

BUDGET PAPER 2026/27

Prepared for Full Council – 18 December 2025

To consider the recommendations of the Budget Committee for 2026/27 Ear Marked Reserves (EMRs) 2026/27 and CHPC Budget 2026/27 and to set the Precept to be demanded from St Albans District Council.

1. Reserves Recommendation

Members are asked to review this report alongside the accompanying budget spreadsheet.

It is recommended that no reserves are used to support the 2026/27 budget.

From March 2026 the Parish Council will no longer have a Parish Office, and alternative arrangements for workspace, storage, and service delivery remain uncertain. These changes are likely to increase costs and may require the use of reserves later in the year.

In addition, the Roestock Hut project while a priority for the Council should be treated as a project for 2026 and beyond, given the scale of refurbishment required. Although S106 funding is available, reserves may still be needed to progress the project responsibly.

Given these pressures and the need to plan ahead for possible capital commitments, it would be financially imprudent to use reserves simply to reduce the 2026/27 Precept.

The Council is advised to maintain general reserves equivalent to 3–6 months of operating expenditure (£45,000–£60,000), with remaining reserves allocated as agreed by Council.

2. Proposed Budget for 2026/27

The proposed budget for Colney Heath Parish Council for 2026/27 is £187,156.00, an increase of £4,246 compared with 2025/26.

As with many local authorities, CHPC continues to face financial pressures, including:

- Rising costs of grounds maintenance and waste/litter disposal
- Higher administrative and compliance costs (data protection, H&S, audit)
- Ongoing uncertainty in government funding
- Uncertainty relating to devolution and future unitary authority arrangements

COLNEY HEATH PARISH COUNCIL

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3. Key Considerations for 2026/27

The following areas require particular attention when setting the budget:

Office Accommodation

With the expiry of the Parish Office lease in March 2026, alternative accommodation must be identified urgently. Costs for rental and secure storage are expected to rise.

Staff Training

Additional provision is required for compliance-related training, including Legionella awareness and building management responsibilities.

Community Activities

Activity levels were lower than expected in 2025/26. The 2026/27 budget should support a renewed programme of community engagement and events.

Roestock Hut (S106 Funding)

Planning will continue to bring the building back into community use, with S106 funding available to support refurbishment.

4. Budget Committee Recommendation

The Responsible Financial Officer recommends approval of a net budget requirement of £187,516.00 for the 2026/27 financial year.

5. Precept Requirement

Following approval of the budget, the Council must determine how this will be funded. This may be through council tax (the Precept) and/or the use of reserves. As of November 2025, CHPC holds £332,459, with £162,955 allocated for the final half of the current financial year.

For calculation purposes, the previous tax base of 1,143.7 Band D equivalent properties has been used. The updated figure will be confirmed by St Albans District Council in December 2025.

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6. Budget Summary

Income Source	Amount (£)
Admin	6,900
Assets	6,000
Common	3,500
Total Income	16,400
Expenditure Category	Amount (£)
Operating Costs	17,150
Staff	95,656
Open Spaces	61,100
Community	8,250
Legal/Planning	5,000
Total Expenditure	187,156

7. Precept Demand

CHPC currently holds reserves of more than £150,000 and has not typically used reserves to reduce the Precept in previous years. Given:

- the upcoming loss of the Parish Office,
- the potential capital requirement for a new building, and
- ongoing planning-related cost pressures,

it remains prudent to protect reserves rather than draw on them in 2026/27.

Based on the proposed budget of £187,156.00 and an estimated tax base of 1,143.7:

- Band D Precept for 2026/27: £163.64
- Previous Year Band D Charge: £158.87
- Increase: £4.77 per household per year
- Percentage Increase: 3%

Importantly, this 3% increase is below both current inflation and the Retail Price Index (RPI), meaning the Council is delivering a real-terms restraint on the local tax burden while maintaining service levels.

No reserves are used to fund this increase.

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8. Summary and Recommendation

The total budget for 2026/27 is £187,156.00, funded through a Precept that results in a Band D charge of £163.64 (a 3% increase, below inflation and RPI). This approach:

- maintains essential services,
- protects the Council's strong reserve position, and
- prepares CHPC for significant future commitments, including office relocation and the Roestock Hut project.

Council is recommended to resolve that the Parish Clerk notifies St Albans District Council that the CHPC Precept demand for 2026/27 will be £187,156.00, resulting in a 3% Precept increase.

Lisa Peters LGCI PSLCC CPFA CiLCA
Responsible Financial Officer (RFO)
For and on behalf of
Colney Heath Parish Council
10 December 2025