BROADSTONE TOWN COUNCIL – BRIDGING BUDGET

1. INTRODUCTION.

As the Proper Officer / Responsible Finance (RFO) for Broadstone Town Council (BTC), I have a legal duty to advise councillors on all financial matters. While my reports will reflect my professional assessment, councillors are not legally obligated to adopt or approve the recommendations within.

Broadstone Town Council was established on 1st April 2026. Prior to its creation, Bournemouth, Christchurch and Poole Council (BCP) prepared an anticipated budget and precept as part of the Local Government Reorganisation process. This enabled the new Council to begin operating from its first day without needing to prepare a budget from the outset.

Having now been in operation for several months, the Council has a better understanding of its operational requirements, governance arrangements and anticipated expenditure. It is therefore appropriate to review the anticipated budget and refine it into a recommended operational budget that more accurately reflects the Council's expected expenditure for the remainder of the financial year.

This report focuses on reviewing each budget heading, explaining the proposed amendments/bridging detail and recommending a revised operational budget. Background information relating to the national financial context, tax base and precept calculation is provided in the appendices for reference.

Members will note that this report does not make recommendations regarding the Council's reserve strategy as it is considered more appropriate to determine the level and purpose of earmarked reserves after the results of the current residents' survey have been analysed. This will enable future reserves to be aligned with the priorities identified by the Broadstone community. A separate report on reserves will therefore be presented to Members at a later date.

The recommendations within this report are intended to provide the Council with a realistic operational budget for 2026/27 while ensuring that longer-term financial planning can be considered once the Council's priorities have been further developed.

2. COST CENTRES AND COST CODE

When setting up the new finance software Cost Centres were created to cover the main Council activities. Each Cost Centre was assigned a number for example Administration is 1, Allotment is 2, Governance is 3. Within in Cost Centre, Cost Codes were created for specific activities. The numbering for Cost Codes are separated for expenditure and income. For example, expenditure code codes start with a 0 and income start with a 5. i.e. Allotment code 2004 can be read as 2-0-04. 2 meaning Allotments, 0 meaning expenditure, 04 is a unique reference for example Groundworks. Whereas 2502 can be read as 2-5-02 2 meaning Allotments, 5 meaning income and 02 meaning Key deposit.
Please note as some expenditure may not be required / used this year, placing the funds into a reserve will ring fence the amount for future requirements, which means in future this negates the need for an annual budget allocation. This approach provides financial security as the Council grows, while also helping to avoid unnecessary surplus funds accumulating each year from unspent budget allocations. As the Council’s budget is funded through the Precept paid by residents, using a reserve in this way would help keep the Precept as low as reasonably possible while still ensuring funds are available when required.

3. BCP ANTICIPATED BUDGET

Description	Allotments	Events	Community Development / Neighbourhood Planning	Members	Civic	Central Operating Costs	Contributions to Reserves	TOTAL
Salary Costs (Inc. salary overheads)	3,200					33,760		36,960
Staff Training						2,000		2,000
Total Employees	**3,200**	**0**	**0**	**0**	**0**	**35,760**	**0**	**38,960**
Electricity						2,000		2,000
Minor Maintenance and Repair	50							50
Rates						2,000		2,000
Rent						10,390		10,390
Water	480							480
Service Recharges	410							410
Total Premises	**940**	**0**	**0**	**0**	**0**	**14,390**	**0**	**15,330**
Mileage						500		500
Total Transport	**0**	**0**	**0**	**0**	**0**	**500**	**0**	**500**
Audit Fees						600		600
Bank Charges						350		350
Civic Services						1,500		1,500
Website / Comms Support						5,000		5,000
Elections				36,740				36,740
Equipment						750		750
Grants Funding / Projects			15,000					15,000
HR Advice						600		600
Insurance						1,500		1,500
IT Support						3,500		3,500
IT Systems	80					750		830
Legal Advice						600		600
Waste & Recycling	20							20
Mayors Budget / Hospitality					500			500
Training & Conferences				200				200
Photography					100			100
Flowers					100			100
Members Training					500			500
Travel & Subsistence					100			100
Payroll						450		450
Printing						100		100
Postage						50		50
Small Tools						1,000		1,000
Stationery						1,000		1,000
Subscriptions & Memberships	10					2,000		2,010
Telephones						500		500
Tree and Hedge Maintenance	600							600
General grounds maintenance	6,040							6,040
Office Provisions						2,000		2,000
Publicity & Promotions					500			500
Supplies	60							60
Christmas Lights		3,000						3,000
Minor & Civic Events		8,000						8,000
Transfer to Reserves							85,570	85,570
Total Supplies & Services	**6,810**	**11,000**	**15,000**	**36,940**	**1,800**	**22,250**	**85,570**	**179,370**
Total Expenditure	**10,950**	**11,000**	**15,000**	**36,940**	**1,800**	**72,900**	**85,570**	**234,160**
General Contingency Fund								70,270
								304,430
Fees and Charges	(6,800)							(6,800)
Allotment keys	(70)							(70)
Interest						(1,000)		(1,000)
Total Income	**(6,870)**	**0**	**0**	**0**	**0**	**(1,000)**	**0**	**(7,870)**
NET TOTAL	**4,080**	**11,000**	**15,000**	**36,940**	**1,800**	**71,900**	**85,570**	**296,560**
Precept Requirement								**296,560**
Indicative Tax Base								**4,909.0**
Estimated Band D Charge								**£60.41**
Cost Per Month								**£5.03**
Cost Per Week								**£1.16**

Description	
Opening Balance	**0**
Transfer from Charter Trustees Reserves	7,090
Transfer from Budget (Reserves)	85,570
Closing Balance	**92,660**

4. BTC REVISED OPERATIONAL BUDGET

Administration

Code	Title	Receipts Budget	Payments Budget
1002	Salaries		36,960.00
1004	Expenses		500.00
1006	Equipment (IT & Furniture)		1,000.00
1008	IT Software / Licenses / Support		6,500.00
1010	Payroll		300.00
1012	Phone / Broadband		500.00
1014	Publicity / Promotion		400.00
1016	Stationery / Postage / Copying		1,150.00
1018	Subscriptions / Memberships		2,083.00
	SUB TOTAL	**0.00**	**49,393.00**

Allotments

Code	Title	Receipts Budget	Payments Budget
2002	Administration		338.00
2004	Grounds Works		2,000.00
2006	Repairs and Maintenance		50.00
2008	Stationary Inc Postage		60.00
2010	Treeworks		4,640.00
2012	Water Rates		480.00
2014	Service Recharge		410.00
2502	Key Deposit	70.00	
2504	Plot Fees	6,800.00	
	SUB TOTAL	**6,870.00**	**7,978.00**

Caretaker

Code	Title	Receipts Budget	Payments Budget
3002	Supplies		1,000.00
	SUB TOTAL	**0.00**	**1,000.00**

Community Projects & Events

Code	Title	Receipts Budget	Payments Budget
4002	Christmas Lights		3,000.00
4004	Donation & Grants		15,000.00
4006	Events		9,500.00
4008	S106		0
	SUB TOTAL	**0.00**	**27,500.00**

Governance

Code	Title	Receipts Budget	Payments Budget
5002	Audit Fees		1,000.00
5004	Bank Fees		150.00
5006	CIL		0
5008	Elections		36,740.00
5010	Insurance		1,323.00
5502	Bank Interest	1000	
	SUB TOTAL	**1,000.00**	**39,213.00**

Office & Internal Meetings Costs

Code	Title	Receipts Budget	Payments Budget
6002	Electricity		1,950.00
6004	Meeting Room Hire		1,500.00
6006	Refuse Collection		20.00
6008	Rent		10,390.00
6010	Rates		2,000.00
6012	Water		50.00
	SUB TOTAL	**0.00**	**15,910.00**

Training, Conference & External Meetings

Code	Title	Receipts Budget	Payments Budget
7002	Members Training Course		700.00
7004	Members Training Travel		100.00
7006	Officer Training Course		2,000.00
7008	Officer Training Travel		500.00
	SUB TOTAL	**0.00**	**3,300.00**

Total Income and expenditure		7,870.00	144,294.00
NET			**136,424.00**
	Transfer to Reserves		120,136.00
	General Contingencies		40,000.00
TOTAL			**296,560.00**

The BCP anticipated budget included a further £4,296 for items such as HR advice, legal advice and other contingent expenditure. Consistent with the approach set out in this report, these funds have not been included within the operational budget and will be considered and allocated appropriately when Members determine the Council's reserve strategy following analysis of the residents' survey.

5. COST CODE EXPLANATION/BRIDGING DETAIL.

Ref	Description	Notes from BCP – BTC Budget
Administration		
1002	Salaries	No change – salaries. Covers Home pay, National Insurance & pension
1004	Expenses	Made up from £150 from Payroll + £100 Publicity & Promotions + £250 (Office Provision) To cover home working provision whilst there is no office. + Any further general expenses
1006	Equipment (IT & Furniture)	Made up from £250 from Equipment + £250 Office provision. Initial Set up. Currently used £850. Still to purchase printer
1008	IT Software / Licenses / Support	Made up from £3,500 IT Support + £830 IT Systems + £2,170 Website / Comms. Includes the initial purchase of the license for Scribe Accounting, Microsoft, Anti-Virus protection. Remaining budget to cover on-going monthly IT support
1010	Payroll	£300 from Payroll (Part used) as contract with contractor lower than budgeted
1012	Phone / Broadband	No change - Telephone
1014	Publicity / Promotion	£400 from Publicity & Promotions (Part used). Currently used £52 for double sided leaflet.
1016	Stationery / Postage / Copying	Made up from £100 Printing + £50 Postage + £1,000 Stationary
1018	Subscriptions / Memberships	Increase from BCP budget to cover Subscriptions & Memberships already paid for FY 26-27 (NALC, DAPTC & SLCC)
Allotments		
2002	Administration – It System	Made up from Website / Comms Support (Part used)
2004	Grounds Works	Made up from General Grounds Maintenance (Part used)
2006	Repairs and Maintenance	No change - Minor Maintenance & Repair
2008	Stationary Inc Postage	No change – Supplies
2010	Treeworks	Made up from General Grounds Maintenance (Part used £4,040) + Tree and Hedge Maintenance £600
2012	Water Rates	No change – Water
2014	Service Recharge	No change - Service Recharge
2502	Key Deposit	No change - Allotment Keys – Currently held by BCP
2504	Plot Fees	No change - Plot fees and Charges – Currently held by BCP
Caretaker		
3002	Supplies	Made up from small tools.
Community Project & Events		
4002	Christmas Lights	No change – Christmas Lights – To enhance current provision
4004	Donations & Grants	No change – Grants Funding / Projects
4006	Events	Made up from £8,000 Minor & Civic Events + £1,500 Civic Events
4008	S106	No change
Governance		
5002	Audit Fees	Made up from £600 Audit + £200 Bank Charges + £177 Insurance (Part used) + £23 HR Advice part used. Budget covers estimated cost for both Internal and external auditors. Noting extra internal audit this FY to ensure the governance is set up correctly.
5004	Bank Fees	Bank Charges (Part used) as fees set at £12 per month
5006	CIL	Stil under investigation with BCP
5008	Elections	Elections. This was set by BCP to cover the May 2026 initial elections
5010	Insurance	Reduced as Insurance taken out by BCP on our behalf at a lower price
5502	Bank Interest	No change - Interest.

Office & Internal Meeting Costs

Although BTC do not currently have any office facilities, they are anticipated.

6002	Electricity	Electricity (Part Used)
6004	Meeting Room Hire	Office Provisions (Part Use)
6006	Refuse Collection	Waste & Recycling
6008	Rent	Rent
6010	Rates	Rates
6012	Water	Electricity (Part Used)

Training, Conference & External Meetings

7002	Members Attendance	Made up from Training & Conference (£200) + Members Training (£500)
7004	Members Travel	Travel & Subsistence
7006	Officer Attendance	Staff Training
7008	Officer Travel	Mileage

APPENDIX

A1. BROADSTONE TOWN COUNCIL.

As a newly established council, Broadstone Town Council (BTC) must operate within this challenging financial environment while also establishing its own governance arrangements, service priorities, reserve strategy, and long-term financial planning framework. Careful budgeting and prudent reserve management will therefore remain essential during the Town Council's formative years.

BTC operates through several dedicated committees, ensuring that both ongoing matters, such as planning applications, tree works, and financial oversight, and one-off community events and projects are effectively managed. The Town Council is supported by committed councillors who give their time voluntarily, bringing enthusiasm and dedication to a role that is often overlooked but vital to the community. The RFO, with several years' experience within the sector provides governance knowledge, and practical understanding of council operations, helping to ensure robust financial management, lawful decision-making, and the effective establishment of council procedures and services during the Town Council's formative years.

A2. TAX BASE

BCP Council release the annual Tax Base numbers in January each year. The tax base represents the number of Band D equivalent properties within the parish after applying discounts, exemptions, premiums (including those for second homes), and expected collection rates. It is a key component of the budget-setting process, as it determines how the Town Council's total Precept requirement is shared across households in the parish. A higher tax base allows the Precept to be spread across a greater number of Band D equivalent properties, reducing the Band D charge for any given Precept. Conversely, a lower tax base would increase the charge even if the Precept remained unchanged. For 2026–27, the tax base for Broadstone is 4,914.6.

A3. PRECEPT CALCULATIONS (2026-27)

The Precept amount is worked out using the following calculation:
Precept = forecast expenditure minus forecast income plus reserve requirements

For example:

Forecast Expenditure	£148,590
Forecast Income	£7,870
Total	**£140,720**
Reserve Requirement	£70,270
General Contingencies	£85,570
Total	**£155,840**
Precept	**£296,560**

Band D Equivalent

As mentioned in the Tax Base paragraph to work out the Band D equivalent we divide the precept by the tax base.

296,560 divided by 4914.6 = £60.34

A4. NATIONAL CONTEXT.

The national economic outlook for 2026–27 continues to present challenges for local councils, although there are signs of improving economic stability. Inflationary pressures remain above the Bank of England's long-term target, while public sector finances continue to experience significant demand pressures. These national factors influence the operating environment for town and parish councils, particularly in relation to service costs, staffing, contractor pricing, utilities, and community expectations. They also continue to affect the cost of living for residents, making prudent financial planning increasingly important for local councils.

a. Economic Growth

Gross Domestic Product (GDP) estimates are the main measure of UK economic growth based on the value of goods and services produced during a given period.

The UK economy experienced modest growth during 2025 (1.4%), although overall economic performance remains relatively weak. GDP growth has been limited so far during this financial year (2026-2027), reflecting ongoing pressures on household spending, business investment, and wider public finances. Slower economic growth can indirectly affect local councils through increased financial pressures on resident's, local businesses

and community organisations, potentially increasing demand for community support while reducing household disposable income.
UK GDP is estimated to have grown by 0.6% in Quarter 1 (January – March), following revised growth of 0.2% in Quarter 4 (October – December) 2025. (Office of National Statistics)

b. Interest Rates
The Bank of England aims to return inflation to 2%, following the rates peaked at 11.1% in October 2022. Higher interest rates continue to affect both household finances through increased mortgage and borrowing costs and the wider local government sector. They can also increase costs for businesses supplying goods and services to councils. The current rate is 3.75%. (Bank of England)

c. Inflation
The Bank of England has a strict, government-set target to keep the Consumer Prices Index (CPI) inflation rate at 2%. Low and stable inflation helps protect the purchasing power of money and encourages steady economic growth. Persistent inflation continues to impact energy costs, supplies, maintenance contracts, insurance premiums, and staffing costs faced by local councils. It also continues to increase the cost of everyday living for residents, placing additional pressure on household budgets.
On a monthly basis, CPI rose to 3.8% in September 2025, the highest it has been since January 2024. Since September 2025 the rate has reduced and for April 2026 stood at 2.8%. (Office for National Statistics).

d. Public Finances
Borrowing: the difference between total public sector spending and income – was £24.3 billion in April 2026; this was £4.9 billion (25.1%) more than in April 2025, and £3.4 billion more than the £20.9 billion forecast by the Office for Budget Responsibility (OBR). Continued pressure on national public finances may influence future local government funding and increase expectations on town and parish councils to deliver or support additional local services.

e. Energy Costs
Although wholesale energy prices have stabilised compared with recent years, utility costs remain above historic levels. Energy continues to represent a significant household expense for many residents and remains an important operating cost for local councils through electricity, heating and contractor charges. (Office of Gas and Electricity Markets).

f. Local Government Sector Pressures
Councils across the local government sector continue to face increasing operational and financial pressures, including higher staffing costs, increasing contractor charges, growing demand for community support, and infrastructure maintenance liabilities. Many parish and town councils are also experiencing increased expectations from residents as principal authorities review service delivery arrangements. This trend is likely to continue as communities increasingly look to their local councils to help maintain and improve local services and facilities.

g. Workforce and Pension Costs
National pay negotiations within local government continue to place upward pressure on staffing budgets. Increases to employer pension contributions, National Insurance costs, and the National Living Wage also continue to affect employment costs for councils and contractors.

A5. <u>SUMMARY</u>

Whilst there are signs that the national economy is becoming more stable, inflationary pressures, workforce costs and wider public sector financial constraints continue to create uncertainty for both residents and local councils. It is therefore important that Broadstone Town Council adopts a prudent financial approach, ensuring sufficient resources are available to meet current operational needs whilst retaining flexibility to respond to future challenges and the priorities identified by the Broadstone community.