

2610 – Item 6 - 2027-28 BUDGET & PRECEPT

Introduction

This paper supports the Council in setting the 2027/28 budget and precept. It explains the key changes from 2026/27, highlights areas of financial pressure, and sets out the financial impact of new responsibilities including the public toilets and highways improvements.

Based on the confirmed tax base for 2027/28, the Band D Council Tax will be £_____, representing an annual change of £_____ compared to 2026/27. (TDC has not sent the precept information yet)

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

RECEIPTS

Precept – The proposed precept for 2027/28 is £88,143, an increase of £18,041 compared to the 2026/27 precept of £70,102. This represents a 25.7% increase, driven by:

- Staffing cost inflation and associated on-costs
- Anticipated increases in rent and service charges
- New project commitments (public toilets and highways/VAS)
- Appropriate contributions to reserves
- Maintaining financial resilience while taking on new assets

Allotments – Remains at £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 £1,375.

Xmas – Increased due to stall fees rising to £15.

PAYMENTS

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

Rent – Moretonhampstead Development Trust (MDT) reviews rent and service charges annually; a 4% increase has been allowed in the draft budget.

Phone & broadband – Increased to reflect the anticipated average monthly costs of £66 (BT and EE).

Office Costs – Remains at £1000 (£500 budget / £500 replace reserves)

Room Hire – Increased to reflect the new rate of £20 per session.

Open Spaces – Core maintenance costs remain stable. Although some contractor costs may rise, the grass-cutting schedule is expected to remain unchanged.

Regular payments:

- TDC Sentry bin empty - £2,754 (expect an increase - £3,000)

- Play Park annual inspection - £130
- 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 – Increased due to the anticipated banking transition. This is offset by interest earned on the CCLA account.

Professional fees – Remain the same.

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 – The Council is in year 2 of a 3-year LTA (2025–2028). A 5% increase has been allowed for Insurance Premium Tax and minor adjustments.

Website maintenance – Increased to include Norton antivirus which was omitted this year.

Regular payments:

- Parish Online subscription - £462 (inc. vat)
- Norton antivirus – (£99.99 inc. vat)

Training – Increased to include the £2,500 agreed for the Community Governance Degree.

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

Chairmans allowance – Remain the same

Grants – Remain the same

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 2027/28.

Public Toilets – The Council has resolved to accept the transfer subject to final negotiations. Due-diligence work indicates first-year expenditure of approximately £24,000, including utilities, cleaning, maintenance, and essential works.

Highways – Budget includes:

- £5,000 for two VAS units
- £2,500 set aside in 2026/27
- £2,500 set aside in 2027/28

The Council should confirm whether it wishes to proceed, noting strong community concern about speeding.

Summary

- The precept increase of £18,011 (25.7%) reflects staffing inflation, rent/service charge changes, and new project commitments.
- Allotment income remains ring-fenced.
- Open-spaces maintenance costs are fully included, with contingency for repairs.
- Major new expenditure relates to the public toilets and highways/VAS project.
- The draft budget ensures the Council remains financially resilient while delivering agreed priorities.

Precept

(Last Year's Information)

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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Interim Deputy s151 Officer

