

# WELLINGTON TOWN COUNCIL

Precept 2025-2026  
Full Council 6 January 2025

## 1. Introduction

1.1. This paper contains information to inform the setting of the precept requirement for 2025-26. It is presented to Full Council held on 6 January 2025.

## 2. Background

2.1. The Town Council is a local precepting authority and may issue a Precept demand to the appropriate Billing Authority (Somerset Council)<sup>1</sup>.

2.2. The precept demand must be made before 31 January for the financial year beginning the following 1 April.

## 3. Basis of Preparation

3.1. The Council's Precept requirement is the calculated aggregate of the expenditure estimated to be incurred (including contingencies), the income estimated to be received, financial reserves as required, and funds already held.<sup>2</sup>

3.2. In order to inform the above-mentioned calculations, the Council set a budget for 25-26 at its December meeting. A summary of the income and expenditure is reproduced below.

Cost Centre	Income 25/26	Expenditure 25/26
Fore Street	£250.00	£58,350.00
Administration	£70.00	£36,930.00
Affiliation	£0.00	£3,220.00
Allotments	£6,040.00	£5,500.00
CIL	£0.0	£0.00
Christmas	£1,320.00	£36,150.00
Comm. Serv.	£0.00	£29,300.00
Cost of Democracy	£0.00	£17,587.50
Economic Development	£500.00	£63,150.00
Events	£560.00	£28,500.00

<sup>1</sup> Local Government Finance Act 1992 s39 (<https://www.legislation.gov.uk/ukpga/1992/14/section/39>)

<sup>2</sup> Local Government Finance Act 1992 s49A (<https://www.legislation.gov.uk/ukpga/1992/14/section/49A>)

Environment	£0.00	£46,000.00
Grants	£0.00	£68,045.00
Income	£26,000.00	£0.00
IT Website Int.	£0.00	£27,250.00
OS Depot	£0.00	£34,450.00
OS Overheads	£0.00	£176,450.00
OS Projects	£0.00	£54,500.00
Pop Up	£3,500.00	£9,000.00
Public Toilets	£0.00	£60,500.00
Staffing	£30,000.00	£704,250.00
<b>Total</b>	<b>£68,240.00</b>	<b>£1,459,132.50</b>

3.3. As part of the Council's budget setting, the level of reserves was also considered with funds transferred into and out of earmarked reserves within the current financial year. Payments into reserves for 2025-26 are recommended by the Policy & Finance Committee as per the summary table below. It is further recommended that the level of general reserve remained at £200,000. The reserve levels must be set as part of this Precept setting process.

<b>Earmarked Reserves</b>	<b>24/25</b>	<b>Anticipated</b>	<b>2025/26</b>	
<b>Name</b>	<b>Opening Bal</b>	<b>YE Bal</b>	<b>Payment</b>	<b>Balance</b>
Elections	£5,000.00	£5,000.00	£1,500.00	£6,500.00
CIL	£176,584.78	£159,384.78	£0.00	£159,384.78
Film Festival	£8,000.00	£0.00	£0.00	£0.00
Railway Station	£22,500.00	£22,500.00	£7,500.00	£30,000.00
Capital Projects	£45,000.00	£45,000.00	£0.00	£45,000.00
Playing Pitch Strategy	£9,000.00	£4,650.00	£4,350.00	£9,000.00
Post Office Provision	£2,500.00	£0.00	£0.00	£0.00
Cades Farm Com. Hall	£6,900.00	£6,900.00	£0.00	£6,900.00
Office Furniture Replacement	£2,655.00	£0.00	£0.00	£0.00
Youth Services	£26,000.00	£26,000.00	£24,000.00	£50,000.00
Env. Improvements	£40,000.00	£0.00	£0.00	£0.00
Cost of Living Fund	£20,000.00	£8,072.50	£11,927.50	£20,000.00
Green Grants	£7,000.00	£7,000.00	£0.00	£7,000.00
Committed CIL	£200,000.00	£50,000.00	£0.00	£50,000.00
Van Replacement	£6,500.00	£6,500.00	£12,000.00	£18,500.00
Open Spaces Development	£135,000.00	£0.00	£0.00	£0.00
Play Areas	£0.00	£10,500.00	£10,000.00	£20,500.00
Bridges	£0.00	£0.00	£20,000.00	£20,000.00
<b>Total</b>	<b>£712,639.78</b>	<b>£351,507.28</b>	<b>£91,277.50</b>	<b>£442,784.78</b>

#### 4. Year End Balances and Surplus

4.1. As part of the budget and precept setting process, the RFO has forecasted the income and expenditure to the end of the year to inform the possible level of surplus that the Council will hold.

4.2. The year end bank balances are calculated as follows

<b>24-25 Bank Balances</b>	
<b>Opening</b>	<b>£921,528.82</b>
(+) Receipts	£993,807.79
(-) Payments	£1,115,779.67
<b>Closing</b>	<b>£799,556.94</b>

4.3. Based upon the closing bank balance as set out in 4.2 above, the year end balance of reserves from item 3.3 and the general reserve amount, the Council's surplus can be calculated as follows

<b>24-25 Surplus Calculation</b>	
Closing Bank Balance	£799,556.94
(-) Earmarked Res Balance	£351,507.28
(-) General Res Amount	£200,000.00
<b>Surplus</b>	<b>£248,049.66</b>

4.4. The surplus amount is formed by underspent budget lines and transfers from earmarked reserves back into the general fund. This amount off sets the precept as it is money already collected and held by the Council.

#### 5. Precept Calculation

5.1. As per the calculation set out in the legislation referred to in item 3.1 above, the 25-26 Precept amount is calculated using information from the previous tables as follows

<b>25-26 Precept Calculation</b>	
Expenditure Budget	£1,459,132.50
Payments into Reserves	£91,277.50
	<b>£1,550,410.00</b>

(-) Income Budget	£68,240.00
(-) Surplus Held	£248,049.66
	<b>£316,289.66</b>
<b>Aggregate (Precept Figure)</b>	<b>£1,234,120</b>

**NB** The Precept demand figure is always rounded up to the nearest whole number.

## 6. Tax Base and Band D Average Impact

- 6.1. The total precept is divided by the Tax base. The Tax Base is set each year by the Billing Authority for each of its parishes. It is the equivalent number of Band D properties in a parish or town after adjustments. Adjustments will usually include projections on new properties, any reductions that residents may be entitled to (e.g., disability or single occupancy), void properties and the collection rate. Somerset Council has not given data on how these adjustment calculations have been made.
- 6.2. For example, if a town had 100 band B properties, 100 band C properties and 100 band E properties, this would be 288.89 band D equivalent (assuming no other adjustments were made for the items listed above). This figure is calculated on the basis that each band of property pays a different percentage of the Band D Precept, the table below provides the breakdown of the calculation.

Band	% of Band D	No of Properties	Adjusted Figure
A	66.67%	0	0
B	77.78%	100	77.78
C	88.89%	100	88.89
D	100.00%	0	0
E	122.22%	100	122.2
	Total (Band D Equiv.)		288.89

- 6.3. The figure for Wellington for 25/26 is **5,834.73** thus, giving a Band D Precept figure for 25/26 of **£211.88**.
- 6.4. As mentioned in the example given in item 6.2 above, each band of property pays a different percentage of the Band D Precept, with bands A to C paying less and E to H paying more. 73% of properties in Wellington sit within bands

A to C. The table below provides a breakdown of the amount each band will pay per year and the number of properties within each band.

Band	% of Band D	Precept £	No of properties	% of total properties
A	66.67%	141.25	1155	14.4%
B	77.78%	164.80	2927	36.4%
C	88.89%	188.34	1802	22.4%
D	100.00%	211.88	990	12.3%
E	122.22%	258.96	925	11.5%
F	144.44%	306.05	188	2.3%
G	166.67%	353.13	36	0.4%
H	200.00%	423.76	8	0.1%

- 6.5. Setting the Band D Precept at £211.88 will result in an increase of 27.41% (£45.59) from the 23/24 figure. The table below shows the yearly and weekly increase amounts for each band of property.

Band	Yearly Increase (£)	Weekly Increase (£)
A	30.39	0.58
B	35.46	0.68
C	40.52	0.78
D	45.59	0.88
E	55.72	1.07
F	65.85	1.27
G	75.98	1.46
H	91.18	1.75

## 7. Resolutions Required

- 7.1. So that the Precept may be set, the Council needs to make resolution to set the payments into and the level of reserves for 25/26. This should have been done at the December meeting but was missed. The Policy & Finance Committee reviewed the reserves at the meeting held on 18 November and recommend that the payments and balances for 25/26 are set as per the table in item 3.3 above.
- 7.2. The Council must now make resolution to set the Precept figure for 25/26. Based on the assumption that no changes to the reserves are made in the previous resolution, the Precept should be set at £1,234,120 (£211.88 Band D equivalent).

## **8. Other Implications and Considerations**

- 8.1. Any changes to the reserves will impact the precept figure. The RFO will inform the meeting of the impact of any changes made at the meeting.
- 8.2. Budget spending by committees, and staff, will now be limited to the RFO's forecasted spend to the end of the year. While small overspends on these amounts may be possible, larger overspends will have an impact on the surplus calculations which in turn has an impact on the Precept. Because the surplus offsets the precept, too many spends over the forecasted amounts may mean that not enough Precept has been demanded.

Alice Kendall  
RFO & Deputy Clerk  
31 December 2024