

### Understanding Precept and Tax Base for Wem Town Council (2026/27)

#### 1. What is the Tax Base?

The tax base is the estimated number of Band D equivalent properties within the Parish for the coming year. It is used to calculate the amount of Council Tax each property should pay.

#### 2. How is the Tax Base Calculated?

- The tax base comes from the Council Tax system, which lists all properties in each Parish.
- Adjustments are made for any discounts, such as for single occupancy, second homes, or exempt properties (e.g., empty homes) and properties from which council tax remains uncollected
- Properties are then converted into the other Council tax bands using a calculation based on the Band D charge. An estimated number of new Band D equivalents for the year is added, and a collection rate is applied to determine the final tax base.

#### 3. Why is the Tax Base Important?

- The total precept requirement for each parish is divided by the tax base to determine the Band D charge.
- For example, if the precept remains the same but the tax base decreases, the Band D charge will increase, as there are fewer properties to collect the same amount from.

#### 4. Example Calculation:

**Year 1:** Parish A agrees a precept of £100,000 and has a tax base of 2000. The Band D Council Tax charge is calculated as:

$$£100,000 \div 2000 = £50 \text{ per Band D property.}$$

**Year 2:** The precept rises to £110,000 but the tax base stays at 2000, the Band D charge will be:

$$£110,000 \div 2000 = £55 \text{ per Band D property (a £5 or 10% increase).}$$

**Year 3:** The precept stays at £100,000 but the tax base decreases to 1900, the Band D charge will be:

$$£100,000 \div 1900 = £52.63 \text{ per Band D property (a £2.63 or 5.3% increase).}$$

In year 3, even though the precept stayed the same, the Band D charge increased because there were fewer properties contributing.

#### 5. How the Tax Base has Changed for Wem:

- The tax base for Wem has decreased slightly this year to 2054.87 (from 2066.32 last year)
- This decrease represents a **0.56% rise** in the tax base.

#### 6. Why Does this Matter?

- With a lower tax base, the Town Council will receive **£2,358 less** in income.

- To keep the Council Tax level the same as last year (ie to stand still financially), the Town Council would need to request a precept of **£421, 557** (this includes a reduction of £2,358 due to the increase in the tax base).

#### 7. What's the Proposed Increase?

- Based on the budget outlined in the budget report, the suggested precept for 2026/27 is **£457,924**, which would mean an increase of **£17.69 per year** for a Band D property. This is a **8.58% increase**. These figures might change based on further budget discussions

#### Council Tax Comparisons

Year	Council Tax Base	Precept Requirement	Band D Council Tax Charge
2019/20	1986.33	£316,462	£159.31
2020/21	2015.05	£334,049	£165.78
2021/22	1975.47	£333,999	£169.07
2022/23	1993.78	£344,197	£172.64
2023/24	2027.65	£380,394	£187.60
2024/25	2037.01	£400,000	£196.37
2025/26	2066.32	£423,165	£205.01
2026/27	2054.87		

Shropshire Local Councils with Band D precept **above** Wem TC

Council	Band D Precept 25-26
<b>Wem TC</b>	<b>205.15</b>
Bishop's Castle	313.53
Church Stretton	276.83
Ludlow	254.70
Much Wenlock	223.93

Other Town Council Precepts

Council	Band D	Tax Base	Precept 2025/26	% precept increase 2026/27
<b>Wem</b>	<b>205.15</b>	<b>2,066.32</b>	<b>£423,915</b>	
Whitchurch	160.20	3,697.20	£592,276	4.8% (proposed)
Shrewsbury	87.04	27,453.97	£2,389,594	94.56%
Oswestry	107.07	5,494.51	£585,315	20%
Market Drayton	136.02	4,302.41	£585,214	5%
Ellesmere				5%
Bishop's Castle				Tbc
Church Stretton			£625,780	9%
Ludlow				Tbc
Much Wenlock				Tbc