



Report To: Boston Town Area Committee (BTAC)

Date: Thursday 22 January 2026

Subject: Draft Budget Setting Report 2026/27

Purpose: To present the draft Medium Term Financial Plan covering the period 2026/27 to 2030/31 and consider the draft budget for 2026/27.

Key Decision: No

Portfolio Holder: Councillor Sandeep Ghosh, Portfolio Holder for Finance and Economic Growth

Report Of: Russell Stone, Director of Finance and Section 151 Officer

Report Author: Nicole Hayes, Head of Finance Delivery - BBC (PSPSL)

Ward(s) Affected: All BTAC Wards

Exempt Report: No

Summary

This report sets out the Medium Term Financial Plan (MTFP) for BTAC covering the periods 2026/27 to 2030/31 with key focus required for the 2026/27 budgetary position.

Recommendations

It is recommended:

- 1) That BTAC notes the 2026/27 and MTFP position and recommends to Cabinet and Full Council for approval within the inclusion of the Council's Annual Budget Report.
- 2) That BTAC recommends to Cabinet and Full Council the level of its Special Expense precept for 2026/27 at £779,470, and the Council Tax Band D charge of £82.44.
- 3) That BTAC recommends to Cabinet and Full Council increasing the minimum reserve balance from £70,000 to £100,000 for 2026/27 to 2030/31.

Reasons for Recommendations

To ensure compliance with the budgetary and policy framework and to propose to Cabinet, and subsequently Full Council, the BTAC precept and Council Tax levy for adoption in 2026/27.

Other Options Considered

None.

1. Introduction

- 1.1 Boston Town Area Committee (BTAC) is asked to make a recommendation to Cabinet and Full Council on the precept and Band D Council Tax levy for properties in the BTAC area for the 2026/27 financial year. This report details the current position and the proposed precept for 2026/27. The timetable is as follows:
 - Thursday 22 January 2026 – proposed BTAC budget to BTAC committee (this meeting).
 - Wednesday 18 February 2026 – final budgets to Cabinet and recommendation to Full Council.
 - Monday 2 March 2026 – Full Council to approve budgets and agree the Band D Council Tax charge.
- 1.2 Members are reminded of the context in which this budget has been set. It is at a time of continuing change and significant financial challenge for Local Government. These include ongoing reductions in grant support from the government and changes to the mechanism upon which Central Government support is allocated.
- 1.3 Appendix A details the net expenditure required throughout the Medium Term Financial Plan (MTFP) by service.
- 1.4 In recent years, Members have increased the precept to enhance the town, supporting initiatives such as funding public conveniences, improvements to Central Park, footway lighting, open spaces, events and town centre operatives.
- 1.5 The level of Council Tax is a key factor for the Committee when considering its future aspirations. Table 1 outlines the options based on specific increases as follows:
 - (a) The proposed increase of 1.67% in 2026/27, then 1.00% p.a.
 - (b) An increase of 1.00% in 2026/27, then 1.00% p.a.
 - (c) An increase of 0.50% in 2026/27, then 1.00% p.a.
 - (d) No increase in 2026/27, then 1.00% p.a.

(These illustrations of various increases have been based on feedback from Members on the preferred scale of future BTAC operations and council tax levels going forward. These assumptions are for planning purposes only and will inevitably change.

Table 1 – Resource Projections

Changes in Council Tax assumptions	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £
1.67% increase					
BTAC Band D Charge	82.44				
BTAC Precept Requirement	779,470	787,265	795,138	803,089	811,120
1% increase					
BTAC Band D Charge	81.90				
BTAC Precept Requirement	774,365	782,109	789,930	797,829	805,807
0.5% increase					
BTAC Band D Charge	81.54				
BTAC Precept Requirement	770,960	778,670	786,456	794,321	802,264
No increase					
BTAC Band D Charge	81.09				
BTAC Precept Requirement	766,705	774,372	782,116	789,937	797,836

1.6 A proposed 1.67% increase would raise BTAC's Band D annual charge by £1.35, equivalent to approximately 3 pence per week for Council Taxpayers. The impact for all bands is shown in Table 2 and nearly 70% of BTAC households fall within Bands A and B, where the weekly increase is approximately 2 pence.

Table 2 – Council Tax Increases by Band

Band	Ratio	2025/26 £	2026/27 £	2025/26 to 2026/27 Change	
				Annual	Weekly
A	6/9	54.06	54.96	0.90	0.02
B	7/9	63.07	64.12	1.05	0.02
C	8/9	72.08	73.28	1.20	0.02
D	9/9	81.09	82.44	1.35	0.03
E	11/9	99.11	100.76	1.65	0.03
F	13/9	117.13	119.08	1.95	0.04
G	15/9	135.15	137.40	2.25	0.04
H	18/9	162.18	164.88	2.70	0.05

2. Assumptions

2.1 The MTFP covers the period 2026/27 to 2030/31. Over this timescale it is important to make realistic assumptions as to how costs may rise or fall.

- 2.2 There is an assumption revenue budgets will be used to deliver services during the year for which they are approved, and any additional resources will be allocated and spent in the year they become available.
- 2.3 The MTFP has been prepared on the basis that appropriate service budgets were set for 2025/26 and revised, where necessary, to incorporate specific adjustments arising from operational changes and decisions made since the 2025/26 budget setting process.
- 2.4 General inflation has been built into the 2026/27 budget at 3.7% and 2.0% thereafter.
- 2.5 Employee costs have increased in line with current pay increases.
- 2.6 The BTAC MTFP assumptions within Appendix A of this report are based on future year precept increases of 1.0% p.a.

3. 2025/26 Forecast Outturn

- 3.1 The reliability of setting the 2026/27 budget will be determined by an assessment of the projected 2025/26 outturn. The 2025/26 outturn will be reported to the Committee through the regular quarterly reports, and as at the end of Q2, unallocated reserves at 31 March 2026 are estimated at £275,057 comprising the minimum reserve balance of £70,000 and £205,057 available for future use.

4. Tax Base

- 4.1. The tax base assumptions are shown in Table 3 below (equivalent number of Band D properties).

Table 3 – Tax Base

2025/26 Actual	2026/27 Actual	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31 Forecast
9,484	9,455	9,550	9,645	9,741	9,839

- 4.2 The tax base has decreased by 0.31% from 2025/26 to 2026/27. This reduction could be due to a number of factors including changes to discounts, rebandings, and premiums.
- 4.3 For future years, an increase of 1.0% p.a. has been forecast. The tax base includes a non-collection adjustment of 2.18%, meaning an assumed collection rate of 97.82% over time to account for Council Tax non-payment. These assumptions remain prudent, and will be influenced by factors such as planning policy and the strength of the local economy.

5. 2026/27 Estimates by Subjective Analysis

- 5.1 The table below presents the 2025/26 budget and the proposed 2026/27 budget by expenditure and income type, following the Chartered Institute of Public Finance and Accountancy (CIPFA) standard classification. Further details by service are provided in Appendix A.

5.2 A review of grounds maintenance recharges and employee costs have been completed to establish the 2026/27 budget position. During 2026/27, a wider review of recharges and BTAC expenditure will be undertaken, which may result in further reductions or potential budgets increase. The outcomes will be reported to the Committee through the regular quarterly reports.

Table 4 – Estimates by expenditure/income

	2025/26 £	2026/27 £	Variance (£)	Variance (%)
Employees	295,340	275,170	(20,170)	(6.8)
Premises	53,291	55,140	1,849	3.5
Supplies and Services	131,002	127,890	(3,112)	(2.4)
Transport	12,870	10,860	(2,010)	(15.6)
Third Party Payments	292,060	183,640	(108,420)	(37.1)
Support Services	43,952	55,750	11,798	26.8
Total Expenditure	828,515	708,450	(120,065)	(14.5)
Fees and Charges	(24,426)	(21,130)	3,296	(13.5)
Total Income	(24,426)	(21,130)	3,296	(13.5)
Efficiency Saving Target	(35,031)	-		
Reserve Contributions to/(from)	-	92,150		
Budget Requirement	769,058	779,470	10,412	1.4%

5.3 Employees – Due to operational service changes, the Open Spaces and Play Areas budget has been removed and the Events budget has been reduced.

5.4 Premises – Spend on Open Spaces and Play Areas has reduced based on a three year average, partially offset by increases in Central Park and Public Conveniences.

5.5 Supplies and Services – Increased costs for Open Spaces and Play Areas due to maintenance of play equipment, Public Conveniences to reflect spend on materials and Events which are offset by reductions in Central Park and Administration.

5.6 Transport – Reduction attributable to Public Conveniences and Town Centre Maintenance.

5.7 Third Party Payments – Reduction in grounds maintenance recharges and removal of street scene recharges following the service review completed during 2025/26.

5.8 Support Services – Expenditure has increased in line with budget assumptions including costs contained within recharges.

5.9 Fees and Charges - Reduction in Public Convenience fee income, based on 2024/25 outturn.

5.10 Reserve Contributions - An efficiency target was set for 2025/26, which would be funded from reserves if the saving could not be achieved during the year. For 2026/27, a contribution to reserves is planned as net expenditure is lower than the precept due.

6. Reserves

6.1 The following table shows the projected movement on the BTAC reserve, and the assumptions made with regards to the expected outturn position at paragraph 3.1.

Table 5 - Summary of the proposed movement on the BTAC reserve

	2025/26 £	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £
1 April	293,825	275,057	367,207	451,012	525,780	591,549
Contributions to reserves	-	92,150	83,805	74,768	65,769	51,400
Contributions from reserves	(18,768)	-	-	-	-	-
31 March Subtotal*	275,057	367,207	451,012	525,780	591,549	642,949
S151 Minimum Requirement**	70,000	100,000	100,000	100,000	100,000	100,000
Estimated Available Reserve Balance***	205,057	267,207	351,012	425,780	491,549	542,949

*This does not reflect contributions from reserves in future years and is an estimate based on the current forecast for 2025/26 and draft MTFP for 2026/27 to 2030/31.

**Uplift in minimum requirement from £70,000 to £100,000 subject to committee approval.

*** Estimated reserves balance based on the Q2 position.

6.2 The 2025/26 reserve position assumes all projects to be funded from reserves will be spent by 31 March 2026.

6.3 Current five year projections indicate that reserve balances will rise, driven by annual contributions resulting from net expenditure being less than the precept due. If annual expenditure exceeds the precept, reserves will be drawn down to cover the shortfall.

6.4 Last year, the recommended minimum level of reserves (as assessed by the Chief Finance Officer as Section 151 Officer) was £70,000. For 2026/27 and thereafter, it is proposed that this increases to £100,000, a rise of £30,000, representing 12.8% of the precept income for 2026/27 to reflect the nature of the services provided. This level will be reviewed annually as part of the budget setting process.

7. Budget Requirement

7.1 The proposed budget requirement for 2026/27, and demand on Council Tax, is illustrated below in Table 6.

Table 6 – Budget Requirement

	BTAC 2025/26	BTAC 2026/27
A. Budget Requirement	£769,058	£779,470
B. Adjusted Tax Base	9,484	9,455
C. Band D Equivalent (A/B)	£81.09	£82.44

7.2 The proposed BTAC requirement for 2026/27 is £779,470. Appendix A shows the projected expenditure for 2026/27 and the following four years.

Conclusion

That the proposed MTFP is reviewed, scrutinised, and evaluated, with associated strategies recommended first to Cabinet and subsequently to Full Council.

Implications

South and East Lincolnshire Councils Partnership

This budget supports the delivery of BTAC services.

Corporate Priorities

This budget has been built in line with BTAC's priorities.

Staffing

The Equality Act requires BBC to consider any equality impacts in relation to staff from these plans. As operational changes and options are considered, a draft impact assessment will be discussed with Trades Unions and staff, and especially as individual projects are delivered.

Workforce Capacity Implications

Contained within the report.

Constitutional and Legal Implications

This report is required by virtue of the Local Government Finance Act 1992, as amended by the Localism Act 2011.

Data Protection

None.

Financial

Contained within the report.

Risk Management

Risk management is considered as part of the budget setting process.

Stakeholder / Consultation / Timescales

The Council has a legal duty to consult residences on its budget proposals.

Reputation

None.

Contracts

None.

Crime and Disorder

None.

Equality and Diversity / Human Rights / Safeguarding

New Equality Impact Assessments will be developed and published wherever these are required and will be made available during the management and decision-making of the Programme.

Health and Wellbeing

None.

Climate Change and Environment Impact Assessment

None.

Acronyms

BTAC – Boston Town Area Committee

MTFP – Medium Term Financial Plan

CIPFA – Chartered Institute of Public Finance Accounting

Appendices

Appendices are listed below and attached to the back of the report:

Appendix A Draft Medium Term Financial Plan for 2026/27 to 2030/31

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

None.

Report Approval	
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