

Gelligaer Community Council
Cyngor Cymuned Gelligaer

Council Tax and Community Councils 2025/26

Precept

Council is required to determine the level of precept for the financial year 2025/26

The attached APPENDIX A outlines income and expenditure to date and projection to 31st March 2025 and proposed budget for 2025/26 showing a 3.5% increase in precept.

It is anticipated there will be a balance of funds/reserves to the sum of approximately £84,461 and a schedule of proposed schemes for earmarking is shown in **APPENDIX A**.

The council needs to show how the balances will be utilised in future years.

The Law

The law relating to the issue of Precepts by Town, Parish and Community Councils is covered by the Local Government Finance Act 1992 Section 41(4).

Calculation of Council Tax

All Council Tax is calculated in "Band D equivalents" because Band D property is considered as the average. Caerphilly County Borough Council (CCBC) therefore counts the number of properties in the area of Gelligaer Community Council and assesses the banding.

Counting and equivalencies are calculated on October 31st for the following year's tax and the collection rate is 97.50%.

Based on the above, the council tax base for the area of Gelligaer Community Council is 6398.48 Band D equivalent dwellings for 2025/26.

Recent history

2024/25 increased the precept by 2% which was an increase of 0.42p from £21.13 to £21.55 per Band D equivalent household per annum giving the council a total precept of £136,222 and estimated reserves were earmarked for potential green initiatives and other projects.

2023/24 Due to the cost of living crisis and large reserves, Gelligaer Community Council decided not to increase the precept for a 2nd year. Therefore, the precept remained at £21.31 per Band D equivalent household per annum, giving the council a total precept of £133,602

2022/23 Due to large reserves and cost of living increases Gelligaer Community Council decided not to increase the precept. Therefore, the precept remained at £21.13 per Band D equivalent household per annum, giving the council a total precept of £132,809

2021/22 increased the precept by 3% which was an increase of 0.62p from £20.51 to £21.13 per Band D equivalent household per annum giving the council a total precept of £132,687

Budget Assumptions

The budget for 2025/26 has been prepared using the following assumptions:

- Pay award 2025/26 – assuming a 2% increase pay award
- Retail Price Index (RPI) is at 3.6% (November 2024 Office for National Statistics)
(RPI includes housing costs i.e. mortgage/rent/council tax and consumer items)
- Consumer Price Index (CPI) is currently at 4.8% (Nov 2024 Office for National Statistics)
(CPI includes everything except housing costs)
- State Pension – From April 2025 the triple lock system* will apply, which means the state pension will rise by 4.1%
** under the triple lock policy the state pension increases every year by whichever is the highest of inflation, earnings growth or 2.5%.*
- DWP benefits that are linked to inflation rise by 1.7%

Possible budget increases

The proposed budget in Appendix A shows a 3% increase and has been prepared to reflect current patterns of spending.

However, it is suggested that members may wish to consider a range of increases and for convenience a range of increases is shown below and should take into consideration level of balances the council is estimated to have at the 1st April 2025.

Band D per Annum £	Increase per per household Band D Annum £	2025/26 Precept to GCC £
21.55 (currently 2024/25)	0%	137,887 (last year £136,222)
21.77	1%	139,295
21.98	2%	140,639
22.20	3%	142,046
22.30	3.5%	142,686
22.41	4%	143,390

Increasing the precept from £21.55 to £22.30 (per band D) is an additional 75p per annum, per band D.

Members are requested to determine the level of precept for 2025/26 and agree the proposed use of earmarked reserves anticipated at 31st March 2025, as per APPENDIX A

A council resolution is required.