West Rainton Parish Council - 15 January 2026

Agenda Item 11: Precept for 2026/27

Report of the Parish Clerk

To comply with the deadline of 23 January 2026 set by Durham County Council (the Council Tax administering Authority), the Parish Council is required to agree, set and request the precept for the financial year 2025-26.

Tax Base 2025/26

The County Council has updated its tax base modelling taking into account the updated position in terms of new build and incidence of other discounts and exemptions impacting on the tax base calculation.

The table below shows the position for West Rainton Parish Council

Current Tax Base (2025/26) (A)	762.70
Tax Base for 2026/27 (B)	783.70
Tax Base increase from 2025/26 (C) = (B-A))	21.00
Current Band D Council Tax (2025/26) (D)	£54.39
*Increase in Council Tax Yield (E) (C X (D)	£1142.19

*This is the amount the Parish Council could decrease its precept by to give a standstill position in terms of resource availability (in cash terms)

To assist the Parish Council, consider the setting of the 2026/27 precept please refer to the attached Appendix.

This summarises:

- Actual expenditure and income in 2024/25
- Forecast expenditure and income outturn for 2025/26
- Draft budget for 2026/27 based on a standstill position i.e. no change to precept.

Draft Budget 2026/27

In drawing up the proposed budget for 2026/27, careful consideration has been given to anticipated spending based upon experience gained over previous years. Your attention is drawn to key provisions in the draft budget:

- The forecast general reserve balance brought forward from 2025/26 is £54,399**.**
- If the precept remains at the 2025/26 level of £54.39 for a band D property: the precept total funding without any increase is **£42,625.44**.
- An increase for inflation of 4% on pay and other relevant expenditure
- An increase on all cemetery fees of 4% for inflation wef 1/4/26
- The earmarked Election Reserve and Village Improvement Programme balances of £4,000 and £20,000 at the beginning of 2025/26 have been carried over to 2026/27.
- The potential to support Durham Area Youth’s funding request for £4,000 2026/27 (to be considered under a separate agenda item at this meeting)

- The potential to support other grant applications received from community groups totalling £1,492 (To be considered under a separate agenda item at this meeting)
- The draft 2026/27 budget forecasts a surplus of **£11,923** which includes an estimated amount of £4858 relating to a refund of VAT from 2025/26

There is no provision in the draft budget for the following identified potential funding pressures:

- Funding to support outstanding action to reduce anti-social behaviour and damage to the green space opposite the garage e.g. installation of more bollards/barriers to restrict vehicle access

- Funding to support outstanding action relating to improving road safety measures.

- Support for "exceptional circumstances", in year community grant funding applications, including the further support for Jubilee Hall.

- The need for additional staffing resources

Summary & Other Considerations

The 2026/27 draft annual budget forecasts a surplus of **£11,923** without any increase in the precept or the application of any reserve funds during the year. This surplus will increase the general reserve forecast balance at 31 March 2027 to **£66,321**. Consequently, an increase in the precept is not required to balance the proposed draft budget for next year or to maintain reserves at their current levels.

The total reserves forecast as at 31/3/27 is **£90,321.**

To help improve transparency for the reasons for holding such reserves, the Parish Council should clarify how and when the earmarked Village Improvement Programme (VIP) Reserve will be utilised. Consequently, it is advised that the Parish Council should strive to firm up projects incorporated into its 2025/26 Annual Plan, by 31 March 2026, to decide which projects should be carried over into its annual plan for 2026/27 and identify the need for any transfer from the general reserve for next year and any potential funding gaps going forward.

It should be noted that due to the significant level of the budget deficit in the draft Durham County Council's (DCC's) Medium Term Financial Plan 2026/27 -29/30, particularly in 2026/27, Council Tax bills, (which excludes all other partner precepts i.e. Police Fire and town/parish councils) *could* be increased by 5% next year.

In view of the above, Parish Council is asked to consider the Parish Council precept for 2026/27.

To assist Parish Council in this consideration, examples of an increase in our precept on the current band D property of £54.39.

Variance in Precept	Net Increase in funding from 25/26	Band D Precept	Increase per annum	Total Funding from the Precept
Standstill	£1142.19	£54.39	£0.00	£42,483.25
+3%	£2419.62	£56.02	£1.63	£43,902.87
+5%	£3273.86	£57.11	£2.72	£44,757.11

NB It is considered likely that the Parish Council will receive a grant funding request from the Community Association during 2026/27 for support with the running costs. As yet, details of the precise nature of the funding request or the level of funding required is unknown.

At the January 25 budget setting meeting, Parish Council was requested to fund a manager's post via an increase in the precept. The estimated cost of a part time manager is £30,000 per annum. To raise this level of on-going funding via the precept would require an increase of approximately 70%.

Parish Council is asked to consider this report and the Appendix in order to agree the precept requirement for 2026/27 and approve a draft provisional budget for 2026/27.

Jan 2026