NAPTON ON THE HILL PARISH COUNCIL

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Subject: Budget and Precept Briefing Paper 2026/27

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Introduction:

This briefing paper sets out the financial position of Napton Parish Council and outlines the precept options for the 2026–27 financial year, based on projected income, expenditure, and reserve/surplus levels. The paper includes both the standard precept calculation and an alternative reduced-precept calculation based on available surplus funds.

Current Financial Position (as at 30/11/2025):

- **Bank balance:** £153,983.97
- **Remainder of projected costs 25/26:** £27,477.72
- **Allocated reserves:** £44,123.70
- **CIL funds available:** £579.63
- **Other restricted funds:** £3,384.23 (allotment deposits + group funds)
- **Estimated general balance at end of 25/26:** £78,418.69 (surplus)
- Reserves remain healthy, though a significant proportion has been used for capital investments during the 25/26 financial year.

Income & Expenditure (2026/27)

Projected Income (excl. precept): £2,761.97
Main sources: interest, allotment rent, SDC grass cutting contribution, wayleave payments.

Expenditure Requirements: £51,732.54
This includes:

- **Core services:** £50,783.00 (staffing, lighting, maintenance, insurance, grants, admin)
- **Uncompleted projects carried forward:** £1,500.00 (new laptop & skate park grind box repairs)

Precept Options:

Option A – Standard Annual Calculation

- **Recommended precept: £49,521.03**
- **Band D charge: £84.76** (↓ 5.81% from £89.99 (25/26))
- **Notes:**
  - Fully funds planned expenditure
  - Slight reduction for residents

- Maintains a sustainable reserve position

Option B – Reduced Precept (20% reduction from 25/26)

- **Suggested precept: £40,000.00**
- **Band D charge: £68.46** (↓ 23.92% from £89.99 (25/26))
- **Notes:**
  - Significant saving for residents
  - Would require the Council to **use reserves/surplus to meet costs**
  - Potentially reduces financial resilience and flexibility

Summary:

The Council is choosing between:

- Option A - a **reduced** but sustainable precept similar to the 25/26 precept
- Option B - a **significantly lower** precept that relies on using reserves and surplus from past precepts

Decision Required:

- Which precept level should be submitted to SDC for 2026-27?

Next Steps:

1. Notify Stratford District Council of the agreed precept by 23/01/2026.
2. Publish the budget summary for residents to ensure transparency.
3. Implement the agreed expenditure plan from 01/04/2026.