

Charlton Horethorne PC Budget and Precept: 2025-2026

Financial Projections and planning

Introduction

This document outlines the financial projected revenues, and expenditures for the new fiscal year. The PC wishes to keep cost increases to a minimal for residents of the Parish. Operational costs are forecast to increase in line with inflationary pressures and increased salary costs that reflect mandatory Government requirements (Increased NI). The precept requirement reflects the expenditure needs of the parish and provision to retain existing reserves in order to manage the uncertain financial viability of Somerset Council and off-loading of financial burden to the PC.

The PC's financial status is stable and strong. At Q3 the PC has £23,454 in its bank accounts.

Year-end will also yield a surplus. This has been achieved by prudent expenditure careful, use of materials for refurbishment and the generosity of skilled volunteers. Maintenance requirements within the Parish are minimal. Budget lines for salary expenditure including NI and payroll, admin and membership of professional bodies and insurance dominate the make up of the budget. Grant provision is available but underspent.

The new budget has been prepared based on the following: -

- The year end forecast for 25/26
- Anticipated expenditure for 26/27
- Some contingency for uncertainty regarding Somerset Councils financial status.
- A grant of £5,000 from SALC for the Community Review cost

Anticipated Receipts

The main bulk of income is generated from the precept and the following assumptions for the new budget are outlined below: -

- No income generated from donations (private or public appeals).
- A grant from SALC of £5,000 for the Community Plan.
- Assumes interest rates from the deposited accounts will remain insignificant.
- Assumes that VAT refunds will not compare to 23/24 as the PC is not expected to undertake any major projects that could result in VAT refunds
- Assumes payback opportunities from any CIL contributions (if received) will not be expended in year.
- Notes that precepts over £10,000 will be pay in two tranches April and September but this will not impact on the PC's cash flow.

Expenditure in 2025/6 Year end forecast

The budget of £10,513 was set up with largely flat line expenditure of £2,628 per quarter. Expenditure per quarter however has tracked at £1,858. Results in Q3 show expenditure of

£5,576. With payments made in January 2026, expenditure will reach £6,860. This will leave £3,653 for the last two months of the year. Expenditure for the last two months is forecast for another £1350. This would bring the total anticipated expenditure in year to £8,210.

Grants were budgeted for £3,000. Applications have resulted in total awards of £1550. If a further £1,450 was awarded in grants within year, the end forecast would be £9,660 resulting in overall under expenditure of £853 (8.1%) The year end forecast indicates a greater surplus of £2303 (21.9%) if grant requests are not forthcoming and/or not awarded.

CHARLTON HORETHORNE PARISH COUNCIL 2025-26			
Receipts & Payments Summary for the year ending 31st March 2026			
	Last Year	This Year	
	2024-25	2025-26	
RECEIPTS			
Precept	£ 9,918.00	£ 10,513.00	
Deposit Interest	£ 50.19	£ 28.84	
Village Green donations	£ 2,464.00	£ -	
Defibrillator	£ -	£ -	
VAT refund	£ -	£ -	
TOTAL RECEIPTS	£ 12,432.19	£ 10,541.84	
PAYMENTS			
Clerks Emoluments	£ 2,886.29	£ 2,097.38	
Admin General	£ 356.62	£ 601.20	
Admin Subscriptions	£ -	£ 298.74	
Website	£ -	£ 100.00	
Village Green	£ 1,378.92	£ -	
Community Plan	£ -	£ -	
Environment - General Maintenance	£ 391.00	£ -	
Audit	£ -	£ -	
Insurance	£ 446.66	£ 448.18	
Training	£ 155.00	£ -	
Elections	£ -	£ -	
Reserves	£ -	£ -	
IT/Software	£ 593.34	£ 267.00	
Defibrillator	£ 165.00	£ 132.00	
Grants	£ 1,925.00	£ 1,550.00	
VAT incurred on payments in year	£ 439.62	£ 81.90	
TOTAL PAYMENTS	£ 8,737.45	£ 5,576.40	
Excess of Receipts over Payment	£ 3,694.74	£ 4,965.44	
plus balances b/fwd	£ 14,614.71	£ 18,309.45	
	£ -		
Balances c/fwd	£ 18,309.45	£ 23,274.89	
31/12/2025 Reconciliation with bank accounts			
Nat West Bank PLC Current	-	£19,617.83	
Nat West Bank PLC Business Res	-	£3,636.98	
Less Outstanding Cheques			
Add Outstanding lodgements			
Total balances at bank	£ -	£23,254.81	

Budget setting for 2025/26

Mainstream economic forecasters expect CPI to drop from 3.4% to c2.5% over 2026. Provision in the budget still prudently makes provision for the risk of:-

- Inflationary pressures
- Increased salary costs in line with statutory requirements
- Calls from the parish for grant support

Budget Proposal for 2026/27

The draft Budget is outlined below:-

CHARLTON HORETHORNE PARISH COUNCIL 2026-27 Budget			
	Budget		
Receipts	24-25	Budget 25-26	Budget 26-27
Precept	£9,288.00	£10,513.00	£10,730.00
Deposit Interest	£50.00	£40.00	£30.00
Donations/grant	£0.00	£0.00	£5,000.00
Defibrillator	£0.00	£0.00	£0.00
VAT Repayment	£30.00		
Total Receipts	£9,368.00	£10,553.00	£15,760.00
	Budget		
Payments	24-25	Budget 25-26	Budget 26/27
Salaries	£ 2,300.00	£ 3,300.00	3,100
Admin General (expenses,payslips & hall hire)	£ 700.00	£ 700.00	700
Admin Subscriptions	£ 250.00	£ 263.00	315
Website	£ 200.00	£ 200.00	225
*Village Green	£ 600.00		
*Community Plan	£ 500.00	£ 500.00	500
*Environment - General Maintenance	£ 200.00	£ 200.00	800
Audit	£ 180.00	£180.00	200
Insurance	£ 600.00	£600	£500
Training	£ 200.00	£250	200
Elections	£ 200.00	£ 200.00	730
*Defibrillator	£ 200.00	£ 200.00	160
Grants - CH Millennium Green Trust	£ 750.00		750
Grants - CH PCC	£ 600.00		600
Grants - CH Village Hall and fireworks	£ 500.00	£ 500.00	700
Grants - Stowell PCC	£ 450.00		450
Grants - CH Parish Magazine	£ 100.00		100
Grants - CH Primary School	£ 400.00	£ 400.00	400
Grants - SSCAT (NEW)	£ 500.00		
Grants - S137	£ -		
*IT (laptop & s/w)	£ 88.00	£ 300.00	300
Reserves contribution	£ 400.00	£500	
VAT incurred on payments in year			
Total Expenses	£9,918.00	£10,513.00	£10,730.00

Councillors' Aspirations for Responsible Growth and Community Benefit

Cllrs have consistently stated their objective is to:-

- Make use of existing partnerships and collaboration with neighbouring PCs to share costs eg SID and any other sustainable initiatives
- Retain existing membership services
- Remain with the existing insurance company
- Retain existing maintenance arrangements using local people
- Provide a £3,000 for grant allocation that will benefit residents in line with the section 137 expenditure limit
- Make provision for improvements to IT security and move to Gov domains
- Provide training requirements for a contribution to the Clerks CILCA qualification
- Leave the next PC in a strong financial position when that time arises.

Precept setting for 2026/27

The Parish Councils precept has gradually increased since 2021, aligning closely with wider trends observed in Somerset Council's Band D council tax and national inflation patterns. From 2022 increases have averaged between 6-8% per annum. Cost pressures have risen due to inflation, contractor pricing changes and ongoing maintenance requirements. Cllrs are mindful of containing costs at a level that allows for essential services, fulfilling the PPCs legal responsibility, looking after the parish assets properly, while keeping increases proportionate and justifiable. Cllrs recognise that any rise in Council tax affects all households and seek to ensure long-term stability and avoiding larger corrective increases in the future.

Cllrs agreed in November to identify the priorities over the next month in preparation for the forthcoming meeting in January 2026. At the November meeting Cllrs resolved to use the 10th assertion on the Annual Governance Statement to Digital and data compliance. The website and email systems play a vital role in compliance. This transition provides an IT policy, website migration, provision of a new domain name and mailbox migration at an initial cost of £200 with an annual administrative cost of £225.

The Clerk has proved options for the PC. For example, a minimal increase in the precept from £10,513 to £10,730 would equate to an increase of 10p on a Band D property. Cllrs may have other anticipated expenditure or projects they want to support.

The tables below are illustrative of the impact for Band D properties ranging from 10p - £2.79 with precept uplifts. They are provided to assist Cllrs with decision making.

	2025/26	2026/27	Difference	Difference %
Tax Base	304.34	309.75	5.41	1.78%
Precept	10,513.00	10,730.00	217.00	2.06%
Band D Precept	34.54	34.64	0.10	0.29%

	2025/26	2026/27	Difference	Difference %
Tax Base	304.34	309.75	5.41	1.78%
Precept	10,513.00	11,038.65	525.65	5.00%
Band D Precept	34.54	35.64	1.10	3.18%

	2025/26	2026/27	Difference	Difference %
Tax Base	304.34	309.75	5.41	1.78%
Precept	10,513.00	11,248.91	735.91	7.00%
Band D Precept	34.54	36.32	1.78	5.15%

	2025/26	2026/27	Difference	Difference %
Tax Base	304.34	309.75	5.41	1.78%
Precept	10,513.00	11,459.17	946.17	9.00%
Band D Precept	34.54	36.99	2.45	7.09%

	2025/26	2026/27	Difference	Difference %
Tax Base	304.34	309.75	5.41	1.78%
Precept	10,513.00	11,564.30	1,051.30	10.00%
Band D Precept	34.54	37.33	2.79	8.08%

Notes regarding grants

The Ministry of Housing, Communities and Local Government has informed us of an increase in the [Section 137 expenditure limit](#) for parish and town councils in England for the 2026/27 financial year. The new limit is £11.60 per elector, up from £11.10 in 2025/26. The increase reflects the percentage rise in the retail price index between September 2024 and September 2025, in accordance with Schedule 12B of the Local Government Act 1972.

Section 137 of the Act allows parish and town councils to incur expenditures for purposes that benefit their communities when no specific statutory power is available.

Precepting Body	Charlton Horethorne								Total
	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	
Number Of Dwellings Per Band	4	49	41	49	54	46	46	5	294

Note this does not signify the number of people on the electoral roll.

Ann Lee
Parish Clerk