

Financing the Town Council

Town Council Funding – the Precept

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

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 budget and Precept must be agreed by Full 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 the case of Bruton Town Council this would be Somerset Council) in the form of the Precept.

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

A Precept Calculator can be found with the current draft budget, on the Town Council website, in the supporting papers for the January meeting, annually, so that Bruton Town Council is able to make an informed decision on various scenarios.

The Tax Base

The Tax Base is produced from the Council Tax system at Somerset Council which gives a list of all the properties in each town or parish in the Somerset Council area. Somerset Council 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.

Properties are grouped into eight charging groups, Bands A through to Band H. The properties are then translated into Band D equivalents. This is to give a base line of the number of properties that would be within the town or parish, if all of the properties were Band D. Finally, the estimated number of new Band D equivalent properties to be built within the past 12 months is added to the list.

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 to the previous year's Band D charge and supplied to the Town Council.

For example, the Tax Base for Bruton Town Council for the 2023/24 financial year was 975.12, and for 2024/25 financial year is 982.47.

Changes in the Tax Base

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

- It can increase if more homes are created.
- It can go down if more properties within the town or parish area are claim discounts, the most common of which is an increase of the number of properties claiming single person occupancy discount.
- Other factors will include homes being demolished, becoming empty, becoming second homes, boundary changes, or even a change in collection date.