

251117 – Item 6 - 2026-27 BUDGET & PRECEPT

Introduction

To assist the Council in setting the 2026/27 budget and precept, I have prepared two budget scenarios for comparison:

1. Standard Expenditure Budget
 - Assumes usual annual increases in expenditure of 7.5%.
 - Band D Council Tax would be £80.97.
2. Enhanced Budget including Toilets and Highways Projects
 - Includes estimated costs for the potential transfer of public toilets and highways improvements / Vehicle Activated Signs.
 - Overall expenditure increase of 25% compared to 2025/26.
 - Band D Council Tax would be £94.44.

The purpose of providing these two scenarios is to allow the Council to see the financial impact of including the optional projects alongside the standard operating budget.

For reference, current Council Tax rates are included in the table at the end of this paper.

RECEIPTS

Precept – Increased due to the points noted below (staffing, reserves, projects).

Allotments – Increased to £676.50 in accordance with the Allotment Agreement (reviewed every three years; next review 2027, Association to be given 12 months' notice)

VAT – At Q2, the council can reclaim £1,562.

Xmas – Remain the same.

PAYMENTS

Staffing – 4% increase applied to reflect the annual pay award and associated contributions (pension, National Insurance, and tax).

Rent – Moretonhampstead Development Trust (MDT) is reviewing rent and service charges; a 5% increase has been allowed in the draft budget.

Phone & broadband – Increased to reflect average monthly costs of £60 (BT and EE).

Office Costs – Reduced to £1000 (£500 budget / £500 replace reserves)

Room Hire – Remain the same

Open Spaces – Increased by 10%

Regular payments:

- TDC Sentry bin empty - £2,659 (expect an increase - £3,000)

- Play Park annual inspection - £120
- Teign Valley Nursery Spring and Autumn baskets - £780
- Sentry cut = £2,550
- Pound, Henge and Coronation bench = £1,850
- Verges = £1,780
- Sentry hedge cut - £650

It is important to remember that repairs to open spaces assets are included under this budget heading.

Allotments – Rent income is ring-fenced for Allotment expenditure. Any surplus at year-end will be transferred to reserves if no expenditure is required.

Bank Charges – Reduced due to Lloyds changing the council account to a community account with lower fees.

Professional fees –

Regular payments:

- DALC Annual subscription - £650
- DM payroll services - £180
- SLCC Membership - £240
- ICO data protection fee - £47
- Internal Audit - £90
- External Audit - £378

Insurance – Council entered a 3-year Long-Term Agreement (LTA) in 2025 at £953.32. A 5% increase has been allowed to account for minor rises in Insurance Premium Tax.

Website maintenance – Increased to pay for the new subscription with Parish Online which includes domain name, emails and website.

Regular payments:

- Parish Online subscription - £462 inc. vat

Training – Remain the same

Election costs – The council moves £400 to reserves annually to cover the election costs.

Chairmans allowance – Remain the same

Grants – Remain the same

Lengthsman – Only the final 2025/26 contract payment has been made. Consider whether this budget heading should be removed or reduced.

Cemetery maintenance – Regular payments:

Churchyard cut - £10,800 inc. vat (including Tree and Hedge management)

Interments – Interments remain self-funding; income offsets expenditure.

Christmas – Remain the same.

Events – I am not aware of any planned national celebrations in 2026/27.

Toilets – If council decides to take responsibility, estimated running costs ~£15,000/year (subject to community consultation).

Highways – Budget for two Vehicle Activated Signs (VAS) ~£5,000.

Summary

- Precept increase reflects staffing, anticipated rent/service charge changes, and new projects.
- Allotment income remains ring-fenced.
- Service and maintenance costs for open spaces are fully included, with contingency for repairs.
- Optional new headings (Toilets, Highways/VAS) require council approval and potential consultation.
- Consider reviewing or removing the Lengthsman budget heading if no further payments are expected.

Precept

I attach a table which shows the 2026/27 tax base for each of you. These will be subject to member approval on 17 December 2025 but either Gordon Bryant or myself will advise you if I become aware of any likely changes as early as possible. The details for the parishes where there is no precept are hidden lines in the spreadsheet.

As in the current year Teignbridge plans to pay your precept payments to each of you in two 50% instalments.

| Town / Parish | Current year tax base number | Current year precept £ | Current year council tax £ | Next year estimated tax base number | Next year budget for same council tax £ |
|------------------|---------------------------------|---------------------------|-------------------------------|--|--|
| Moretonhampstead | 728.9 | 55,940 | 76.75 | 742.3 | 56,972 |

Year on year council tax increases are shown separately for all preceptors on council tax bills. You are advised to consider the level of balances, inflation, and anticipated budget variations when setting your precept for next year. You may find it useful to know that the weighted average Band D town/parish charge in Teignbridge for this year is £116.41.

When we set your Band D equivalent this takes into account properties that have premiums and discounts applied to them. This will include, for example, single person discounts and empty/second home premiums. These adjustments feed through to the Band D equivalent on which you calculate your precept.

You should also bear in mind that government agreed for 2025/26 that if a district council planned to raise its council tax by 3% and above AND by more than £5 local people had the right to keep council tax bills down through a binding referendum veto. This did not apply to towns and parishes and the Government appears likely to be taking the same line with its proposals for 2026/27 but will continue to monitor council tax rises by town and parish councils to evidence whether those councils demonstrate restraint when setting precept increases that are not a direct result of taking on additional responsibilities. The Government expects parishes, in setting their precepts, to consider all available options to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for particular purposes or for 'invest to save' projects which will lower on-going revenue costs. Any revised proposals will be set out at the time of the provisional local government settlement later in the year and either Gordon Bryant or myself will of course advise you of any changes.

Please do not hesitate to contact Gordon Bryant or myself if you need any further information or explanation about setting your precept for next year.

Election Expenses

You must consider how much funding you need to set aside between now and the ordinary elections for town and parish councils, which are currently scheduled for May 2027, to cover any election costs. For these elections, you should be able to use the charge you received for the elections held in 2023 as a reference point. However, for those that did not have contested elections in 2023, please keep the following in mind:

In 2023, the highest charge for contested elections was £7,640.40 for an area with 7,154 electors, while the lowest was £1,688.64 for an area with 1,414 electors. This equates to a cost of between 27p and 30p per elector annually. However, you must also bear in mind that costs will increase by 2027, so you will need to account for inflation.

Additionally, you will need to prepare for the possibility of a casual vacancy leading to a contested election before the May 2027 elections. The cost of a stand-alone parish election can vary from approximately £2,000 to £8,000, depending on the size of the parish or parish ward, the number of polling stations used, and whether your council chooses to send out poll cards. At the four-yearly District & Parish elections, the District Council has always fully covered the cost of sending poll cards, but for a by-election the cost of poll cards will need to be covered by your Council, should your Council wish to send them.

Election arrangements for the District Council are expected to change in 2027 due to local government reorganisation. Instead of elections to Teignbridge District Council, we anticipate conducting shadow elections for the new authority. At this point, we

cannot confirm whether the costs for poll cards on behalf of the parishes will be fully covered as they have been in the past.

Should you require any additional information about election expenses please contact Cathy Ruelens, Deputy Returning Officer on 01626 215103 or email cathy.ruelens@teignbridge.gov.uk

For any other queries please contact Gordon Bryant by email Gordon.bryant@teignbridge.gov.uk

Regards

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