

2025-26 Precept Demand

NON-CONFIDENTIAL

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Report to: Parish Council 1/2025

Just before Christmas, NKDC issued the 2025-26 precept calculator and instructions and timeline for the precept submission.

The NKDC calculator shows us the tax base for the parish for 2025-26. This takes into account any known or estimated growth (new housing) in the parish and also any reduction applied due to the number of properties claiming Council Tax Support (CTS).

Please note the information provided is DRAFT and is subject to announcements (subsequently made) via the Local Government Finance Settlement and subject to formal approval by the District Council at its meeting on 23rd January 2025.

Hopefully these figures will not change when they are approved on 23rd January.

Parish and town councils are **not** restricted to the 3% core increase which applies to district and county councils, police etc.

Our precept submission must be made by 24th January.

Precepts over £50,000 are paid by NKDC in two instalments (April and end of September).

The precept calculator shows us any changes in council tax base between this and next year. It also shows what our precept would need to be for a zero percentage increase on the overall total.

See **separate document** for various scenarios based on the precept calculator.

The parish council precept is just one small element of the council tax bill which parishioners are asked to pay. The larger elements come from county council, district council, police etc.

Any increase in parish precept can cause a negative reaction from parishioners, who tend to focus on the increase in total precept figure over the previous year (as a percentage), but do not realise/understand the impact of new housing or CTS reductions. Best practice for councils is to refer to any increase in terms of percentage increases on **Band D equivalent** properties. In many cases this breaks down into an increase of only a few pence per week, and to make this more understandable, we can relate it to the cost of an everyday item, such as a bar of chocolate etc.

The 2025-26 budget was approved by council in December and has not changed since then.

Recommendation (see separate sheet for details):

- Decide what the maximum level of percentage increase (for Band D equivalent properties) would be acceptable to parishioners.
- Agree to make up the shortfall by moving some funds from reserves (based on worst-case scenario and assuming no income).