

**Financial Information**

**How much will a new Local Council Cost?**

**Background**

A town council is another name for a parish council. They are both on the first tier of local government. Town and parish councils (also known as local councils) are statutory local authorities with tax raising powers. They have a wide range of powers over local matters.

**How does a local council raise money?**

Local councils raise money through the council tax. This is called a precept. The council's budget is set annually and the Borough Council/unitary authority will be notified how much is to be raised through taxation. This is added to your council tax bill and will vary depending on the council tax band of your home. The amount you pay depends on what services the town or parish council provides.

**For the financial year 2022 – 2023**

The chart below shows the different amounts that would be generated by differing levels of Band D precept:

|  |  |  |
| --- | --- | --- |
| **Band D** | **Tax Base2022-2023** | **Precept** |
|  £20.00  | 16,158.26  |  £323,165.20  |
|  £40.00  | 16,158.26  |  £646,330.40  |

However, the amount you will pay depends on the council tax band of the property you live in. The chart below sets out how much each household will pay on their council tax bill for a new town or parish council depending on precept and your property’s council tax band.

For example, if the precept is agreed at **£20.00** per Band D household (raising £323,165 for the council), the charge for a Band A property will be **£13.33** a year and the charge for a Band B property will be **£15.56** per year per household.

If the precept is agreed at **£40.00** per Band D household (raising £646,330.40 for the council), the charge Band A property will be **£26.67** and for a Band B property will be **£31.11** per year per household

Below are a range of *possible precepts* that a town or parish council may charge for 2023-2024 and the different amounts households will pay depending on their council tax band.

|  |  |  |
| --- | --- | --- |
| **Band** | **CT £20** | **CT £40** |
| A |  £ 13.33  |  £ 26.67  |
| B |  £ 15.56  |  £ 31.11  |
| C |  £ 17.78  |  £ 35.56  |
| **D** |  **£ 20.00**  |  **£ 40.00**  |
| E |  £ 24.44  |  £ 48.89  |
| F |  £ 28.89  |  £ 57.78  |
| G |  £ 33.33  |  £ 66.67  |
| H |  £ 40.00  |  £ 80.00  |