

## Commentary on 2024 / 25 Precept Rise

The Precept (the amount each household contributes to Langtoft Parish Council) has not been increased for 3 years.

However the cost of running the Parish Council has increased over that period; the impact being a reduction of our reserves (the buffer we hold to ensure that we have sufficient funds to meet our objectives and carry out any activities and emergency repairs).

The Council produces a budget of planned spending for each financial year and this is monitored on a regular basis by comparing actual spending against planned spending. The budget also includes expected income.

Expenditure is significantly greater than income (a deficit); the difference is funded from the Precept or by a reduction in reserves.

The budgeted net expenditure for 2024/25 is £34,154 compared with £33,600 for the current financial year.

In January 2023 the Council took the decision not to increase the precept for 2023/24, choosing instead to reduce reserves by about £14,000 including spending the remainder of the Covid grant of about £4000.

This was not an unreasonable decision **but** deferred the need to cover the expenditure until this year.

Covering the net expenditure from the precept for the current year (2023/24) would have required an increase of 37%. If this had been agreed an increase of only about 1.4% would have been required for 2024/25.

Total expenditure for 2024/25 has been budgeted at £37,600 which is just £1200 (3%) more than in 2023/24.

Deferring the Precept increase only results in the need for a greater increase the following year.

The increase for 2024/25 is equivalent to £12.13 for a band D household, (taking the payment to £44.24).

We acknowledge that this is a large increase in percentage terms, but it is equivalent to less than 25p a week.