**BUDGET SETTING NOTES 2025 / 2026**

**OPTION 1**

Budget 2024/25 £90,434 Precept 2024/25 £76,772

Budget 2025/26 £96,179 Precept 2025/26 £96,179

To request the full amount of the budget with no contribution from the surplus funds. This would lead to an increase of £15 per year on a Band D property.

**OPTION 2**

Budget 2024/25 £90,434 Precept 2024/25 £76,772

Budget 2024/25 £96,179 Precept 2025/26 £81,378

To increase the precept by 6% on last year will leave a shortfall of £14,801 to be bridged by surplus funds. A 6% increase on Band D properties would mean an increase of £3.56 per year.

**OPTION 3**

Budget 2024/25 £90,434 Precept 2024/25 £76,772

Budget 2025/26 £96,179 Precept 2025/26 £76,772

Keep the precept the same as last year. This will leave a shortfall of £19,407 which would need to come from surplus funds.

The above figures are based on last years tax base of 1,293.

General account surplus currently £24,857 although the exact amount of surplus is not known until year end.

**It is best practice to increase the precept year on year so that if expenses for the following year increase significantly it will soften the blow to residents if we have raised the precept gradually.**

Expected income for 2025/26

VAT – figure not known

Solar Panels Income – figure not known

Cemetery deposit account - transfer of funds to general account £2,000 (decrease on last year as lower funds in deposit account than normal. This would leave approx. £600 in the account)

Weed spraying refund approx. £1250

Grass cutting refund approx. £6140

MERC utility contribution £3,000

When you look at the council tax bill it doesn’t always reflect the increase accurately due to a number of reasons. If the precept stays the same and the council tax base increases because of new homes, the Band D rate will reduce.

If the precept increases and is offset by enough new homes, the Band D rate could stay the same. The amount of precept is a fixed sum divided between the number of households. So, if you have say 30 new houses all occupied in the current year, then from the next year there are more households to share the precept. The reverse is also true in that if an estate of 50 houses were condemned and occupants moved out, then the portion of the precept would go up as there are less houses to divide it between. There are also other factors that affect it such as whether people are claiming council tax relief – or if they were claiming but are now coming back to paying full council tax after claiming relief.