

DRAFT BUDGET 2026-2027 REPORT

Annual Finance Meeting – 19th January 2026

Introduction

This report provides a commentary to the Draft Budget Figures for 2026/27.

Under Section 50 of the Local Government Finance Act 1992 a Town and Parish Council must take the following factors into account in setting its annual budget:

- The expenditure it will incur in the year in performing its functions
- An allowance for contingencies in relation to expenditure
- The financial reserves it will be appropriate to raise for meeting its future expenditure
- The financial reserves necessary to meet a revenue account deficit for any earlier financial year
- The sums which will be payable to it for the year
- The amount of the financial reserves which the authority estimates it will use

Members' attention is drawn to the following matters:

- Continued increase in fuel and energy costs
- Opportunities for securing assets and services for Faversham due to Swale Borough Council's need for budget savings and any future local government reorganisation.

Council Tax Base Rate

The 2026/27 Council Tax Base Rate is 7487.51 an increase of 0.49%. The average Band D precept charged by parish and town councils for 2025/26 was £92.22, an increase of £6.32 or 7.4% in 2025/26.

Precept History

ELECTION	YEAR	PRECEPT	BAND D	TAX BASE	TAX BASE % INCREASE	OVERALL % INCREASE
	2026/27			7487.51	0.49	
	2025/26	755,000	101.33	7451	0.86	12
	2024/25	666,741	90.25	7387.56	3	9
E	2023/24	595,322	82.80	7189.88	4.5	7.62
	2022/23	533,132	80.39	6880.49	6.3	9.5

Precept 2026-2027

Faversham Town Council has undergone a significant expansion in its role, responsibilities and level of activity. The Council now delivers a far broader range of

services, manages more assets, and provides greater leadership within the community than in previous years.

What was once limited to a small number of annual events has grown into a full, year-round programme of community events, supported by a dedicated Events Officer. Operational capacity has also increased, with the Facilities Team doubled in size, including the recruitment of two apprentices directly from school, enabling more maintenance and improvement works to be delivered in-house. These include caring for public planting, installing benches and street furniture, and responding more effectively to issues such as graffiti.

In parallel, the Council has achieved and maintained important national accreditations, including Age-Friendly Town and White Ribbon, alongside wider commitments to community safety, inclusion, heritage protection and environmental responsibility. These commitments require ongoing delivery, coordination and resourcing to ensure they result in real outcomes for residents.

The proposed precept increase reflects this step change in the scale and complexity of the Council's work, as well as the need to protect and invest in key community assets and services. It provides the financial stability required to sustain existing services, deliver major projects, and ensure the Council remains resilient, responsive and capable of meeting both current and future expectations.

Therefore, the recommendation is for a 29% increase in the precept.

Precept and Band D Impact – Cash Value Summary

To aid clarity, the proposed increase for 2026/27 is set out below in monetary terms, rather than percentages.

Council Tax Base

- 2026/27 Tax Base: 7487.51
- Increase in Tax Base: 0.49%

Precept Comparison

- 2025/26 Precept: £755,000
- Proposed 2026/27 Precept: £973,600

Band D Charge

- 2025/26 Band D Charge: £1.95 per week
- Proposed 2026/27 Band D Charge: £2.50 per week

This equates to a weekly cost that remains lower than the price of a takeaway coffee and represents strong value for money for residents.

Earmarked and General Reserves

As at 31st December 2025 our Earmarked Reserves stand at £187,340, with a total of £120,000 having been spent from the current year's EMR. Earmarked Reserves are those allocated to a specific budget, which are expected to be spent within a reasonable period of time.

General Reserves are anticipated to be in the region of £150,000 at year end. To maintain the Council's financial resilience, the budget should be set at a level that avoids further drawdown on these reserves.

Staffing

The total staffing budget is set at £487,400 and should be considered during private session.

Recommendation

The following recommendations are made:

1. The Council gives all the statements made in this report due consideration when determining the precept figure for 2026/27.

Please note we have received an extension of time from Swale Borough Council and our completed form needs to be returned on **Tuesday 20th January 2026**.

Louise Bareham
14th January 2026