at £53.38.**