

WHPC Meeting 14th January 2025  
Agenda Item 25/035  
Finance Working Group: 2025-26 Budget and Precept

1. **Purpose:** For the Council to formally resolve the 2025-26 Budget and Precept demand for submission by the Clerk/RFO to EDDC.

2. **Background**

At the WHPC meeting on 3rd December 2024 (agenda item 24/358) Councillors considered:

- Revised 2024-25 forecast full year receipts and costs
- Forecast and earmarked reserves
- Ongoing and future projects
- CIL and s106 monies available to West Hill
- Timetable for submission of the Precept Demand to EDDC in mid-January
- Draft budget for 2025-26
- The impact of various scenarios for the scale of the Precept Demand

The Council:

- a. resolved all 2025-26/7 project costs will be funded from S106, CIL, Reserves or third-party grant funding as appropriate, subject to eligibility.
- b. Considered whether the proposed 2025-26 budget £58,767 met the needs of the Council. No issues were raised and no further work was requested.
- c. Noted a potential shortfall against the 2025-26 Precept if it remains unchanged at £56,875. Should this occur, Cllrs were satisfied that sufficient Reserves were available if necessary.
- d. Councillors discussed various Precept scenarios ranging from no increase to +10%. The Council's operational costs are increasing but Councillors were mindful that residents have been subjected to steep rises in the cost of living.

3. **For Decision 2025-26 Budget**

The Finance Working Group have recommended the budget for 2025-26 is set at £58,767.

Cllrs are asked to consider:

- a. **Does a budget for 2025-26 of £58,767 for 2025-26 meet the needs of the Council?**
- b. **To resolve to set the budget for 2025-26.**
- c. If necessary, to use existing reserves, if necessary, to fund expenditure above Precept.

4. **WHPC Precept for 2025-26**

- 4.1. Parish Council Precept + Council Tax Bills

Each Town/Parish Council forecasts the amount of funding it will require for the following year: it's budget. The Council must ensure that the Council has sufficient income/reserves to meet its needs for the year. The Council does not receive any Government funding and derives its income via a Precept from its local District Council. The Precept is collected via the local Council Tax bills issued by EDDC to households within the West Hill Parish.

Council Tax bills received by households include several elements:

- Council Tax levied by East Devon District Council
- Precept tax charged by the local Parish or Town Council.
- Police and Fire Authorities

The Precept set by Parish/Town Councils across East Devon vary significantly as each Precept reflects the services provided (such as cemeteries), facilities managed (eg Village /Town Hall) or projects underway.

#### 4.2. How is the Precept Tax charged by a Parish Council calculated?

The Precept Tax charged on a Band D property in the Parish is equivalent to the Parish Council Precept divided by its tax base.

The tax on households in other tax bands are calculated as follows:

|               |                               |               |
|---------------|-------------------------------|---------------|
|               |                               | For example   |
| Band A        | = 6/9ths of Band D            | £13.33        |
| <b>Band D</b> | = Precept/Tax Base for Parish | <b>£20.00</b> |
| Band F        | = 13/9ths of Band D           | £28.89        |
| Band H        | = 18/9ths x Band D            | £40.00        |

#### 4.3. 2025-26 Precept for West Hill?

The Finance Working Group have recommended the budget for 2025-26 is set at **£58,767**. This is higher than the annual Precept Demand in recent years. Councillors should ensure that the Council has sufficient income/reserves to meet its needs in 2025-26.

For 2024-25 WHPC resolved to set an unchanged Precept Demand, £56,875, despite setting a budget at £57,417. Councillors sought to make savings to fund the shortfall or if this was not achievable sufficient reserves were available.

The table below shows previous WHPC Precept Demands and considers various options for the Precept Demand for 2025-26.

| West Hill          | Precept | Tax Base Supplied by EDDC | Band D | Notes (a)  |
|--------------------|---------|---------------------------|--------|--|
| 2022-23            | £56,875 | 1,156                     | £49.20 |  |
| 2023-24            | £56,875 | 1,165                     | £48.82 | Average East Devon Band D charge was £52.44              |
| 2024-25            | £56,875 | 1,168                     | £48.69 | Average East Devon Band D charge was £56.62              |
|                    |         |                           |        |  |
| <b>2025-26</b>     |         | 1,175                     |        |  |
| -£500              | £56,375 | 1,175                     | £47.97 |  |
| No change          | £56,875 | 1,175                     | £48.40 |  |
| +£500              | £57,375 | 1,175                     | £48.82 |  |
| +£1,000            | £57,875 | 1,175                     | £49.25 |  |
| Recommended budget | £58,767 | 1,175                     | £50.01 | If Precept Demand is set to match the recommended budget |

Notes: (a) For each Council, minor year on year changes are usually due to a change to the tax base.

The Finance Working Group have recommended that the WHPC Precept Demand for 2025-26 is set at £56,875 and unchanged from previous years. The General reserve is used to fund any shortfall against budget.

#### 4.4. Deadline for Submission

The WHPC Precept Demand should be submitted by **Wednesday 15<sup>th</sup> January 2025**.

#### 4.5. For Decision 2025-26 Precept Demand

**Cllrs are invited:**

- a. to resolve to set the WHPC Precept Demand for 2025-26