

Briningham Parish Council

Report: Explaining the Calculation of the Precept for the 2024 – 2025 Financial Year

Status: For Decision at the Parish Council Meeting on Monday 8th January 2024

Summary

This report sets out the reason for increasing the Precept for the 2024 – 25 Financial Year.

Current Situation

Briningham Residents have paid a precept to the Parish Council since the 2021 – 22 Financial Year. For 2021-22 and 2022-23 the Precept was £1,500 each year. For the current year the Precept is £2,000 which amounts to an annual Band D equivalent of £31.44.

Briningham has a very small electorate, so one elector moving into or out of the Parish can noticeably affect the precept amount and any increase to such a small precept has a significant effect on the percentage increase which is recorded on Council Tax bills.

Council Tax Calculations

The actual charge added to a resident's council tax bill is calculated as follows:
Precept divided by the Tax Base (ie the number of Band D equivalent properties in the area). This number is supplied each year by the District Council.

Financial Year	Precept	Tax base	Annual Charge	Monthly Charge (10 months)
2022 - 23	£1,500	÷ 64.65	= £23.20	£2.32
2023 - 24	£2,000	÷ 64.22	= £31.14	£3.11

The calculations below show the annual impact of the precept on the Council Tax

Using the tax base for 2024 - 25 of 64.40 the calculation is as follows:

Precept	Annual Band D Charge	Monthly cost (10 months)
£2,000 ÷ 64.4 =	£31.06 (annual decrease of £0.08 = -0.26%)	£3.10
£2,100 ÷ 64.4 =	£32.61 (annual increase of £1.47 = 4.98%)	£3.26
£2,200 ÷ 64.4 =	£34.16 (annual increase of £2.69 = 9.69%)	£3.41
£2,300 ÷ 64.4 =	£35.71 (annual increase of 4.57 = 14.68%)	£3.57
£2,500 ÷ 64.4 =	£38.82 (annual increase of £7.68 = 24.66%)	£3.88

Recommendation

Based on the budget, I would recommend increasing the Precept to £2,200. This covers the budgeted salary costs but only a small portion of other expected costs which will need to be paid from rental income.