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Briefing Note
Budget Setting 2026/2027

For Council on 18 December 2025

1. **Background**

As part of the budget setting process, and in accordance with the budget setting timetable agreed by Council on 23 October 2025 (Minute C25/26.080(iii)e), each Committee reviewed its requirement for 2026/27 at the meetings as outlined below:

Planning Committee – 3 November 2025
Community Engagement Committee– 13 November 2025
Finance, Governance & Estates Committee – 20 November 2025

Each Committee reviewed current year spending and assessed future projects to produce a draft proposal. On 11 December 2025 the Finance, Governance & Estates Committee reviewed the collated budget and agreed a draft budget proposal to put before Council at the meeting on 18 December 2025.

At the Thursday 27 November 2025 Council meeting, Members also agreed the schedule of charges for 2026/27 - Minute C25/26.091.3.

2. **Principles and Assumptions which underpin the Budget and Precept Setting Process**

At the 23 October 2025 Council meeting, Members also agreed the principles and assumptions which underpin the budget and precept setting process for 2026/27 as follows:

a) *Revenue income and expenditure should balance, therefore a balanced budget is required to be set.*
b) *Reserves should only be used for one-off expenditure or capital items.*
c) *There are no changes to service levels.*
d) *Income: charges will be reviewed using a 3.8% increase, and any increases agreed and applied to budget modelling with effect from 1 April 2026 (1 October 2026 for allotments).*
e) *Inflation: items affected will have +3.8% increase (using the September CPI Exc. Housing Costs) unless cost increases to contracts are known and then actuals will apply or until other factors come to light.*
f) *Staff costs will initially be budgeted for at an increase of 5% for 2026/27.*

3. **Tax Base, Precept and Band D Information**

Information on the historic data on the tax base, precept and Band D for the parish is set out below:

Year	H&SC PC Tax Base	H&SC PC Precept	H&SC PC Band D	Band D % increase	Parish Average (MSDC)	Parish Average (England)
2021/22	3,126.1	£264,520	£84.62	3.52%	£75.06	£71.86
2022/23	3,196.9	£281,406	£88.03	4.1%	£75.28	£74.81
2023/24	3281.3	£303,638	£92.54	5.05%	£80.63	£79.35
2024/25	3339.2	£318,161	£95.28	2.97%	£85.83	£85.89
2025/26	3350.6	331,861	£99.05	3.95%	TBC	£91.22

Members will be aware that the tax base used for the precept calculation is the number of Band D equivalent dwellings in the parish. This is calculated by the District Council by adjusting the total number of dwellings in each council tax band to account for any discounts, premiums or exceptions. Mid Sussex District Council provided the confirmed tax base figure for the Parish of **3,386.6** on 5 December 2025.

4. **Draft Budget Proposal for 2026/27**

The draft budget proposal in Annex A, provides details of every nominal code and cost centre by Committee, comparing the current year's budget to the projected budget requirement for next year. Page 1 provides a summary of the committee information and outlines the Parish Council's overall position.

As you will see, the initial draft forecasts the following (this includes the Earmarked Reserves transfers):

	2024/2025	**2025/2026**	**2026/27**
Total income (excluding precept)	106,798	110,591	118,702
Total expenditure	424,959	439,452	478,306
Precept required to balance budget	**318,161**	**328,861**	**359,604**

Based on the tax base figure provided by MSDC, this equates to a Band D (Precept) Council Tax payment of £106.18, an <u>increase</u> of 7.21% or £7.14 per annum.

5. **Options**

Council can agree the draft budget as outlined in this report.

Alternatively, the table at the bottom of the excel summary page provides information on differing levels of Band D increase, and the associated changes in the budget required to achieve these. Members are reminded that there is no 'capping' for Parish Councils, and the precept can be whatever amount the Parish Council deems appropriate and can justify.

To change the budget, one or a combination of the elements below can be considered:

- Increase the budgeted income (excluding precept)
- Reduce the budgeted expenditure
- Agree to fund the budget shortfall from Reserves. Members are reminded that general guidance recommends the level of the general reserve should be maintained between 3 and 12 months of the precept figure. However, please note our Reserves Policy adopted on 29 February 2025 (Minute Ref: C24/25.140.3) states:

Hurstpierpoint and Sayers Common Parish Council aim to maintain the general reserve at a minimum of 3 months Net Revenue Expenditure (NRE) and review this level at least annually as part of the budget setting process. *(NRE is defined as the precept less any loan repayments and/or amounts included for capital projects and transfers to earmarked reserves.)*

Hurstpierpoint and Sayers Common Parish Council aim to maintain a level of earmarked reserves appropriate to the level of future planned expenditure projects and review these at least annually as part of the budget setting process.

The current level of general reserve (at 30 November 2025) is £135,224 and it is recommended that a figure in this region is maintained to support the budget requirement.

6. **Next Steps for Budget Setting for 2026/27**

As per the council's adopted Financial Regulation 4.9, The Clerk/RFO shall issue the precept to the billing authority no later than the end of February and supply each member with a copy of the agreed annual budget.

To facilitate this, the following timescales are recommended:

(i) Thursday 18 December 2025 – **Council** reviews draft budget recommendation from Finance, Governance & Estates Committee. *If agreed, individual Committee and Council budget proposals can be finalised and Council Tax requirements assessed using Tax Base information; and the Precept figure can be submitted to MSDC, **OR**,*

(ii) Thursday 15 January 2026 - **Finance and Governance Committee** If not agreed in December, finalise individual Committee and Council budget proposals and assess Council Tax requirement using Tax Base information; propose budget and precept to Council with supporting Action Plan.

(iii) Thursday 22 January 2026 **Council** - If not agreed in December, approve Action Plan, budget for 2026/27 and set the precept.

(iv) The Precept submission is required to be with MSDC by 31 January 2026.

7. **Village Centre Budget 2026/27**

Members are reminded that the budget before them is for the Parish Council only.

The Trustees of the Village Centre considered a draft budget at their meeting on 27 November 2025 and will agree the final budget at their meeting scheduled for 26 February 2026.

The time critical element of submitting the precept request does not apply to the Village Centre.