

## **Council Tax and Community Councils 2026/27**

### **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 31<sup>st</sup> March 2026 and proposed budget for 2026/27 showing a 4% increase in precept.

It is anticipated there will be a balance of funds/reserves to the sum of approximately £101k 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 31<sup>st</sup> for the following year's tax and the collection rate is 98%.

**Based on the above, the council tax base for the area of Gelligaer Community Council has decreased to 6390.33 Band D equivalent dwellings for 2026/27. The drop in the council tax base could mean more discounts/exemptions, housing stock changes and a higher demand for Council Tax Reduction Scheme (CTRS) due to increases in cost of living.**

### **Recent history**

**2025/26** Increased the precept by 3.5% which was an increase of 0.75p from £21.55 to £22.30 per Band D equivalent household per annum giving the council a total precept of £142,686 and the estimated reserves were earmarked for potential green initiatives such as increasing UV solar panels on our primary schools.

**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 2<sup>nd</sup> year. Therefore, the precept remained at £21.31 per Band D equivalent household per annum, giving the council a total precept of £133,602

## **Budget Assumptions**

The budget for 2026/27 has been prepared using the following assumptions:

- Pay award 2026/27 – assuming a 2% increase pay award
- Retail Price Index (RPI) is at 3.8% (November 2025 Office for National Statistics)  
(RPI includes housing costs i.e. mortgage/rent/council tax and consumer items)
- Consumer Price Index (CPI) is currently at 3.5% (Nov 2025 Office for National Statistics)  
(CPI includes everything except housing costs)
- State Pension – From April 2026 the triple lock system\* will apply, which means the state pension will rise by 4.8% (due to average earnings increase)  
*\* under the triple lock policy the state pension increases every year by whichever is the highest of inflation, earnings growth, or 2.5%.*
- Universal Credit standard allowances that are linked to inflation rise by 2.3%

## **Possible budget increases**

The proposed budget in Appendix A (attached) shows a 4.5% 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 members should also take into consideration level of balances the council is estimated to have at the 1<sup>st</sup> April 2026.

<b>Band D per Annum £</b>	<b>Increase per per household Band D Annum £</b>	<b>2026/27 Precept to GCC £</b>
22.30 (currently 25/26)	0%	142,504 (146,786 in 2025/26)
22.52	1%	143,910
22.75	2%	145,380
22.97	3%	146,786
23.08	3.5%	147,489
23.19	4%	148,192
<b>23.30</b>	<b>4.5%</b>	<b>148,894</b>

Increasing the precept from £22.30 to £23.30 (per band D) is an additional £1 per annum, per band D dwelling.

Members are requested to determine the level of precept for 2026/27 and agree the proposed use of earmarked reserves anticipated at 31<sup>st</sup> March 2026, as per APPENDIX A

**A council resolution is required.**