



ASHINGTON PARISH COUNCIL – BUDGET PROCESS and PRECEPT REQUEST FOR 2026-2027

What is the budget?

A parish council budget is like a household budget in that there needs to be enough income to cover expenditure and a consideration given to putting savings aside for future expenses. There are various purposes of a parish council budget –

- To determine the amount of precept to be requested from the local authority Horsham District Council (HDC).
- To provide a basis for monitoring actual spending and income against planned spending and income.
- To sets limits for pre-authorized spending by the council.

What is the precept?

This is the amount that the parish council request from their local electors to meet their budgetary requirements. This is collected by HDC and will show as a separate section on your council tax bill. Parish councils do not typically receive any direct funding from central government and so the precept forms the majority of a parish council's income.

How is the precept part of the council tax calculated?

The precept amount requested by the parish council is divided by the number of Band D (average) properties in the area. For example, if the parish council requested a precept of £150,000 and had 1500 Band D properties, those households would pay £100 per year. Bands higher or lower would pay higher of lower yearly rates accordingly.

What is the precept spent on?

All aspects of running the parish council, which enable us to support the village and local community. This includes the Neighbourhood Wardens, Ashington Youth Club funding, the Parish Clerk, maintenance and inspections of 3 play areas and a skatepark, parish owned Open Spaces, 4 ponds, sections of woodland, the Nature Trail and other footpaths, hanging baskets, dog and litter bin emptying, and many other day to day running costs.

Can I see how the parish council spends my money?

The parish council is fully transparent in accounting for all income and expenditure and where and what that money is spent on. All expenditure is approved and reported monthly at each Full Council meeting. The council has an internal and external audit each year and all reports, end of year accounts, and Annual Governance and Accountability Returns are published on our website for the last 5 years on the Policies and Procedures page under the [Annual Return](#) tab.

What is the budget process for the council?

In October each year, the council start looking at the budget; the Finance Committee will review all the figures over several meetings, and will propose the budget figures and precept request to be approved at Full Council in January – [Appendix 1](#).

Once approved, the precept request is sent to Horsham District Council. Half is received in April and half in September.

There are 2 elements to the budget process –

Determining the funds required for the next financial year

All budget lines are reviewed for projected income and expenditure. Many figures are known increases or are provided by the service suppliers. Others are predicted increases and projected expenditure is added for known works to be carried out. There are of course sometimes unknown expenditures that occur. The difference between the 2 figures (budget deficit) is the funds that the council requires to have a “balanced budget”. There is a known Community Infrastructure Levy (CIL) amount to be received for 2026-27, and as this will be transferred to an EMR, this is not included in the general reserves figure.

2026-2027 Budget	Predicted receipts	£46,232
	Predicted payments	£164,166
	Net receipts over payments	-£117,934
	CIL receipts to EMR	£32,692
	Budget deficit (funds required)	-£150,626

Predicting the financial position of the council at the end of the current year

The council also review what the financial position is likely to be at the end of the current financial year (ie the following 31st March). This is done by reviewing the bank balances at the beginning of the current year, adding in the total projected income, and taking off the total projected expenditure to predict the estimated year end bank balances. The total held in Earmarked Reserves is then taken off this balance figure to give “funds on hand” or the general reserves balance.

Predicted general reserves at 31st March 2026	£70,934
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What reserves do the council hold?

There are two types of reserves held by the council –

General Reserves – These are funds held to cover unforeseen expenses. It is suggested that councils maintain a general reserve between 3 to 12 months of their annual expenditure (net) - we aim to keep approx. 6 months reserves. If the projected expenditure exceeds the projected income in any financial year, the difference is taken from general reserves.

Earmarked Reserves (EMRs) – These are funds allocated for specific projects or anticipated future expenses such as asset replacement or maintenance, election costs or open spaces maintenance. These are reviewed annually. The council are prudent in putting aside for their long term liabilities and it is predicted that at the year end for 2025-26, there will be approx. £202,486 in Earmarked Reserves.

Recommended general reserves for 2026-27	£82,083 (6 months expenditure)
Predicted general reserves at 31st March 2026	£70,934 (approx. 5 months)

Long term investment – The council invested £67,000 in a 5-year bond in January 2024 and we are required to show this long term investment in our asset register instead of our cash balances. When this matures, it will come back into the system as income for that year.

How are those reserves held?

Funds are spread across instant access current and savings accounts, Fixed Term Deposits (generally 90/95 days) and one long term deposit (5 years). This ensures a balanced portfolio that ensures funds are available when needed, and interest can be achieved on funds not required immediately. The council has an Investment Strategy and Reserves Management Policy that is reviewed annually.

Funds held across all accounts are reviewed quarterly by the Finance Committee and any recommendations for new accounts or transfer of funds is proposed to Full Council for approval. To comply with the Financial Services Compensation Scheme (FSCS) the council aim to keep under £85,000 with any one banking group (although this limit has recently increased to £120,000). The council currently holds 9 bank accounts. These are reconciled by the clerk monthly and checked by a councillor quarterly.

Why has the precept increased for 2026-27?

Like household budgets, council expenditure has increased in many areas, and expected increases for day to day expenditure has been budgeted for. The council also considers its long term liabilities and as well as adding to EMRs for the current assets it has to maintain in perpetuity, it is also looking to the future. With 2 developments in the village for 226 dwellings and the possibility of 74 more, there will be more assets that the council will be required to oversee and maintain, including a Sports Pavilion, 3G pitch and allotments. This will come with an increased workload as the council looks to ensure the provision of facilities and building out of the sites, matches the expectations and policies in the Neighbourhood Plan.

There are also projects that the council wish to move forward, such as reviewing the redevelopment of the Parish Yard, the potential for a Community Highways Scheme to look at traffic issues on the London Road and other issues that need addressing in the village.

Like many smaller parishes, the Clerk also holds the office of Responsible Financial Officer (RFO) in the council and these 2 jobs encompass a large body of work, covering many areas such as finance, audits, planning, open space management, meetings and minutes, communications, liaising with partner organisations and district and county council departments, as well as and many other day to day issues.

There are increased governance commitments on all councils. The current staffing provision of 22 hours per week is insufficient for the current workload and the council agreed in September 2025 to budget for an additional staff member for up to 16 hours per week. This

will enable the council to not only manage its current commitments but to move into a new phase of village development and the associated work that will entail.

The council have approved and submitted a precept request for £148,683, which will show on your council tax bill as an approx. 10% increase on the previous year. It should be noted that the parish council (precept) element of your council tax bill is approx. 5% of the total council tax amount charged.

Funds required for a balanced budget 2026-2027	£150,626
0% precept increase	£135,116
10% precept increase	£148,683

What will this mean for individual households?

The current 2025-26 annual precept charge for a Band D property is approx. –
£115.04 per year, or £2.21 per week.

An increase of 10% for a Band D property would be approx. –
£126.70 per year, or £2.44 per week (an increase of £11.66 per year / 23p per week)

It should be noted that the actual amount requested by HDC can be slightly higher or lower and this is due to the final number of Band D properties at the end of year.

Appendix 1

BUDGET 2026-27			EXC VAT		
COST CENTRE	NOMINAL CODE	RECEIPTS	25/26 budget	26/27 budget	Increase/decrease
		SALES/INCOME			
100	1000	Sponsorship	£0.00	£0.00	
220	1050	The Parish Yard	£520.00	£540.00	4%
100	1080	Bank interest	£9,500.00	£8,000.00	-16%
100	1081	Bank compensation		£0.00	
100	1085	CIL receipts	£0.00	£32,692.00	1
100	1090	Grants received	£0.00	£0.00	
100	1095	Environmental Cleansing Grant (ECG)	£4,900.00	£5,000.00	2%
100	1100	Deposits returned	£0.00	£0.00	
100	1105	Insurance payout	£0.00	£0.00	
100	1110	Donations received	£0.00	£0.00	
100	1200	Ashington Gardening Club		£0.00	
		TOTAL RECEIPTS BUDGETED / PREDICTED	£14,920.00	£46,232.00	210%
COST CENTRE	NOMINAL CODE	PAYMENTS			
200		WAGES, PAYE, NI & EXPENSES			
	4000	Staffing costs inc PAYE, NI, pension	£33,000.00	£48,000.00	45% 2
	4010	Overtime	£0.00	£0.00	
	4055	Travelling - members (CILrs)	£50.00	£50.00	0%
	4060	Travelling - staff (clerk)	£50.00	£50.00	0%
	4065	Work phone (clerk)	£80.00	£60.00	-25%
	4066	Home Working Allowance (clerk)	£312.00	£312.00	0%
	4070	Payroll costs	£100.00	£110.00	10%
	4075	Locum costs	£0.00	£0.00	
210		ADMINISTRATION			
	4100	Training	£1,000.00	£1,000.00	0%
	4105	Postage	£10.00	£10.00	0%
	4110	Stationery	£100.00	£100.00	0%
	4115	Subscriptions	£1,200.00	£1,350.00	13%
	4120	Hall hire	£0.00	£0.00	
	4125	Auditors	£650.00	£700.00	8%
	4130	Data Protection	£35.00	£47.00	34%
	4135	Insurance	£1,600.00	£1,600.00	0%
	4140	Land Registry fees	£0.00	£35.00	
	4145	Planning Consultant fees	£0.00	£0.00	
	4150	Land valuation fees	£0.00	£0.00	
	4155	Leaflet distribution	£0.00	£0.00	
	4160	Neighbourhood Plan	£0.00	£0.00	
	4165	Chairmans Allowance (hospitality)	£100.00	£100.00	0%
	4170	Newsletter	£0.00	£0.00	
	4171	Bank charges	£120.00	£120.00	0%
	4172	Unrecovered funds	£0.00	£0.00	
	4173	Software/IT	£1,000.00	£1,000.00	0%
220		THE PARISH YARD			
	4175	The Parish Yard	£360.00	£360.00	0%
250		NEIGHBOURHOOD & YOUTH			
	4250	Neighbourhood Wardens	£77,974.00	£80,687.00	3%
	4260	Warden additional hours	£0.00	£0.00	
	4265	Youth Worker	£8,000.00	£6,000.00	-25%
	4270	Youth training budget	£0.00	£0.00	
	4275	Youth Fundraising budget	£0.00	£0.00	

300		LANDSCAPING & OPEN SPACES			
	4300	Landscape maintenance (& grass cutting)	£9,500.00	£9,870.00	4%
	4305	Hanging flower baskets (incl watering)	£3,150.00	£3,350.00	6%
	4310	Lamppost testing for baskets	£0.00	£750.00	
	4315	Weed control PC land	£0.00	£0.00	
	4320	Winter/Emergency Plan	£0.00	£0.00	
	4325	Memorial Garden	£0.00	£0.00	
	4330	Green Initiatives	£500.00	£250.00	-50%
	4335	Play areas, Skatepark maintenance	£1,000.00	£1,000.00	0%
	4340	SID maintenance		£750.00	
320		ENVIRONMENTAL CLEANSING			
	4400	Dog Bin Emptying	£720.00	£730.00	1%
	4405	Litter bin emptying	£1,260.00	£1,275.00	1%
	4410	Litter Warden	£0.00	£0.00	
350		GRANTS			
	4500	Section 137 Grants	£0.00	£0.00	
	4505	Other Grants(& Calor Gas grants)	£0.00	£0.00	
900		EARMARKED RESERVES			
	4900	Play Areas & skatepark maintenance	£4,000.00	£3,000.00	-25%
	4905	Election fees	£0.00	£0.00	
	4910	Bus shelters, seats, noticeboards, sign maint.	£1,000.00	£1,000.00	0%
	4915	PWL Repayment of Interest & capital	£0.00	£0.00	
	4920	Software/IT	£500.00	£500.00	0%
	4925	Speedwatch	£150.00	£0.00	-100%
	4930	Defibrillators	£150.00	£0.00	-100%
	4931	Street Trees	£0.00	£0.00	
	4932	Community Funding		£0.00	
	4935	Parish Yard	£0.00	£0.00	
	4940	Administration	£0.00	£0.00	
	4945	Grants	£0.00	£0.00	
	4960	s106 Open Spaces	£0.00	£0.00	
	4965	CIL deadline Oct 2025	£0.00	£0.00	
	4970	CIL deadline May 2026	£0.00	£0.00	
	4975	CIL deadline Oct 2026	£0.00	£0.00	
	4980	CIL deadline Apr 2030		£0.00	
-	4999	CONTINGENCY BUDGET	£0.00	£0.00	
TOTAL PAYMENTS BUDGETED / PREDICTED			£147,671.00	£164,166.00	11%
NET RECEIPTS OVER PAYMENTS (Budget deficit before EMRs used)			-£132,751.00	-£117,934.00	-11%
CIL FUNDS TO BE ALLOCATED TO AN EMR (ie not counted as general reserves)			£0.00	£32,692.00	
BUDGET DEFICIT			-£132,751.00	-£150,626.00	13%
PRECEPT REQUESTED			£135,166.25	£148,683.00	10%
BUDGET DEFICIT AFTER PRECEPT			£2,415.25	-£1,943.00	
Predicted general reserves at 31/03/26				£70,934.00	
Number of months general reserves held				5	
1 - Final Chanctonbury Nurseries CIL money - will be transferred to an EMR, so not counted in general reserves figure					
2 - To encompass e+A115:H116existing clerk (22hrs) and recruitment of 2nd staff member up to a total of 38hrs					