DARNHALL PARISH COUNCIL
DRAFT BUDGET PROPOSALS 2027-2028
MEETING: 17TH NOVEMBER 2026

1 INTRODUCTION

Darnhall Parish Council is invited to consider budget proposals for 2027-2028.

CWAC will require precept requests in January 2027.

The Parish Council can consider the draft budget at its November 2026 meeting and will need to formally approve the budget and precept at its meeting in January 2027.

Documents enclosed comprise:

- Receipts and Payments Statement (April-September 2026)
- Budget monitoring for the current financial year to 30 September 2026
- Variation between the budget for 2026-2027 and expected spend.
- Draft budget proposals for 2027-2028 (to be developed)

2 DECISIONS REQUIRED

At its January 2027 meeting, the Parish Council will be asked to **RESOLVE -**

(a) That a budget of **xxxx** be approved; and
(b) That the Clerk be authorised to request a precept of **xxx** from CWAC.

3 BUDGETING APPROACH

The preparation of an annual budget is one of the key statutory tasks to be undertaken by a Parish Council, irrespective of its size. The budget has three main purposes:

- So that the Parish Council can set the precept for the year (i.e., the amount requested from CWAC to fund the shortfall between available funds on 1st April 2027 and the amount required to fund the budget proposals for 2027-2028).
- Subject to the Financial Regulations, to give the Clerk overall authority to make spending commitments in accordance with the plans approved by Members; and
- To provide a basis for monitoring progress during the 2027-2028 year by comparing actual spending against planned spending

The budget is essential, and Members should understand how it is put together and how it should be used in the operation of the Council. At its simplest, the budget compares what the Council would like to spend in the forthcoming year with the amount of income expected, with the excess of planned spending over income being made up by the precept.

<u>Review of the current year budget and spending</u>
The budget process starts by examining the current year's figures with the three main purposes:

1) To identify activities which are being carried out this year and will also be carried out in the next year and therefore need to be budgeted for again.
2) To identify items which will feature in the current year but will not feature next year and there is, therefore, no need for a budget.
3) To identify items, such as new schemes, which are not an activity in the current year but should be added to next year's budget.

All the above is "incremental budgeting" as it builds on the decisions which the Parish Council has taken in the past.

An alternative approach to incremental budgeting is zero-based budgeting which is a "clean sheet" approach and is not constrained by what has happened in previous years. This approach to budgeting encourages Members to question more closely each item of expenditure. It starts from the premise that no costs or activities should be factored into the plans for the coming budget period simply because they were in the costs or activities for the current or previous period. Every item of expenditure must be considered and justified, and there must be a reasonable prospect of each item of expenditure coming to fruition during the financial year, to avoid criticism by the auditor. However, there are certain items which must be included in each budget and the proposals include current activities and projects which have not yet come to fruition. Members may wish to add other projects.

4 BUDGET PROPOSALS - 2027-2028

The budget proposals amount to **£xxxx** and will require a precept of **£xxx**. For 2027-2028, the taxbase for Darnhall will be xxxx. The precept request for 2026-2027 was £9,000.

5 **CALCULATION OF PRECEPT**

The precept is calculated as follows and has been included on the detailed schedule attached to this report: -

Action	£
Net budget proposals for 2027-2028	xxxx
Bank Balance estimated April 2027	xxxx
Amount to be placed in Reserves (earmarked and general)	Xxxxx
Precept to be requested 2027-2028	xxxx