

Officer Report: Start of Budget Preparation 2026/27

Meeting: Finance and Governance Committee

Date: 9 September 2025

Report author: Acting Clerk and RFO

Purpose

To confirm that work on the 2026/27 budget is starting and to set out a simple way for committees and managers to plan and control spending.

Background

In 2024/25 some committee spending was not well controlled and this put pressure on reserves and cash flow. The Terms of Reference now say a quorum of any committee is at least a third of the Council as a whole and the maximum single transaction without Full Council approval is £2,000. The F&G committee raised concerns about unlawful and unconsidered spend in their July meeting. These steps help but there is still a risk of unconsidered spend.

How spending should work

Committees set priorities and approve projects. Managers run day to day services within the operational budgets that Council agrees. If a committee takes control of an operational budget it weakens the role of managers and blurs who is responsible. Committees can spend project budgets as long as they follow normal parish council rules. This means best use of resources, value for money and compliance with standing orders and financial regulations. The correct process is that officers will give advice before money is committed and will record and enact decisions under a scheme of delegation.

Simple approach for 2026/27

First we will list all fixed and estimated known future costs. We will then show the money left for projects on two clear assumptions. One assumes a zero per cent increase in the precept. The other assumes a five per cent increase. Each committee will be told the size of its project budget under both assumptions before it starts planning projects. Committees can then choose which projects to fund within that budget. Operational budgets will remain with managers who are responsible for delivery.

Money effects

This approach helps protect reserves and cash flow because spending is planned and tracked against clear limits. It also gives an early view of what level of precept may be needed to support projects.

Next steps

Officers will share the baseline of fixed and known costs along with guidance and a timetable. Project budget figures for each committee will be provided on the zero per cent and five per cent assumptions. Committees will confirm how they wish to allocate their project budgets. A draft budget will then come through the committee cycle for review and recommendation to Council.

Recommendation

That the Committee notes the start of the 2026/27 budget process.

That the Committee confirms managers are responsible for operational budgets and committees allocate approved project budgets.

That the Committee agrees for 2026/27 each committee is given a project budget based on the zero per cent and five per cent precept assumptions before project planning begins.