Cyngor Tref Trallwng | Welshpool Town Council

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Title	Budget 2026-2027 - A Report FC
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1. **Purpose**
    1. To present the final budget for 2026/2027 to Full Council for approval.

2. **Background**
    1. Officers have undertaken a detailed budget review for 2026/2027, including:
        1. removal of budgets for services no longer delivered by the Council;
        2. identification of savings and efficiencies;
        3. review of operational and contractual costs;
        4. development of new projects aligned to the Council's Interim Strategic Plan; and
        5. consideration of the Council's current level of General Reserves.
    2. Committees have had an opportunity to explore their own budgetary areas throughout October, November and January.
    3. Thebudget now presented reflects the outcome of that work and represents the final proposed position for approval.

3. **Summary**
    1. The final 2026/2027 budget is built around four key themes:
        1. Delivering savings and service change
        2. Properly funding essential services and commitments
        3. Investing in new priorities and projects
        4. Rebuilding financial resilience
    2. The budget includes:
        1. £86,920 of identified savings, including the transfer of the Ann Holloway Centre and Meals on Wheels services to Welshpool Community Haven and wider efficiencies.
        2. £125,330 of increased expenditure, made up of:

1. approximately £45,350 of new and expanded projects aligned to the Interim Strategic Plan;
2. £40,197 of unavoidable contractual and ongoing service costs; and
3. £39,738 relating to inflationary and service delivery pressures.

4. **Investment**
    1. The budget includes new and expanded investment focused on regeneration, place-shaping, environmental improvements and community activity.
    2. The budget includes provision for:
        1. Town Hall Transformation enabling costs and fundraising activity;
        2. Place Plan and town centre initiatives;
        3. Environmental and biodiversity projects;
        4. Public realm improvements;
        5. Tourism branding and promotion; and
        6. Events, marketing and town presentation
    3. These projects are aligned to the Council's Interim Strategic Plan and are intended to deliver visible improvements and long-term benefits for Welshpool.

5. **Financial Resilience**
    1. The budget reflects a move towards more realistic operational budgeting, ensuring appropriate provision is made for:
        1. leases and contracts;
        2. maintenance and compliance;
        3. utilities increases;
        4. service delivery costs; and
        5. ongoing asset responsibilities.
    2. The Council's General Reserve remains low (£49,995). Financial monitoring indicates a forecast in-year surplus for 2025/2026.
    3. The budget includes a planned £20,000 contribution to General Reserves, alongside the application of the forecast surplus, to support a structured approach to rebuilding financial resilience.

6. **Links to Strategic Objectives and Interim Strategic Plan**
    1. FS4 - Develop a three year budget to balance savings with new income generation

7. **Resource & Legal Implications**
    1. In accordance with good financial practice, the Responsible Finance Officer has reviewed the revenue budget and associated financial assumptions for 2026/2027 and provides the following comments to Council in line with Section 25 of the Local Government Act 2003:

       Robustness of the estimates

The budget for 2026/2027 has been prepared following a comprehensive review of the Council's services, contracts, staffing structure, income streams and asset responsibilities. The estimates are considered robust as all service budgets have been subject to line by line scrutiny by officers twice and committees in three months of formal meetings. Inflationary and service pressures have been reflected across operational budgets, including utilities, contracts, maintenance and service delivery costs.

Adequacy of the proposed financial reserves
The Council's current General Reserve balance of £49,995 is low relative to the scale of the Council's operations, staffing commitments and asset base, and provides limited resilience to financial risk. However the budget prepared includes a clear strategy to rebuild which includes an in-year surplus and an additional £20,000 contribution in 2026/27. In addition, the Council will consider a proposal that all future capital receipts be transferred into a Capital Expenditure Earmarked Reserve, ensuring that capital resources are protected and applied appropriately in accordance with the Local Government Act 2003.

2. The setting of the Council's annual revenue budget and precept is a statutory function governed principally by the Local Government Finance Act 1992. In particular, section 50 of the Act requires the Council, as a local precepting authority, to formally calculate its budget requirement. Members are reminded that Audit Wales qualified the Council's 2023/24 accounts on the basis that the Council had not fully complied with the requirements of section 50 of the Local Government Finance Act 1992 when setting its budget and precept.

   In preparing the 2026/2027 budget, specific steps have been taken to address this and to strengthen the Council's legal compliance including the calculcations required by Section 50 of the 1992 Act.

   In addition, Members must ensure that the final decision to approve the budget and precept is taken in accordance with section 106 of the Local Government Finance Act 1992, which restricts voting where a member is in arrears of council tax.

8. Specific Implications

1. **Crime and Disorder** - The budget supports this duty by maintaining and strengthening provision for public realm improvements, town centre activity and events all leading to positive outcomes to prevent vandalism, anti-social behaviour (Crime and Disorder Act 1998).
2. **Biodiversity** - provision within the 2026/2027 budget includes specific funding for biodiversity action and environmental enhancements (Environment (Wales) Act 2016).
3. **Well-being** - the budget supports most if not all of the Well-being Objectives by investing in regeneration, financial resilience, community activity, town centre vitality and enhancement of biodiversity and nature (Well-being of Future Generations (Wales) Act 2015).
4. **Risk Management** - Risk 19 - election costs / Risk 4 - adequacy of precept and budget / Risk 2 - precept request not submitted are all mitigated by this budget.

9. Recommendation

1. To approve and adopt the budget for 2026/2027.

10. Decision

1. To resolve to adopt the recommendations as above.