

The precept and how it works

The precept is the Council tax that the billing authority, Arun District Council, collects on behalf of the Parish Council. Parish Councils do not receive any direct funding from central government and the precept is the only usual source of income for Clapham, apart from any grant funding, donations or interest on credit balances. In the past the parish has benefited from 'CIL' money paid by developers or residents when building or converting/extending houses.

The income the Council obtains allows it to provide services including tree maintenance and surveys, litter and dog refuse management and the local recreation ground with its playground and adult gym equipment. As the first tier of local government there are also various other requirements including an annual audit, our website, insurance and of course our Clerk who makes sure everything runs smoothly. We are always looking to do things in the most cost-effective way and maximise grant opportunities.

The Council also acts as a community liaison with other local service providers (such as West Sussex County Council, Arun District Council, the South Downs National Park Authority and the police, amongst others) and is always on hand to assist with queries and concerns raised by local residents. Councillors give their time and services freely to benefit the parish.

Each year no later than December our Clerk as our Responsible Financial Officer prepares detailed estimates of all receipts and payments including the use of reserves and all known sources of funding for the following year in the form of a budget. The Council also has three-year forecasts of revenue and expenditure which it updates as part of this process. The budget must be set before the precept can be calculated.

The tax base is the number of households that will pay for the precept, expressed as Band D equivalents, and must be notified to the Parish Council by Arun District Council to allow the precept setting exercise.

Households in Council tax bands other than D are expressed in terms of the proportion of a Band D bill that they pay, under the Local Government Finance Act section 5 (1).

The properties are expressed as band D equivalents using the factors/ratios below:

Band A 6/9	Band B 7/9
Band C 8/9	Band D 9/9 (= 1)
Band E 11/9	Band F 13/9
Band G 15/9	Band H 18/9 (=2)

The calculations are as follows;

1. Dividing the precept by the tax base for the parish gives the Council Tax for a Band D property.
2. Multiplying the Band D Council Tax by a factor is used to calculate the Council Tax for each of the other bands.

Band D is the middle band of Council Tax and represents the amount of Council Tax paid on an average property in the area.

A Band H property will pay, for example, twice the amount of a Band D property

Even if the Parish Council requests the same precept for the parish for the next financial year, changes in the tax base for the parish will result in the Band D rate changing. This means the charge for properties in the other band rates will also change.

The tax base could go down due to more properties in the parish claiming for discounts or most commonly an increase in the number of properties claiming single occupancy discount. Other ways include homes becoming empty or second homes. It could also go up, for example, if more properties are built.