

# Hamble Parish Council

## Budget Report Including Precept for 2026/27

### 1. Background

Last year, the Council requested the budget be prepared to reflect increases in both the precept and, to a lesser extent, fees and charges. As a result, the precept was increased by **25.4%**, resulting in an income for the Parish of **£366,250**.

The increase was required to support both long- and short-term needs in Hamble, specifically:

- **Investment in local assets**, including improvement of public spaces, repair and maintenance of existing facilities, and long-term asset management.
- **Addressing rising costs**, such as National Insurance increases, staffing, maintenance of public spaces, and higher prices for services and materials, while maintaining local services.
- **Supporting the defence against Cemex and the Hamble airfield appeal.**

The 2026/27 budget builds on these priorities, taking into account income and expenditure trends from 2025/26.

### 2. Budget

The Parish Council's budget brings together expenditure, income, reserves, and the precept (collected by Eastleigh Borough Council and paid to Hamble in two instalments).

The 2026/27 budget has been prepared to reflect an overall increase of 10% on operating costs. This includes approximately 5% inflation, along with specific adjustments where costs are more predictable and not directly inflation-related, and some new items of expenditure.

Unusually in the forthcoming 2026/27 financial year, the Parish Council will be acquiring assets from Eastleigh Borough Council (EBC) as part of the Local Government Reorganisation and Devolution process.

Some assets currently attract a Special Expenses charge within Eastleigh Borough Council's (EBC) Council Tax. Where these assets transfer to Hamble Parish Council, EBC will cease charging the Special Expense, and the Parish Council will need to fund the service through its own precept.

EBC has confirmed that the total reduction in Special Expenses relating to transferred assets will be £25,107.86 (net), comprising £18,812.01 for Open Spaces and £6,295.85 for Trees.

Several assets proposed for transfer do not currently have a Special Expense attached, meaning the Parish Council would be responsible for the full cost of their maintenance. A final confirmed list is awaited from EBC.

Once the Parish Council has agreed its year-on-year increase, an additional £25,108 will need to be added to reflect the transfer of assets from EBC already agreed, in order to determine the revised precept requirement and percentage increase.

The recommendation is that the Parish Council should allow a further £5,000 as a contingency which has been reflected in the supporting table.

### 3. Reserves

Parish Councils are advised to hold general reserves equal to 3–6 months of operational expenditure, which for HPC this equates to approx. £105,000–£210,000 based on monthly spending of £35,000 (although operating costs have now increased to around £39,000pm)

Actual General Reserves as at 31.03.25 (excluding Kompan monies and EMRs)	£151,774.00
Actual General Reserves as at 31.01.26 (excluding EMRs of £63,087.62)	£184,771.00
<i>Anticipated</i> General Reserves as at 31.03.26 (after deduction of £5,000 for unforeseen/unbudgeted costs)	£179,771.00
On 10.11.25 Full Council agreed to spend a further £25,000 on Cemex in 2026/27.	£154,771.00

**Conclusion:** In order for General Reserves to be brought back within the minimum recommended range of 3-6 months of Operating Costs and the previous Auditor advice in relation to strain on the budget in relation to the Airfield, General Reserves should be carefully considered.

In addition, the Council holds several Earmarked Reserves (EMRs)—funds set aside for specific projects—totalling £43,795.50

During the 2025/26 financial year, £45,000 has been drawn from general reserves to support work related to the Airfield.

### 4. Key Considerations

#### 4.1 Rising Costs

While inflation is forecast to fall in 2026/27, costs for materials, supplies, and services continue to rise above the Consumer Price Index. The budget includes a **5% contingency for inflation**, slightly above the CPI of 3.6% (October 2025).

## **4.2 Fees and Charges**

- Dinghy park and clock permits: frozen for 2026/27.
- Foreshore car park and Donkey Derby field: increase from 1 April 2026.
- Minor income reductions are expected from bench sponsorship, magazine advertising, and burial services.

## **4.3 Staffing**

- Office staffing is more settled, minimizing budgetary impact.
- Possible increase to salaries of £10k following external salary Evaluation built into the budget
- Employer National Insurance contributions and pensions slightly increased

## **4.4 Projects and Grants**

Council will prioritise projects for 2026/27 in line with reserves and precept limitations. External funding, grants, and cost-recovery initiatives will continue.

The Parish Council still has an unspent grant of £5,600 from Hampshire County Council for the Foreshore Toilets.

Additionally, the Parish is considering what investment is needed to refurbish the skate park as well as looking at outdoor fitness equipment and a pump track. These projects will only be possible through grant funding or using the £31,197.26 which is within EMR from pre 2023.

The Council is also looking to upgrade the Boiler at RUP and again will be applying for a grant to do so.

## **4.5 Asset Maintenance**

In 2025/26, the Parish Council raised £44,000 through the Precept for Asset Maintenance. Estimated spending is £25,000, leaving £19,000 to be carried forward into an earmarked reserve for 2026/27.

Works completed include:

- Roof repairs and lean-to demolition at Mount Pleasant
- Maintenance of Foreshore car park machines
- Resurfacing contribution at Hamble Club Football Club
- Replacement benches at the Foreshore

Due to time constraints and resource, there has been limited progress on the Foreshore toilets project. There is still uncertainty as to what works are required and the cost. The plan is to drive this project forward in 2026-27.

Additionally, the Parish was able to secure most of the funding for CCTV which had previously been intended to be spent from Asset Maintenance Budget.

The Foreshore car park machines, installed in 2000, are beyond their expected lifespan and spare parts are no longer available. In 2025/26, £1,800 was spent on maintenance plus callout fees. Flowbird has reduced replacement costs to £3,250 plus £650 installation per machine (valid until 20.02.2026), with an annual back-office fee of £500. Forecast car park income for 2025/26 is £45,000.

If replacement is approved, funding could come from the Asset Maintenance budget, General Reserves, or a new budget line in the next financial year.

2026-27 Asset Maintenance may include Foreshore recharging, further upgrades at Mount Pleasant, shared area at Sports area and other smaller assets including bins, benches and car parks.

#### **4.6 Asset Transfer**

The aim is for any assets transferred to the Parish to be cost-neutral, with the Parish precept increasing and the Borough precept reducing by the same amount. However, this is unlikely to match exactly, creating some financial risk.

To avoid using limited reserves without protection, the Parish should set a contingency. This may also cover legal fees instead of using the separate legal budget.

The Parish should therefore consider an additional £5,000 on top of the £25,108 Special Expenses, as a contingency. Any unused funds at the end of 2026/27 will be moved to an earmarked or general reserve.

#### **5 Precept Demand**

At the Full Council meeting in January, Council were presented with 10 options. No decision was reached and new options came back to Full Council in February.

At the February Full Council meeting a total precept demand of £455,132.79, representing a 25.35% increase, with an average Band D charge of £237.48 was agreed, this included the Special Expenses figure.

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#### **Budget Objectives**

This budget aims to:

- Sustain essential services
- Invest in and maintain community assets
- Protect and manage reserves

- Support strategic priorities, including the Hamble airfield appeal
- Support the Asset Transfer process