

# Financing the Town Council

## Parish / Town Council Funding – the Precept

The Precept is a tax, included within the local Council Tax, which enables the Town Council to perform its functions.

Parish / Town Councils can apply for other funding such as grants and funding awards, generally for specific projects, but they do not receive funds directly from central Government.

## How is the Precept calculated?

The Town Council is required (in law) to agree a budget before it can set its Precept and both must be agreed by the full Parish Council.

Once the Town Council has forecast its budget requirements for the following financial year, it requests this funding from its 'local billing authority' – in our case, Somerset Council – in the form of the Precept.

Somerset Council then converts the Precept into an amount per Council Tax payer that is added to the Council Tax bill (according to the property band) for all the dwellings within the Parish area.

## The Tax Base

The Tax Base is produced from the Council Tax system at Somerset Council which gives a listing of all the properties in each city, town or parish in the Unitary. It then adjusts this to take into account any discounts that are given, for example, single occupancy, second homes or homes that are empty or exempt.

The properties are then translated into Band D equivalents using the following ratios:

|        |                 |
|--------|-----------------|
| Band A | 6/9             |
| Band B | 7/9             |
| Band C | 8/9             |
| Band D | 9/9 (base line) |
| Band E | 11/9            |
| Band F | 13/9            |
| Band G | 15/9            |
| Band H | 18/9            |

For example Band A is six-ninths of Band D and Band H is twice Band D.

Finally, the estimated number of Band D equivalents to be built in the year are added to the list. This then gives the total number of Band D equivalent properties to use for the Tax Base.

The Tax Base is used to calculate the Band D charge for each town or parish which is done by dividing the total Precept requirement by the Tax Base. This figure will be compared with the previous year's Band D charge and supplied to the Parish.

For instance, for the 2024/25 financial year for Castle Cary, the Tax Base was £873.24, but the Tax Base for 2025/26 is £894.74.

There are a number of reasons why the Tax Base changes.

It can go up if more homes are created.

But it can go down due to more properties in the town or parish claiming for discounts – most commonly an increase in the number of properties claiming the single occupancy discount.

Other factors will include homes being demolished, becoming empty, becoming second homes, boundary changes or even a change in collection date.

### Number of properties in Castle Cary (December 2024)

|                              |             |        |        |        |        |        |        |        |       |
|------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|-------|
| Precepting Body              | Castle Cary |        |        |        |        |        |        |        |       |
|                              | Band A      | Band B | Band C | Band D | Band E | Band F | Band G | Band H | Total |
| Number Of Dwellings Per Band | 167         | 374    | 304    | 160    | 100    | 53     | 49     | 1      | 1,208 |

### Number of properties in Ansford (December 2024)

|                              |         |        |        |        |        |        |        |        |       |
|------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|-------|
| Precepting Body              | Ansford |        |        |        |        |        |        |        |       |
|                              | Band A  | Band B | Band C | Band D | Band E | Band F | Band G | Band H | Total |
| Number Of Dwellings Per Band | 42      | 198    | 232    | 113    | 115    | 56     | 16     | 0      | 772   |