

The Precept for Medstead Parish Council

Precept for 2026/27

At a meeting of Medstead Parish Council on 10th December 2025, Councillors voted to set the annual precept at £99,074, an increase from £87,300 the previous year.

This sets the annual household charge (average band D property) for the parish precept at £64.96 for the year for 2026/27. This represents an increase of £7.22 on the previous year (12.5%), or 14 pence per week per average household.

What is a Parish Council precept?

The precept is a tax that parish councils charge their local electors to meet the budget requirements for their services. It is added to the council tax bill of the district council (or other principal council) and is shown alongside other additions such as police, fire and social care. Parish councils do not receive any direct funding from central government and rely on their precept plus any other income they generate from services or facilities they provide.

How does the Council determine the precept?

The precept is determined as an income requirement after preparing a budget that considers all expenditure that the council will need to incur in the coming financial year, and after taking into account other estimated sources of income.

As well as the normal annual expenditure, the precept may be set to increase (or decrease) the level of reserves that a council needs to set aside for special projects or general reserves to cover unexpected contingencies. The council uses its reserves to even out significant year on year peaks and troughs in expenditure for ad hoc projects and unexpected events, but needs to use the precept (or other income) to top up these reserves as required each year.

On what basis is the precept compared between town and parish councils?

The council calculates its total precept requirement in its budget, which is then divided across all households paying council tax.

For each precepting town or parish council, the district council calculates a band D-equivalent tax base. Band D is chosen as the middle band, representing the average property in an area, allowing for a direct comparison of how much each local council charges residents.

Properties in other bands pay higher or lower council tax in fixed proportions to band D. The band D-equivalent tax base takes that total number of tax-paying properties across all bands, making allowances for rebates allowed, such as for single occupancy households, and equates the amount to the equivalent number of band D properties (the taxbase). The precept charge per band D property is the total precept divided by this taxbase. This allows the precept to be compared between councils of similar sizes, even if the total number of houses or mix of houses differs.

Why does the precept vary by Council?

A Council such as Medstead, which upkeep a village green, playground, village hall car park, cemetery, churchyard, parish office and other amenities, will have higher direct costs

than a small village with none of these amenities. A town council has an even greater number of amenities, but also more means of generating income, such as fees for car parking, rental of sports and community facilities, profit from events etc.

A council for a smaller parish typically has less amenities to pay for and so the precept would typically be lower but there are also fewer households to pay for it. Also, smaller councils lose some economies of scale in other costs such as staff costs, insurance, membership subscriptions, auditing costs etc. Although these do scale to some extent with size and income, there is often a disproportionate burden of fixed non-variable costs for smaller councils.

Another consideration is that parishes benefit where there is a greater amount of work undertaken by volunteers rather than paid services. Whilst there are potentially more volunteers in larger towns and parishes, it is often easier to organise and manage in smaller parishes. For example, a council owning a small area of land in a small village is more likely to get volunteers to mow it than one such as Medstead with a very large village green, cemetery, churchyard and wildflower to maintain, which requires tractor mowers and typically two days work per week.

Some councils may need to use the precept in any year to build up funds towards a major project, whereas others have no need of such expenditure at that time.

For these reasons, when comparing precepts across parishes, regard has to be given to particular circumstances. Regardless, all councils aim for best value for money for their electorates with requirements set in legislation for transparency in financial accounts and best practise in procurement.

Comparison of Medstead Parish Council's precept

It can be seen from the charts on the next page that Medstead Parish Council's precept compares very favourably. It was the fifth lowest in 2023/24 and 2024/25 out of 38 precepting authorities in East Hants District Council, and after necessary above inflation increases for three consecutive years is still only 10th lowest, and well below the average for the whole of England as well as for East Hants District Council.

Increases have been necessary for several reasons:

- **Higher staffing costs** – there has been a need to increase Clerk hours to reflect increased workload. The Government significantly increased employer national insurance payments from 2025/26), and the Council had a new requirement to pay pension contributions, starting in 2024/25.
- **High costs of tree maintenance** – this has been a significant cost in the last few years, to a large extent due to Ash die-back disease.
- **High cost of inflation** – there has been higher inflation over the last year years due to economic drivers such as Covid and the Ukraine war.
- **Increase in general reserves** – for many years, Medstead Parish Council's general reserves have been far too low, below the mandatory guidance for local councils. This has been highlighted by the external auditor of the Council's accounts, and leaves the Council vulnerable to unexpected events. The Council has historically kept the reserves low to reduce the impact on the precept increases for its electorate but this is not sustainable going forward nor in line with proper practise and needed to be addressed.

Comparison of precept requirements for band-D households across EHDC

