Budget Notes for the planned Budget of 2027/28, Version 3.1

We will go through this in detail on Monday's additional meeting of the Parish Council.

1. **Primary Aims:**
   - To ensure that the Parish Council has sufficient funds to carry out its basic duties (e.g. grass cutting, paying insurance, safety inspections)
   - To gradually increase budgets and reserves to cope with unanticipated expenditure (e.g. failure of Play Equipment, Damage to Structures)
   - To gradually build reserves to pay for major future initiatives, for example:
     - Replacement of Big Rec facilities and equipment as it wears out.
     - Neighbourhood Plan Implementation – e.g. adding a safe and lit footpath from the Silverton village centre to the A396.
     - Obtaining and safeguarding amenity space within the Parish as it becomes available. This would consist of amenity space, and also potentially space to ease parking pressures.
   - To keep in mind the current severe financial pressures on people, and so keep any increases to a reasonable level, and this year, to the inflation level for mid-2027.
   - To avoid inflation eroding our reserves, and moving our longer-term targets further out of reach.
   - Targets
     - The Parish Council has set a target of:
       - steadily growing our reserves to allow for Neighbourhood Plan and related items to £262.5k at 2027/28 prices (£250k at 2026/27 prices).
       - steadily growing the reserves fund for Big Rec repairs and improvements of £21.525k at 2027/28 prices (£20k at 2026/27 prices). This would bring the overall Big Rec budget, including safety inspections to £23.625k.

2. **Budget and Forecast for 2026/27 (current year).**

The total budget for 2026/27 is £90,787 covering proposed spend during 2026/27, plus the retentions of reserves for spend in future years.

The forecast for 2026/27 is currently as follows:

Actual Net Spend to end October 2026	£26,618
Forecast Net Spend to end March 2027	£26,271
Total forecast Net Spend for 2026/27	£52,889
Amount forecast to be carried forward to 2027/28	£39,163
Total forecast spend + forecast carry forward	£92,052

Proposed Budget for 2027/28

The budget amount for 2027/28 is as follows:

Amount forecast to be carried forward from 2026/27	£39,163
Council Tax (Precept) to be raised	£65,389
Total forecast Net Amount for 2026/27	£104,552

Recommended Increase

	2026/27	2027/28	£ Change	% Change
Money Raised from Precept	£62,275	£65,389	£3,114	5.0%
Band D Council Tax Levy per property	£75.79	£79.58	£3.79	5.0%

The increase of £3.79 is 7p a week, or 32p a month.

Please note that the number of households and discounts with the Parish changes slightly from year to year. This means that if we request £65,389 for 2027/28, the Band D amount may not be exactly £79.58. Last year, we estimated the Precept would be £77.39 but in fact it turned out to be £75.79.

3. Comparisons with Other Parishes

We do not know what other Parishes will be requesting for next year, but below are some comparisons for last year and this year:

	24/25	25/26	26/27	27/28
Devon Average	82.16	91.22	106.00	?

Parish	24/25	25/26	26/27	27/28
Bickleigh	40.42	43.26	48.73	?
Thorverton	48.49	55.74	101.52	?
Silverton	61.72	68.05	75.79	79.59
Tiverton	73.67	77.73	104.08	?
Bradninch	82.18	89.99	94.07	?
Cullompton	145.12	148.41	187.51	?

Last year, the average increase across Devon was 16.2%. For Silverton it was 11.37%. This year it is proposed to be (for Silverton) 5%.

So I recommend that we increase the Parish Precept by £3,114, i.e. approx £3.79 per year (7p a week) for a Band D property.

4. How the Spreadsheet works

The tab entitled "26-27 Spend and 27-28 budget" is the one you need to be looking.

On that tab, key columns are as follows:

- C - Budget for 2026/27 (the current financial year)

- D-O – Monthly Spends (to October) and Forecasts (November to March) for the current Financial Year.
- P – The amount forecast to be carried forward to 2027/28.
- Q – the total for the current financial year plus the amount to be carried forward.
- R – Column C (Budget for the current FY) minus forecast Spend and Carry forward. A red negative figure is an overspend against budget, and a black positive figure is an underspend.
- T3 – the assumed inflation rate for next year. The value here is 105, i.e. a 5% increase from this year. This is based on the Bank of England's forecast of inflation for mid 2027 of 5%.
- U – the proposed budget for 2027/28. This is the figure we will be provisionally setting at the meeting.
- V – the % increase of the forecast 2027/28 budget (U), as compared to column Q (the current year's spend + forecast carry forward). Negative figures are decreases.
- W – the % change of the forecast 2027/28 budget (U), as compared to the current year's budget (C).
- X – as per column W, but with the difference in £ rather than a percentage.

5. Significant Increases

The following are significant Increases as we continue to build up reserves to meet our aims. These rows have a red cell in column T, so you can easily find them.

- Row 111 – Total of Big Rec Maintenance. This has increased by 35.75% from a budget of £14,559 for the current year to £19,764. This is to meet the aim of having a budget of £20k for the Big Rec each year. Note that this all elements of Big Rec Expenditure (except for grass cutting) has been brought together into one section. Given the state of the Skate Park, we may wish in future years, to increase this target further.
- Row 138 – Parish Improvement and Neighbourhood Plan fund – this is increased by from this year's budget by 16% from £14,750 to £17,515. Note that some elements of the fund may be funded by S106 funds.

Most other amounts remain relatively stable, but each item that changes by an amount other than inflation is detailed in section 8, below.

6. Inflationary Increases

Most budget items have been increased by the Bank of England 5% forecast inflation rate for mid-2027. Such items are coloured green in Column U. Note that VAT amounts are coloured Rose pink, and are calculated as a sixth of the VATable items preceding them, in line with the current VAT of 20%.

7. Non-Inflationary Changes

Items that have not increased by inflation are coloured Orange in Column U, and are listed below by row number.

- **6 – Clerk Guide Book** – this is set as zero. The book has been bought and will not need buying again for another two or three years.
- **8 – Corporate Credit Card Fee.** The card was obtained this year with an initial fee of £50. That will not be repeated. Instead the monthly fee of £3, plus 5% inflation, has been forecast.
- **18 – New Website, emails, domain**. This is a new Item, and is forecast at the £30 a month plus VAT. This assumes that the Website itself, the new Domain Name, an email for the Clerk and every Councillor and all migration activity will be included in the £30 fee. It is also assumed that the more expansive option at £45 a month will not be used. Note that a lot of our existing IT related expenses on other line items are continued into next year, as it is not clear when (and in some cases, if) we will discontinue them. They will be reforecast next year as appropriate.
- **22 - Devon Association of Local Councils Sub.** This year's budget was based on last year's spend. However, this was an error, because we joined part way through the year last year, so that fee was pro-rated for part of the year, and not for a full year. So this year we are spending £703.44 from a budget of £168. Next year the budget will be based on the full year's payment, and so is £739. Membership of this association provides us with access to training, and to advice – something that is already valuable, but will be increasingly so as we move towards Local Government Reorganisation.
- **39 - Legal Fees Land Transfers (Car Park, Big Rec) –** MDDC have indicated that they are likely to approve the transfer of the Silverton Village Car Park and Big Rec Corner to us, so a budget of £1,260 (£1,200 plus inflation) has been added for the transfer legal fees to cover both properties. Note that no additional costs have been included for 2027/28 for maintenance of those areas: we already maintain the Big Rec, and it is assumed that the transfer of the items are likely to occur later in the year, as MDDC has deemed them Complex and so of lower priority for action. However, should the car park transfer go through, we will need to increase our grounds maintenance budget to keep the hedges trimmed, and also build up a long term fund to resurface the car park in another 15 years or so. The reason the Parish Council wishes to take on ownership of the car park, despite potential for increased costs, is to ensure that this parish amenity is keep free at the point of use for all parishioners.
- **47 – Hire of Dorothy Granger Room for Full Council Meetings**. This has been estimated as a cost of £16 (plus inflation) per meeting, for 12 monthly meetings plus one extraordinary meeting in November, and one Annual Parish Meeting.

- **48 – Hire of Dorothy Granger Room for Sub-Committee –** it is assumed there will be zero net cost next year, as the only Sub-Committee that meets there in person is the Fire Engine House Sub-Committee and those meetings are very irregular and costs will be met from any rental on the Fire Engine House.
- **75 - Handyman Monthly Invoice –** the inflationary increase here is 3.5% rather than 5%, as it uses the CPI rate for September 2026 as stated in the handyman contract.
- **78** – **Handyman Ad-Hoc Work** – very little ad-hoc work has been done this year, but this has been kept relatively high because last year we spend £750, and may need to spend more again in future, so a small drop has been proposed.
- **79** – **Other Ad-Hoc Work (Stephen Land)** – this is work to clear the cobbled path. The forecast is based on spend this year.
- **89 – Community Fund Misc** – this has been increased from £1,069 to £1,500. This is because the Friends of Silverton School have notified us that they may ask for funding next year, though they have not said how much.
- **106 – Big Rec Play Equipment** – this is increased from a £4,100 budget for the current year, to £7,000 to help meet the target of increasing the overall Big Rec expenditure (including maintenance and inspections) to £23.625k.
- **108 – Big Rec Misc Repairs** – Merged into Row 109, so reduced from £2,000 to £0.
- **109** – **Big Rec Other Expenditure** – this is increased from £4,058 to £10,000 by merging in £2000 from row 108, and increasing the total towards meeting the overall target of increasing the overall Big Rec expenditure (including maintenance and inspections) to £23.625k.
- **115 and 116** – this was related to the Table and Chairs on the Little Rec, and this project is now ended, so these line items are cancelled.
- **135 – Bus Shelter at the bottom of Upexe Lane** – this project is expected to be finished in the current financial year, so the forecast for next year is £0.
- **137 – Parish Improvement and Neighbourhood Plan – Other.** This is increased from £8,250 to £16,075 as part of its aim to achieve a target of £262,500 (£250k plus inflation). Note that the increase for inflation alone this year was £12,500, so given that the target increased by £12,500, and the provision is growing by £8,250 this year, this means we are, in real terms, falling behind by £3,250, so another significant above inflation rate for this budget is needed for next year.

Fire Engine House

It is assumed that the Fire Engine House will be revenue neutral, because expenditure incurred by the council will be reimbursed by the renting business. Given the unknown nature of most of these costs, they have been omitted entirely from the forecast.

VAT Refunds

The VAT refunds for 2026/27 have been assumed to be received in year. If any amounts slip into next year, this will result in a higher-than-expected net spend this year, but will be offset by the payment being received next year.

Interest on the Savings Account

This is assumed to be the same amount as this year, plus inflation. In fact, we may receive a little more than that, because interest rates are rising, and we will have the account for a full year, rather than 11 months as was the case this year, and the amount retained in the savings account is likely to be higher as we hold more reserves.

Note that currently, inflation is 3.5%, but interest paid on this account is 2.70%, although this account goes a long way toward maintaining the value of our reserves in real times, it is not in itself sufficient to stop them being eroded by inflation.

Funding of Purchase of Little Rec

It is unlikely that the Richards Educational Charity would be in a position to sell us the Little Rec in 2027/28, so neither purchase costs nor legal fees are included in the budget. In any case, it is hoped that both amounts could potentially be funded from Section 106 monies.

It is also hoped that by the time the Glebe field is available to us (assuming it ever is), the S106 funds from the Silverdale extension will be available to us.

Traffic Issues

The proposed budget for this remains at zero.

Big Rec Works

We are awaiting an assessment of the damage to the Skate Park. It may be that in the longer term a rebuild is recommended in order to deal an ongoing permanent increase in summer temperatures to make the structures heat resistant. However, that has not been accounted for as year, and will be considered in budgets for future years.

Conclusion

The budget proposed balance the need at this time to limit the increase to inflation (after several years of above inflation rises) while still boosting the budgets for potential major works in future.

However, if we are to meet the inflationary pressured that move the goalposts of our targets each year, we need to keep the situation carefully under review for future budgets.