

Budget 2026-27

The Financial Regulations, when referring to the council’s budget, that:

The draft budget with any committee proposals and two-year forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the Finance and Human Resources committee and a recommendation made to the council (para 4.6)

This is the first year that these financial regulations have been in place and the Clerk regrets that it has proved more complex to prepare a two-year forecast with accurate figures. The main reason for this is the identification of carry-over to the following financial year. This relies on reasonably accurate forecasting of spending against the current budget.

The budget should indicate the level of spending expected in the year, with excess funds transferred to general or earmarked reserves unless resolved otherwise, i.e. to be carried forward. Through the year, committees have sought to minimise spending even when funds were identified in the budget agreed in January 2025, or resolving to spend more than was budgeted. This has meant forecasting spending has not been possible across the approx. 190 cost centres in the budget.

In previous years, the Town Clerk has drafted a budget. This amount was then reduced by the sums the Council held in deposit accounts and any estimated carry-forward. The resulting figure was the precept requested.

The added complexity is that the council’s tax base. The tax base is the total number of properties in the parish area that are liable to pay Council Tax, adjusted and expressed as Band D equivalents. This figure is used to calculate how much each household contributes to the total precept. With the number of occupied properties increasing across the parish, the tax base has been rising annually. This increase was accelerated for the current budget year (2025-26) by Torridge DC levying a 100% uplift on second homes. If all 2nd homes became main residences or holiday let businesses the tax base would **fall**, necessitating greater rises to maintain the services and facilities this council provides. In December 2024, TDC advised that the gross movement was 552 properties, of which 462 (83%) was the 100% levy applied to 2nd homes – this equated to a tax base increase of 466.66 Band D equivalents. **Torridge DC, the Precepting Authority, will confirm the Tax Base in early December 2025.**

The budget presented on the following two pages is for 2026-27 and includes a figure for carry-over from the current year. In future years, there should be little or no carry-over unless the service/facility was not provided in that year (for example as has been the case with Youth Provision). Surplus funds from the Council’s parks and facilities (such as Northam Hall) will be put to an earmarked budget at the end of the financial year. Currently, earmarked reserves are held in the council’s deposit accounts, to be drawn from should significant work be required. The budget includes £50,000 as a General Reserve. Therefore, in future years, the Council’s budget would increase substantially because no carry-over would be included. To operate the budget in this way in 2026-27 would mean a £790,035 precept (an increase of £149,698 or 22.1%, should there be no tax base change).

Earmarked Reserves

The Council’s earmarked reserves are held in three of the council’s accounts, the figures are below. For a detailed breakdown of what is included in those reserves, see the enclosed table.

Nationwide	£	96,055
Cambridge & Counties Bank	£	96,565
Cambridge BS	£	9,162

General reserves

The Council does not hold a level of general Reserves that meets the recommendations of the SAPPP Practitioner's Guide (see extract at end noteⁱ), which expects a larger authority to have approximately 3 months in general reserve. Should the carry-over to 2026-27 be used as outlined in the budget, the general reserve would be:

Hinkley & Rugby Building Society	£	50,000
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This would be increased by any extra funds in the Council’s Current or H&RBS account at the end of March 2026, the carry-over being estimated but at £50,000 would equal 23.7% of the recommended level. The council could elect to use some, or all of its carry-over at the end 2025-26 (estimated to be £99,511) to bring the General Reserve to closer to the recommended level. The 2026-27 General Reserve would be £149,511, 70% of the recommended level for 2026-27. However, the Town Clerk recommends that the council could consider £96,565 of its deposited funds to constitute General Reserve (Rec 1).

(Note: For full cost code detail, see the enclosed table)

Cost Centre	Budget	Income (estimated)	Carry-over	Sum required	Notes	Previous year's sum required (budget)	Increase/decrease in sum required	Recommendations to consider
Insurances	£19,950	-	£51	£19,899				Rec 2. That the Council take out Cyber insurance to protect its locally held data and funds (estimated cost £400 pa), Rec 3. That the Council take out specific insurance for the land parcel comprising Mrs Anderson's Bequest (estimated cost £400 pa)
Staff Costs	£409,250	£7,000	-	£402,250	Salaries (inc HMRC & NEST pension increased in line with union pay request for 2026-27) £400,000 Training £8,000 Travel £1,250	£360,800	£43,450	Rec 4. F&HR recommend no change to pension, as budgeted. Possible pension costs if Council moves to LGPS will be presented to Full Council as an option.
Grant giving	£29,500	-	£2,393	£27,107	Grants requested 2026-27, inc. Record Office. Remainder ad hoc grant fund £26,670 (note: actual total grant awarded is unknown) Advertising £1,000 Grants evening £750	£24,000	£5,500	
General Projects	£35,000	-	£20,000	£15,000		£34,842	£19,842 less	
Administration	£34,270	£8,500	£1,088	£24,682	Income from boat park, Gig Clubs and car park lease	£30,630	£3,640	Rec 15. Increase Hall Charges as per recommendation from F&HR minute 2507/168
Members	£21,045	-	£4,076	£16,969	£1,300 / year to be earmarked for a new chain in 5 years	£24,880	£3,835 less	Rec 5. That the Council provide an initial grant to the Mayor's Charitable Fundraising of £3,000 (in 2026-27), the balance of which is to be donated, along with any proceeds, at the end of the Civic Year
Elections	£15,000	-	-£5,250	£20,250	next scheduled election May 2027, 2 years at £15,000/year	£15,750	£4,500	
Twinning	£3,700	-	£700	£3,000	Mayor to visit Mondeville in May 2026	£2,400	£600	
Council machinery and Equipment	£57,467	-	£6,883	£50,584	The Council include a fund of c£25,000 each year to replace larger machinery and trucks. Unused funds would be earmarked at the end of the year.	£62,050	£11,466 less	Rec 6. That the Council replace its walk-behind mower (£12,000 est), Rec 7. That the Council purchase a Glutton pedestrian operated street cleaning machine (£25,000)
Planning & Development	£6,750	-	£3,500	£3,250	All costs are associated with the Northam Neighbourhood Plan	£5,250	£2,000 less	
ICT	£17,550	-	£2,312	£15,238	Includes £5,600 for software to assist with agenda preparation and sharing and prepare for remote/hybrid meeting attendance. Year 1 costs. Future years £3,600/year (est)	£14,850	£387	Rec 8. That the Council purchase the 'Decisions' software and license
HR and H&S	£4,250	-	£2,180	£2,070		£6,350	£4,280 less	

Cost Centre	Budget	Income	Carry-over	Sum required	Notes	Previous year's sum required (budget)	Increase/decrease in sum required	Consider / Resolve
Parks & Recreation WWHo! Park PWL	£37,700 £8,220	£530	£9,954	£27,216	Income is from Windmill Lane allotments	£117,493 (Inc. £66,143 earmarked reserves) PWL £8,220	£24,134 less (not inc. earmarked reserves) No change in PWL over term (to 2070)	Rec 9. That the Council will hire a temporary Pump Track in summer 2026 (Lords Meadow or Burrough Farm), as it did in summer 2025, and Rec 10. Commence a project to instal a permanent track at a location to be agreed. Rec 11. Deposit any excess funds in the Parks & Recreation Cost Centre (in excess of the budgeted and carry-over sums) as earmarked reserves for future work.
Environment & Maintenance	£45,750	£7,884	£15,607	£22,259	Income from grass cutting agreements (DCC and Abbotsham), Burrough Farm allotments and Northam Lions. Includes a fund for planting and maintaining the green in Westward Ho!, in conjunction with TDC. P3 grant money to be requested.	£60,116 (Inc. £16,500 earmarked reserves)	£21,357 less (not inc. earmarked reserves)	Rec 12. Deposit any excess funds in the Environment & Maintenance Cost Centre (in excess of the budgeted and carry-over sums) as earmarked reserves for future work.
Tennis Courts	£5,487	£5,000	£487	Zero	Carry-over is moved to 'sinking fund' (earmarked reserves) Tennis receipts meet part cost of Summer Camps	£997	£997 less	Rec 13. Setting up a website for Westward Ho! Park tennis (expanding in the future if appropriate to other facilities), separate to the NTC website at a cost of £499 (currently £299 in subsequent years)
Notice Boards	£1,000	-	-	£1,000	For maintenance of boards if needed	£4,700	£3,700 less	
Northam Hall N'Hall PWL	£27,110 £8,100	£21,000	-£691	£6,801	PPL-PRS fees increased in 2025-26, causing the negative carry-over	£29,560 PWL £8,400	£22,759 less £300 less	Rec 14. Setting up a website for Northam Hall, separate to the NTC website at a cost of £499 (currently £299 in subsequent years) Rec 15. Deposit any excess funds in the Northam Hall Cost Centre (in excess of the budgeted and carry-over sums) as earmarked reserves for future work. Rec 16. Increase Hall Charges as per recommendation from F&HR minute 2507/168
Pavilion	£17,150	-	£12,031	£5,119	Plans to renovate/redevelop the pavilion to be progressed.	£19,950 (plus £20,000 earmarked reserves)	£2,800 less	
Changing Places Toilet	£8,700	-	£405	£8,295		£8,900	£605 less	
Community Centre Toilet	£1,100	-	-£14	£1,114	Repair work required is increasing due to facility's age	£949	£165	
Community	£26,300	£2,500	£23,799	£1.00	Made up of: Carol Service, Commemorations, Events, May Fair, Newsletters & communication, Remembrance, Youth Services	£19,950) inc (£10,000 earmarked reserves)	£19,949 less	
TOTALS	£840,349	£52,414	£99,511	£688,424	6.84% increase Inflation on 31 Oct 2025 4.30%	£644,337	£44,187	

Should the budget above be approved by Full Council, and there be no change to the tax base, the increase to the Council Tax bands is outlined below. **For a Band D equivalent property, the increase would be £7.59/year (6.84%) if the tax base does not change. Inflation (CPI) measured for the year to 31st October 2025 was 4.30%.** Should the Tax Base change, the Band D equivalence would also change. Torridge DC, the Precepting Authority, will confirm the Tax Base in early December 2025, which could increase or decrease (depending on changes to second home numbers and new homes occupied). The date an occupied home is included in the local authority's tax base (for Council Tax purposes in England) is generally tied to the Valuation List snapshot date, which is the second Wednesday of September each year. Should the tax base increase, the Town Clerk recommends that the budget is reassessed so that it increases by at least the inflation figure on 31st October 2025 (4.30%) (Rec 16).

Earmarked reserves, inc.							(a)		£	105,217
General reserves (see SAPPP advice)							(b)		£	146,565
Total funds to be held in reserve							(c)=(a)+(b)		£	251,782
Anticipated expenditure							(d)		£	840,349
Anticipated income							(e)		£	52,414
Total required for 2024-25							(f)=((c)+(d))-(e)		£	1,039,717
Less anticipated balances at 31-3-25	Nationwide	£	96,055		earmarked reserves	(f)			£	351,293
	Cambs & County	£	96,565		general reserve					
	Cambs BS (Tennis)	£	9,162		earmarked reserves					
	Co-op (current account)	£	99,511		carry-forward					
	H&RBS	£	50,000		general reserve					
Balance to fund					£ -	(g)=(e)-(f)			£	688,424
Less anticipated receipts not in cost centres (e.g. Grants)							(h)		£	-
Precept required							(i)=(g)-(h)		£	688,424
Precept 2025-26 was							(x)		£	644,337
Precept increase in funds received							(y)=(i)-(x)		£	44,087
Precept increase % in funds received							(z)=((y)/(x))x100			6.84%
Precept requested £ 688,424										
Taxbase 2025-26	5,805.42									
2025-26 Band D rate	£110.99									
Inflation on 31 Oct 24 (RPI)	4.30%									
Increase in tax base	0.00	Notes - the Council area registered second homes in 2022 =						441	not all Band D	
2025-26 Taxbase	5,805.42	the Council area registered second homes in 2024 =						462	not all Band D	
2025-26 Band D rate	£118.58	gross movement was 552 properties. 462 (83%) are 2nd homes with 100%						83%	not all Band D	
Band D rate increase	£7.59	levy								
	6.84%	if all 2nd homes became main residences or holiday let businesses the tax base increase would fall in the future, necessitating greater rises to maintain the budget.								
Band	Ratio	Ratio as %	Previous Year 2025-26 (NTC part)	Annual increase 2026-27 (NTC part)	Estimated Total 2026-27 (NTC part)					
					annual	monthly (12)	monthly (10)			
A	6/9	67%	£ 74.36	£ 5.09	£ 79.45	£ 6.62	£ 7.95			
B	7/9	78%	£ 86.57	£ 5.92	£ 92.50	£ 7.71	£ 9.25			
C	8/9	89%	£ 98.78	£ 6.76	£ 105.54	£ 8.79	£ 10.55			
D	9/9	100%	£ 110.99	£ 7.59	£ 118.58	£ 9.88	£ 11.86			
E	11/9	122%	£ 135.41	£ 9.26	£ 144.67	£ 12.06	£ 14.47			
F	13/9	144%	£ 159.83	£ 10.94	£ 170.76	£ 14.23	£ 17.08			
G	15/9	167%	£ 185.35	£ 12.68	£ 198.04	£ 16.50	£ 19.80			
H	18/9	200%	£ 221.98	£ 15.19	£ 237.17	£ 19.76	£ 23.72			

Recommendations to Full Council:

- 1. Define £146,565 of its deposited funds as General Reserve, comprising £50,000 of the funds held in the Hinkley & Rugby Building Society and the total count balance in the Cambridge and Counties Bank (currently £96,565).
- 2. Take out Cyber insurance to protect its locally held data and funds (estimated cost £400 pa).
- 3. Take out specific insurance for the land parcel and facilities comprising Mrs Anderson’s Bequest (estimated cost £400 pa).
- 4. Restate the F&HR recommendation that no change is made to the Council’s pension arrangements, as budgeted.
- 5. Provide an initial grant to the Mayor’s Charitable Fundraising of £3,000 (in 2026-27), the balance of which is to be donated, along with any proceeds, at the end of the Civic Year.
- 6. Replace its walk-behind mower (£12,000 estimated cost).
- 7. Purchase a Glutton pedestrian operated street cleaning machine (£25,000 estimated cost).
- 8. That the Council purchase the ‘Decisions’ software and license.
- 9. Hire a temporary Pump Track in summer 2026 (Lords Meadow or Burrough Farm), as it did in summer 2025.
- 10. Commence a project to instal a permanent track at a location to be agreed.
- 11. Deposit any excess funds in the Parks & Recreation Cost Centre (in excess of the budgeted and carry-over sums) as earmarked reserves for future work.
- 12. Deposit any excess funds in the Environment & Maintenance Cost Centre (in excess of the budgeted and carry-over sums) as earmarked reserves for future work.
- 13. Deposit any excess funds in the Northam Hall Cost Centre (in excess of the budgeted and carry-over sums) as earmarked reserves for future work.
- 14. Set up a website for Westward Ho! Park tennis (expanding in the future if appropriate to other facilities), separate to the NTC website at a cost of £499 (currently £299 in subsequent years).
- 15. Set up a website for Northam Hall, separate to the NTC website at a cost of £499 (currently £299 in subsequent years).
- 16. Restate the F&HR recommendation that charges for council services are revised as resolved at minute 2507/168, as follows:
 - a. Revise the charges for the use of Northam Hall from 1st April 2026, increasing the charges for regular and casual bookings by £1 and removing the reduction for multiple-hour booking, new charging schedule drafted (right)
 - b. Increase the annual charge for vessels stored at the Council’s Boat Park from £50 to £55 for a 10ft boat and from £4 to £5 per extra foot (to a maximum of 20 feet), with effect from 1st April 2026.
 - c. Increase the annual charge to the Gig Clubs from £1,260 to £1,320, with effect from 1st April 2026.
- 17. Reassess the budget should the tax base change from the 2025-26 level of 5,805.42.

	Current	Proposed	Increase
Regular user	£ 10.00	£ 11.00	10%
Casual booking	£ 12.50	£ 13.50	8%
Commercial user	£ 25.00	£ 25.00	0%
Half day (4hr)	£ 47.50	No longer available	14%
Full day (8hr)	£ 92.00		17%
Wedding	£ 250.00	£ 250.00	0%

ⁱ Extract from SAPPP Guide

5.33. The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.

5.34. The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority’s general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.

5.35. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve. Note: The Town Council's operating budget for 2025/26 is £697,497. The advised General Reserve would therefore be £174,374.25. The Council's budget identifies £40,000, or 23% of the recommended level, to include the funds unbudgeted, the General Reserve would increase to c£131,750, 75% of the recommended level.