Dickens Heath Parish Council
Budget and Precept Setting Policy

1. Purpose

This policy sets out the principles and procedures for preparing the annual budget and determining the parish precept. The Council will manage public funds prudently, transparently and sustainably whilst maintaining services, assets and financial resilience.

2. Objectives

The Council will seek to maintain financial sustainability, provide stability in financial planning, protect services and assets, maintain appropriate reserves, consider affordability for residents and ensure that the precept is supported by an approved budget.

3. Annual 5% Precept Planning Assumption

The Council will ordinarily plan on the basis of an annual 5% increase in the total parish precept. This planning assumption is intended to recognise inflationary and contractual increases, nationally agreed staffing costs, asset maintenance and replacement requirements, reserve funding needs and the ongoing cost of service delivery. The Council recognises that prolonged precept freezes, whilst underlying costs continue to increase, may reduce the Council's recurring income base and create financial pressures for future councils and residents. Full Council shall determine the budget and precept each year and may approve an increase above or below 5% where justified by the budget, financial forecast, reserves position or other material financial circumstances.

4. Budget Preparation

The Responsible Financial Officer (RFO) shall prepare an annual budget taking account of expenditure, income, staffing costs, contractual commitments, inflation, asset maintenance, planned projects, reserves and known financial pressures.

5. Medium-Term Financial Planning

The Council will maintain a financial forecast covering at least the following three financial years to help identify future financial pressures and understand the longer-term consequences of budget decisions.

6. Reserves

General and earmarked reserves shall be reviewed as part of the budget process. Reserves may be used for one-off expenditure, emergencies, asset replacement and planned projects, but should not normally be relied upon to fund recurring expenditure on an ongoing basis.

7. Determining the Precept

The precept requirement shall be determined following consideration of the approved budget, anticipated income, reserve movements, future financial commitments, the Council's reserves position, the parish tax base and the impact on residents.

8. Approval

The annual budget and precept shall be approved by Full Council at a properly convened meeting and recorded in the minutes.

9. Transparency

Following approval, the Council will publish appropriate information explaining its budget and precept decision, including the precept level, significant changes, reserve movements and resident impact where available.

10. Review

This policy shall be reviewed annually as part of the Council's financial governance arrangements.

Date of Approval : October 13th 2026

Date for Review : October 2027