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 £119.45, representing an annual change of £25.01 compared to 2026/27.

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

Town / Parish	Tax base Band D equivalents	Total Parish/TC Precept £	Council Tax Rate Parish/TC Band D £	Estimated tax base Band D equivalents	Total Parish/TC Precept at unchanged Band D rate • £
Moretonhampstead	**742.3**	**70,102.00**	**94.44**	**737.9**	**69,687**

The Parish Tax Bases tab shows:

The 2026/27 tax base, precept and Band D charge.
The estimated 2027/28 tax base.
The equivalent precept that would generate the same Band D charge as in 2026/27.
The estimated tax bases have been calculated using the latest council tax base information, including the impact of council tax support, discounts, premiums, growth and collection rate adjustments.

As in previous years, Teignbridge intends to pay parish precepts in two instalments of 50%. In April and September. Confirmation of payment dates will be provided in due course.

Once you have determined your budget requirement/precept, this will be the amount of income you require Teignbridge to collect on your behalf from local taxpayers.

I am pleased to report that there has again been a general increase in the overall tax base across the district, reflecting growth in the tax base together with the continuing effects of council tax premiums and changes in council tax support.

Year-on-year parish council tax increases are shown separately on council tax bills. Councils should consider reserves, inflationary pressures, future spending commitments and anticipated budget changes when setting their precept.

When calculating Band D equivalents, adjustments are made for discounts, exemptions, premiums and council tax support. These factors are reflected in the tax base figures provided.

Please do not hesitate to contact me if you require any further information regarding the tax base calculations or the setting of your 2027/28 precept.

Election Expenses
You should continue to consider the level of funding required to meet future election costs and any potential by-election expenses. Election costs can vary significantly depending on the size of the parish and the circumstances of the election.

I have been asked by several towns/parishes what the cost of an uncontested and contested election is likely to be for 2027. Please note the below is a rough ballpark figure and it may be more.

Contested
In 2023, the cost of the smallest contested parish (1414 electors) was £1688.64 and for the largest (7154 electors) £7640.40. It is calculated based on an apportioned cost (where combined with the district, 50%) of the actual venue and equipment costs, election stationery costs, staff costs and fixed RO and admin fees.

Uncontested
In 2023, the cost of an uncontested election was between £230-£350. This cost is calculated on a fixed RO and admin fee for uncontested elections, and election paperwork produced fee calculated based on the number of seats in the parish or parish ward. It is not based on the size of the electorate.

For budgeting purposes, I think it is reasonable to assume a minimum of a 15% uplift in costs for the 2027 elections. For contested elections, the increase in the cost of postal votes will be higher. The tariff for 1st class post in April 23 was £1.10, and it is estimated to be £1.90 in April 27. This is a 73% increase.

Kind Regards

Gwydion Batten
Principal Technical Accountant