

**NEWTON ABBOT TOWN COUNCIL****REPORT TO:** Finance & Audit Committee**DATE:** 7<sup>th</sup> January 2026**REPORT AUTHOR:** Deputy Town Clerk & RFO**REPORT TITLE:** DRAFT Budget 2026/27**AGENDA ITEM No.:** 7**1. PURPOSE:**

To give consideration to the Council's budget for 2026/27 and making a recommendation to the Council on a Precept for 2026/27.

**2. MAIN IMPLICATIONS:**

- (a) **Legal** – The Council has a legal duty to set an annual budget and Precept.
- (b) **Financial** – Contained within the body of the report.
- (c) **Policy** – A responsible budget is necessary to deliver the Council's stated vision, policies, priorities and objectives. As contained in the Strategic Plan 2025-2027.
- (d) **Property** – None.
- (e) **Personnel** – Proposed budget contains provision for nationally agreed pay award.

**3. BACKGROUND:**

3.1 The Council is required to approve an annual budget and subsequently Precept upon the District Council to facilitate the delivery of statutory and non-statutory services.

3.2 Each year the Council arranges an Annual Town Meeting in the spring whereby residents and visitors to the town can voice their needs and aspirations for their communities. Except for 2020 when this was not possible due to COVID-19 restrictions, Members have continued to engage with the public by holding this Annual Meeting in October 2021, April 2022, May 2023, May 2024 and again in May 2025. Accordingly, the Council's future priorities were reviewed whereby it was recommended to continue to support the economic vitality of Newton Abbot and in doing so expressed the intention to continue to address the cleanliness of the town as a whole, alongside recognition of the projects identified in the revised Community Plan 2022-2032 and the Strategic Plan 2025-2027.

3.3 The Strategic Planning Forum has considered each year the communities' needs and aspirations as communicated. This year the process started on 23<sup>rd</sup> July with an instruction for the Council's committees and sub-committees throughout the Autumn to consider their requirements with a view to formulating a draft budget at its meeting held on 19<sup>th</sup> November for consideration by the Finance & Audit Committee. The Finance & Audit Committee is to recommend a budget and Precept to the Council at its meeting to be held on 21<sup>st</sup> January 2026. The District Council requires all parish and town council Precept requirements by 31<sup>st</sup> January each year.

**4. THE ISSUES:**

4.1 It is necessary for the Council's budget to include those items which the Council must provide to exist as a local authority – i.e. buildings, staff, equipment, water, energy, insurance

etc. Those items are effectively the base budget, along with services and activities delivered through the committees and sub-committees.

4.2 It is worth noting at this stage that the effect on a Band D Council Taxpayer is directly affected by the Council Tax Base. In the past, due to the number of properties in the town increasing, it has had a positive financial effect on the Council's Precept. The situation for next year is as follows: Effectively, if the Council took no action on its budget/priorities, the following would result -

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 £	Additional precept for the same Band D £
Newton Abbot	8,909.5	1,698,731	190.67	9,002.5	1,716,507	17,776

4.3 The overall effect on the Council's Precept is that it increases the amount received for the same amount of Council Tax by £17,776 in 2026/27. This is, it is assumed, because the number of properties within Newton Abbot paying Council Tax has increased.

4.4 Once the base budget has been agreed, it is important to take into account any changes in activity and operational matters, such as in the current financial year there were the costs associated with the nationally agreed salary award, the level of which was unknown at the time the budget was approved.

4.5 Strategically, it was agreed that all committees/sub-committees would consider their budgets, taking into account the feedback received from the public and any other known implications for their budgets. They were requested to give consideration to any necessary growth required due to increased demand/reduction of services provided by principal councils.

4.6 It will be noted that the increase in the Council Tax Base for 2026/27 is somewhat more in line with pre-Covid times which is encouraging.

4.7 The **Draft Budget** therefore and arising **Precept** for 2026/27 is set out below:-

	2023/24 £	2024/25 £	2025/26 £	2026/27 £
<b>Budget</b>	1,167,000	1,397,815	1,574,185	1,681,500
<b>Add Reserves @ 25%</b>	291,750	349,454	393,546	420,375
	<u>1,458,750</u>	<u>1,747,269</u>	<u>1,967,731</u>	<u>2,101,875</u>
Less cash at bank, say	174,250	162,711	275,000	325,850
<b>Precept =</b>	<b><u>1,284,500</u></b>	<b><u>1,584,558</u></b>	<b><u>1,692,731</u></b>	<b><u>1,776,075</u></b>

4.8 The table at 4.7 above illustrates a comparison of previous year's budgets and arising Precept and that for 2026/27. The reason for the difference between the base budget figures is inflation, Employer National Insurance contributions, pay award and consequent on-costs.

4.9 The proposed budget and Precept for 2026/27 as above, would have the effect of increasing the Council Tax for a Band D property by **.13 pence** per week (**£6.62** per annum or **.55p** per month). It is considered important to make the distinction between the additional cost in real (cash) terms rather than as a percentage. A Band D taxpayer in Newton Abbot would pay **£197.29** p.a. Previous years below:-

Precept £ 2019/20	M/plier 2019/ 2020	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week (p)	B/ D Cost per day (p)	Diff p per week	Total Precept
<b>777,109*</b>	<b>8,365.0</b>	<b>99.18</b>	<b>6.28</b>	<b>6.76</b>	<b>1.91</b>	<b>27.20</b>	<b>0.12</b>	<b>828,539</b>
Precept £ 2020/21	M/plier 2020/ 2021	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week (p)	B/ D Cost per day (p)	Diff p per week	Total Precept
<b>866,039</b>	<b>8,496.6</b>	<b>101.93</b>	<b>2.88</b>	<b>2.91</b>	<b>1.96</b>	<b>27.9</b>	<b>0.06</b>	<b>866,039</b>
Precept £ 2021/22	M/plier 2020/ 2021	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week £	B/ D Cost per day (p)	Diff p per week	Total Precept £
<b>914,707</b>	<b>8,324.3</b>	<b>107.63</b>	<b>5.70</b>	<b>5.6</b>	<b>2.07</b>	<b>0.30</b>	<b>0.11</b>	<b>914,707</b>

*\*before adding recovery of loss of CTSG and inflation*

Precept £ 2022/23	M/plier 2022/ 2023	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week £	B/ D Cost per day (p)	Diff p per week	Total Precept £
<b>1,082,000</b>	<b>8,527.1</b>	<b>126.89</b>	<b>17.01</b>	<b>15.48</b>	<b>2.44</b>	<b>34.76</b>	<b>32.7</b>	<b>1,082,000</b>
Precept £ 2023/24	M/plier 2023/ 2024	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week £	B/ D Cost per day (p)	Diff p per week	Total Precept £
<b>1,284,500</b>	<b>8,548.4</b>	<b>150.26</b>	<b>23.37</b>	<b>18.42</b>	<b>2.89</b>	<b>41.17</b>	<b>0.45</b>	<b>1,284,500</b>
Precept £ 2024/25	M/plier 2023/ 2024	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week £	B/ D Cost per day (p)	Diff p per week	Total Precept £
<b>1,584,558</b>	<b>8,767.0</b>	<b>180.74</b>	<b>30.48</b>	<b>20.29</b>	<b>3.48</b>	<b>49.52</b>	<b>0.59</b>	<b>1,584,558</b>
Precept £ 2025/26	M/plier 2025/ 2026	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week £	B/ D Cost per day (p)	Diff p per week	Total Precept £

<b>1,698,731</b>	<b>8,909.5</b>	<b>190.67</b>	<b>8.79</b>	<b>4.83</b>	<b>3.67</b>	<b>52.24</b>	<b>0.17</b>	<b>1,698,731</b>
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4.10 The Strategic Planning Forum, taking into consideration the pressures upon the Council in the foreseeable future; the reintroduction of Capital Fund (capital receipt for the disposal of 9 Devon Square and CIL income albeit a very small amounts received recently for reasons due to the legacy of COVID-19); and the Council's decision to firmly focus on the needs of the community and acknowledging the pressures involved with neglect of the environment and the need for action thereon, following the delivery of Newton's Place, recommend a reasonable Precept to be as follows:-

Precept £ 2026/27	M/plier 2026/ 2027	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week £	B/ D Cost per day (p)	Diff p per week	Total Precept £
<b>1,776,075</b>	<b>9002.5</b>	<b>197.29</b>	<b>6.62</b>	<b>3.47</b>	<b>3.79</b>	<b>54</b>	<b>0.13</b>	<b>1,776,075</b>

## 5. OPTIONS:

5.1 Do nothing, recommend a budget and Precept at the same level as 2025/26. That would be a reduction over the course of the year due to increased costs to the Council, even with the increased Council Tax Base. Allows no growth and will certainly not support the Council's vision to support the future economic vitality and cleanliness of the town. Will reduce the Council's reserves below the statutory guidance of 25% of the approved budget.

5.2 Support the work of the Strategic Planning Forum's meetings held between July & November to create the proposed budget set out in paragraph 4.7 and 4.10 above. This is intended to meet the community's needs regarding the ongoing operation of Newton's Place; allows appropriate maintenance and security of the Council's assets; continued attempts to address the clean environment issues; deliver on the What's In Store project to construct a contemporary, interactive store adjacent to Newton's Place; and supports the growth of Newton Abbot.

5.3 Propose an alternative budget **and** Precept, which will need to include details of its implications on the delivery of the Council's statutory obligations and reserves position.

## 6. CONCLUSIONS:

6.1 The Strategic Planning Forum has considered in considerable detail the Council's vision and aspirations on behalf of the citizens of Newton Abbot (and its hinterland). These aspirations are contained historically in the Newton Abbot Community Plan, revised 2022/32; are revisited and tested each year at the Annual Town Meeting and were very much restated in consultations on the Newton Abbot Neighbourhood Development Plan, which was adopted following a public vote and is proposed to be reviewed in 2026.

6.2 Acknowledgement has been made to the levels of Community Infrastructure Levy (CIL) to be received over the life of Plan Teignbridge (to 2033 - currently under review) which were not inconsiderable prior to COVID-19. Other factors have conspired to reduce/stop the flow of CIL receipts to the Council, not least the Govt funding Housing Associations to purchase new builds to use for social housing which do not attract a CIL payment, meaning those receipts will

reduce/be very slow in coming to the Town Council. The ambition to deliver Newton's Place II, the creation of a 'One Stop Shop' for community services whilst taking note of other developments in the town led by other organisations still remains very much a top priority at this stage. The Precept within this report does not make allowances for the repayments of a loan to purchase the long-term lease of the commercial premises identified for Newton's Place II. Should the negotiations progress, the details will be reported at your meeting. It should be noted here that the extension to the Museum Store Project progresses and will hopefully be delivered with the next 12 months with the support of a considerable grant from the Lottery Fund.

6.3 The Chancellor in her recent Autumn Statement has again for next year allowed principal councils to increase their element of Council Tax by 2.99% per household (those with social care responsibilities such as the County Council can increase it by a further 2%). If they wish to increase it by more, they are required to hold a referendum. This continues to not apply to parish and town councils (for the next three years at least). For context, Council Tax/Precept levels for the top 20 and 10 parish & town councils in Devon are included in Appendices A & B attached. Taking that into consideration, based on what Newton Abbot offers to its residents, £197.29 should be considered as very good value for money.

## 7. RECOMMENDATION(S):

(a) The Strategic Planning Forum's deliberations results in the budget and Precept recommendation for 2026/27 as below which should be referred to the Council at its meeting to be held on Wednesday 21<sup>st</sup> January 2026:-

Precept £ 2026/ 2027	M/plier 2026/ 2027	Actual Band D cost	Band D Incr. (£ & p)	Band D % Inc.	B / D Cost Per week (£)	B/ D Cost per day (p)	Diff p per week (p)	Total Precept £
<b>1,776,075</b>	<b>9002.5</b>	<b>197.29</b>	<b>6.62</b>	<b>3.47</b>	<b>3.79</b>	<b>54</b>	<b>0.13</b>	<b>1,776,075</b>

(b) The Recommendation of the Finance & Audit Committee meeting to be held on 7<sup>th</sup> January 2025 would therefore be:-

**RESOLVED** that the Council at its meeting to be held on 21<sup>st</sup> January 2026 be **RECOMMENDED** to adopt a Precept of **£1,776,075** for 2026/27 representing an *increase* of £6.62p p.a. (an annual payment of £197.29/ £16.44 per month/3.79 per week) or 3.47% for a Band D property in Newton Abbot and that Teignbridge District Council be requested to collect on the Town Council's behalf the sum of **£1,776,075**.

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**Background Papers:** None.

Top 20 Parish Precepts with Increases

APPENDIX A

RANK	Local Authority	Parish Name	Precept 24 25	Tax base 24 25	Band D 24 25	Precept 25 26	Tax base 25 26	Band D 25 26	% increase band D
1	East Devon	Cranbrook	659021	2574	256.03	669344	2614.32	256.03	0.00%
2	South Hams	Dartmouth	575883	2703.54	213.01	753203	3163.54	238.09	11.77%
3	North Devon	Barnstaple	1364646	7034.8	193.99	1617958	7208.88	224.44	15.70%
4	South Hams	Totnes	656022	3000.38	218.65	688823	3078.83	223.73	2.32%
5	West Devon	Tavistock	999718	4824.22	207.23	1088850	4895.56	222.42	7.33%
6	West Devon	North Tawton	146812	722.4	203.23	159617	777.6	205.27	1.00%
7	West Devon	Okehampton Town	444996	2260.6	196.85	457313	2277.41	200.8	2.01%
8	Torridge	Holsworthy	188350	1107.2	170.11	212800	1090.64	195.11	14.70%
9	South Hams	Ivybridge	588773	3990.18	147.56	771437	4002.42	192.74	30.62%
10	Teignbridge	Teignmouth	951050	5474	173.74	1052997	5514.8	190.94	9.90%
11	Teignbridge	Newton Abbot	1594558	8767	181.88	1698731	8909.5	190.67	4.83%
12	Mid Devon	Crediton	491499	2823.47	174.08	510750	2794.9	182.74	4.97%
13	East Devon	Axminster	446524	2898	154.08	504850	2948.28	171.24	11.14%
14	East Devon	Honiton	595225	4000	148.81	667545	4087.27	163.32	9.75%
15	East Devon	Broad Clyst	430685	2757	156.22	463946	2936.94	157.97	1.12%
16	East Devon	Clyst Honiton	16500	114	144.74	18000	119.6	150.5	3.98%
17	Teignbridge	Ashburton	151484	1495.9	101.27	224162	1494.7	149.97	48.09%
18	Mid Devon	Cullompton	524815	3616.51	145.12	553617	3730.29	148.41	2.27%
19	Mid Devon	Culmstock	44811	391.04	114.59	61500	424.65	144.83	26.39%
20	Teignbridge	Buckfastleigh	156100	1173.9	132.98	172250	1201.5	143.36	7.81%

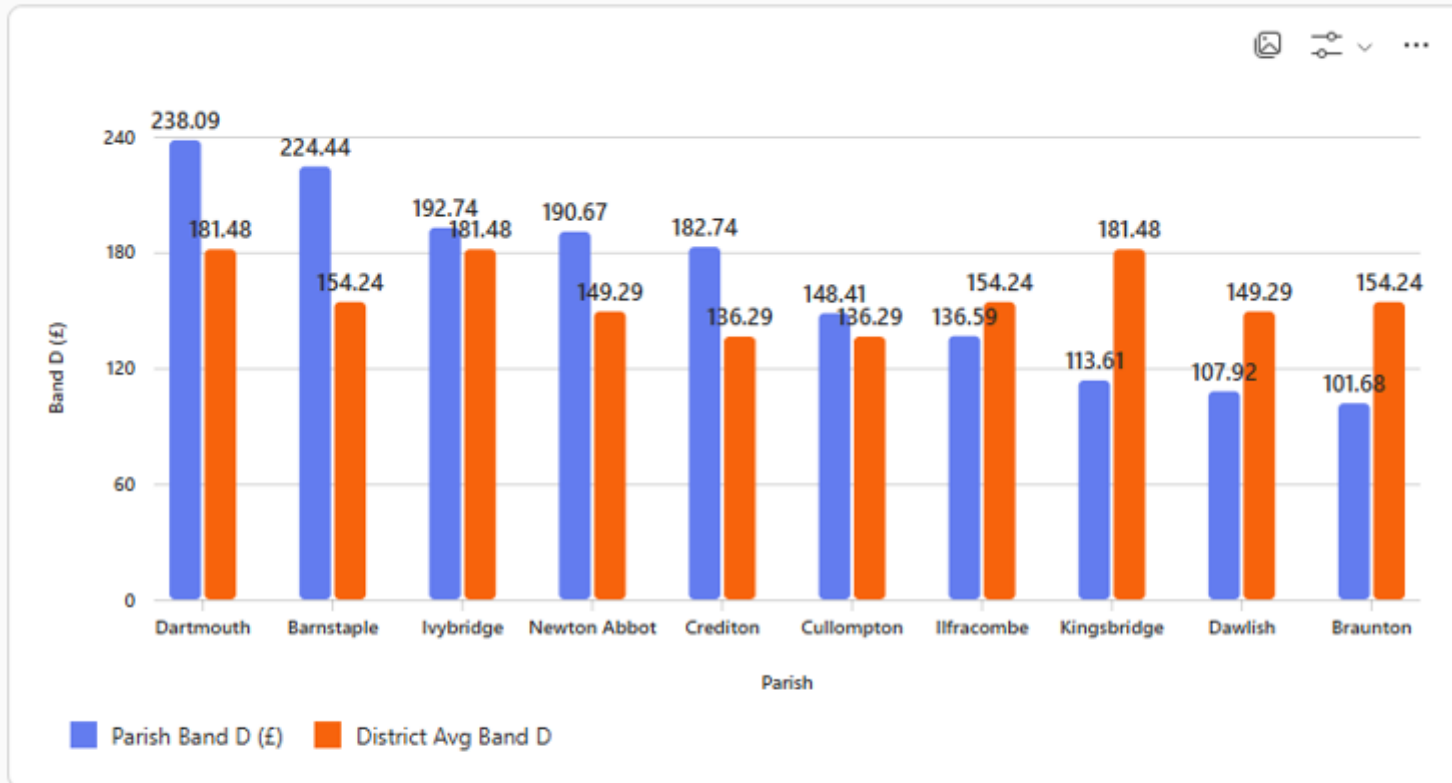


**Top 10 Parishes vs District Average**

APPENDIX B

<b>Parish/Town</b>	<b>District</b>	<b>Parish Band D (£)</b>	<b>District Avg (£)</b>	<b>Difference (£)</b>	<b>% Difference</b>
<b>Dartmouth</b>	South Hams	238.09	181.48	+56.61	+31.19%
<b>Barnstaple</b>	North Devon	224.44	154.24	+70.20	+45.51%
<b>Ivybridge</b>	South Hams	192.74	181.48	+11.26	+6.20%
<b>Newton Abbot</b>	Teignbridge	190.67	149.30	+41.38	+27.72%
<b>Crediton</b>	Mid Devon	182.74	136.29	+46.45	+34.08%
<b>Cullompton</b>	Mid Devon	148.41	136.29	+12.12	+8.89%
<b>Ilfracombe</b>	North Devon	136.59	154.24	-17.65	-11.44%
<b>Kingsbridge</b>	South Hams	113.61	181.48	-67.87	-37.40%
<b>Dawlish</b>	Teignbridge	107.92	149.30	-41.37	-27.71%
<b>Braunton</b>	North Devon	101.68	154.24	-52.	

## Visual: Band D vs District Average for Top 10



### Key Observations:

- **Dartmouth** and **Barnstaple** stand out with the largest positive differences (+31% and +45% above district average).
- **Kingsbridge**, **Dawlish**, and **Braunton** are significantly below their district averages (-27% to -37%).
- South Hams shows the widest internal variation (Dartmouth vs Kingsbridge).