



# Budget 2026/2027 Process and Consultation

**Date** 22 September 2025  
**Prepared by** Town Clerk and RFO

## 1. BACKGROUND AND PROCESS

- 1.1. The council must set a budget by 1 March each year and the has to be approved by Full Council. The budget informs the precept (the amount of tax used to fund the Town Council per household)
- 1.2. The 2025/2026 budget is for the period 1 April 2026 until 31 March 2027.
- 1.3. There are several different stages to the budget setting process:
  - Review of the most recently audited financial years figures (2024/2025)
  - Review of current financial years spend through end of quarter 2 (30 September 2025)
  - Consultation
  - Forecasting current years spend and income through the end of the financial year (31 March 2026). This gives an early warning about the likelihood of a shortfall (or surplus).
  - Forecasting next year's expenditure and income from precept by:
    - Calculating uplift due to inflation (if any)
    - Determining the cost of existing provisions and new projects
    - Assessing levels of income;
    - Providing for contingencies and consider the need for general and earmarked (capital) reserves;
  - Presenting budget basis template and consultation results for to members for amendments and recommendations.
  - Amending draft budget
  - Publishing draft budget with papers for January 2026 meeting.
  - Approval of budget by council (**no Later than February 2026 Meeting**)

## 2. LEGISLATION

- 2.1. The Local Government Finance Act 1992. C.14, Part 1, Chpt. IV, s49(A) 49A (Calculation of council tax requirement by authorities in England)<sup>1</sup> does not reference a "budget" but

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<sup>1</sup> [Local Government Finance Act 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

requires a local precepting authorities to make calculations (outlined in sections (2) and (3)) which are effectively those used by local councils to produce the budget.

- 2.2. Section 41 of the act require this to be completed by the 1 March though it should be noted that the precept is not invalid if this date is missed (The Billing Authorities (Anticipation of Precepts) Regulations 1992, Regulation 2 (Anticipation of precepts) (amended)<sup>1</sup>.
- 2.3. S.49(A) also refers to “proper practices” which in England is the Smaller Authorities’ Proper Practices Panel (SAPPP), formally the Joint Panel on Accountability and Governance (JPAG), Practitioners’ Guide published jointly by the National Association of Local Councils and the Society of Local Council Clerks.<sup>2</sup>
- 2.4. The Practitioners' Guide requires local councils to “prepare and approve a budget in a timely manner before setting a precept or rates and prior to the commencement of the financial year” (Page 8: 1.8). Further details are provided in sections 5.24 – 5.27) of the guide<sup>3</sup>.

### **3. CONSULTATION**

- 3.1. The first step of the budget-setting process is and perhaps the most important is hearing from local residents and businesses and a consultation is carried out each year to inform the proposals set before councillors and a final budget agreed.
- 3.2. The 2026/2027 consultation will run from 1 October 2025 to 31 October 2025.
- 3.3. The consultation will be advertised as follows:
  - Posters displayed at Council’s toilets, in the park, at the Broadway Centre, local churches and by local businesses.  
  
Posters include a QR code linking to the online survey and details of where hard copy consultations were available.
  - On the Council’s website (home page and public engagement pages)
  - The Facebook page, (also shared by councillors to community groups)
  - Hardcopy Questionnaires available at:
    - The Broadway centre during opening hours;
    - Sandown Library
    - From Councillors on request.
- 3.4. Following feedback from previous years surveys, the impact on the precept of some of the options is included. A direct question regarding a Public Works Loan to fund activities was also asked in relation to Pier Street Toilets.

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<sup>1</sup> [The Billing Authorities \(Anticipation of Precepts\) Regulations 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk)

<sup>2</sup> [SLCC |](#)

<sup>3</sup> [Governance and Accountability in Local Councils in England and Wales: A Practitioners' Guide](#)

- 3.5. There were 104 responses, 85 online responses and 19 hardcopies.
- 3.6. A draft poster can be found at Appendix A. A draft survey can be found at Appendix B
- 3.7. Historically response rates are low with 104 responses received in 2023 and just 71 in 2024. It is therefore important councillors promote the survey as much as possible.