



2027-28 Budget Process

Full Council Briefing Note – 28 September 2026

Prepared by Town Clerk/RFO

1. BACKGROUND

- 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 2026/202 budget is for the period 1 April 2027 until 31 March 2028.

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)¹ does not reference a “budget”, its calculation draws upon estimates of expenditure, income, contingencies and reserves. These estimates are central to the authority’s budget-setting process¹.
- 2.2. Under section 41(4), a local precepting authority must issue its precept before 1 March in the financial year preceding the year for which the precept is issued. The subsection expressly provides that a precept is not invalid merely because it is issued on or after that date. The Billing Authorities (Anticipation of Precepts) Regulations 1992 make provision for a billing authority to anticipate a precept where necessary².
- 2.3. Section 49A refers to expenditure being charged in accordance with “proper practices”, but it does not identify a particular body or publication.
- 2.4. For smaller authorities in England, the applicable proper accounting and governance practices are set out in the Practitioners’ Guide issued by the Smaller Authorities’ Proper Practices Panel (SAPPP), formerly the Joint Panel on Accountability and Governance (JPAG)³.
- 2.5. SAPPP includes representatives of NALC, SLCC and the Association of Drainage Authorities, with SAAA currently providing its secretariat.
- 2.6. 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 : 1.8). Further details are provided in sections 5.25 – 5.2) of the guide⁴.

3. CONSULTATION

- 3.1. The first stage of the budget-setting process, and arguably the most important, is to hear the views of local residents and businesses. A public consultation is undertaken each year to help inform the

¹ [Local Government Finance Act 1992](#)

² [The Billing Authorities \(Anticipation of Precepts\) Regulations 1992](#)

³ [Smaller Authorities Proper Practices Panel](#)

⁴ <https://www.nalc.gov.uk/asset/FFBC7B8A%2DBA96%2D4A2B%2DB997CDE24D62B99B/>

budget proposals presented to councillors, before the final budget is considered and agreed.

3.2. The 2027/2028 consultation will run from 1 October 2026 to 31 October 2026.

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. Last year there were 230 responses, 205 online responses and 25 hardcopies.

3.5. Council may want to consider assigning staffing capacity to undertake the following tasks in an effort to improve the response rate:

- Regular posts on the Council's Facebook page throughout the consultation period. Councillors and local community groups will be asked to share these posts to extend their reach.
- Direct promotion by councillors and Council staff at relevant meetings, community events, and through local organisations and established community networks.
- Reminder notices issued during the consultation period and shortly before the closing date.

3.6. A draft poster can be found at Appendix A. A draft survey can be found at Appendix B.

3.7. This years survey is exploring the direction residents would like the council to take in relation to community space, public assets and community support services.

4. DRAFTING PROCESS

4.1. 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 (after 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 November 2026 meeting).
- Amending draft budget to reflect decisions regarding the draft.
- Publishing draft budget with papers for January 2027 meeting.
- Approval of budget by council (**no Later than February 2027 Meeting**)

5. **RECOMMENDATIONS**

THAT the budget process reflects previous years with additional promotion of the budget consultation

6. **APPENDICES**

APPENDIX A – Survey

APPENDIX B – Poster