

Contact: town and parish precepts  
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Our ref: T&PC 26/27



Mr P Moore  
Easington Village Parish Council  
Seaton Holme  
Hall Walks, Easington Village  
Peterlee  
County Durham  
SR8 3BS

10 November 2025

Dear Parish / Town Clerk

### **Tax Base and Local Council Tax Reduction Scheme Grant allocation 2026/27 to Town and Parish Councils**

On 19 November 2025, Cabinet will consider the tax base for 2026/27. This will be subject to confirmation once the County Council meets to consider the proposed changes to the Local Council Tax Reduction Scheme (LCTRS) for working age claimants on 10 December 2025.

Over the period 18 July and 26 September 2025, the council consulted on these proposals and is now proposing that the LCTRS is moved to an Income Banded Scheme with a capped maximum contribution of 90%, that the second adult reduction is removed, that there is a fixed non-dependant deduction made where applicable and that the savings (capital) allowance is lowered in the means test calculation.

These changes need to be agreed by Full Council but have a material impact on the tax base calculation.

On 19 November 2025, the Cabinet will also consider the latest 2026/27 and Medium Term Financial Planning (16) financial forecasts for the County Council. These forecasts show that without any Council Tax increases being applied and before any new additional savings are factored in, the Council faces a budget shortfall of £27.567 million in 2026/27 and £82.137 million across a four-year planning period. This is a worse position than what was set out in the previous report to Cabinet on 17 September 2025, with the financial challenge increasing by £7.520 million in 2026/27 and £11.118 million in total across the four-year planning period.

### **Resources**

Durham County Council, County Hall, Durham DH1 5UE

Main Telephone 03000 26 0000

Text messaging service: 07786027280 – please start your message with the word INFO

To assist with addressing the budget challenge the Council faces, £10.057 million of new savings proposals have been developed, which are profiled: £9.103 million (90%) in 2026/27; £0.586 million (6%) in 2027/28; and £0.368 million (4%) in 2028/29.

Despite the development of £10.057 million of new savings proposals, and assuming all of these are ultimately agreed, a significant budget deficit remains. Cabinet will therefore need to carefully consider options to raise council tax, find further financial savings and/or consider the use of reserves as a temporary measure to help balance the budget next year. The outcomes of the local government finance settlement will be a material consideration in this regard.

For 2026/27, Durham County Council has calculated an overall (indicative) council tax base of **151,633.6 Band D equivalent properties**. This represents a 1.93% increase from the previous year and reflects prudent assumptions around property growth, exemptions, premiums and discounts and assumes the changes to the LCTRS for working age claimants is approved at County Council on 19 December 2025.

You will recall, in 2024/25, following the budget and Medium Term Financial Plan (MTFP 14) consultation, the council approved the reduction to the grant payments to town and parish councils over a three year period (2024/25 – 2026/27). The reductions previously agreed were £250,000 per annum in each of the three financial years. Payments currently being made to town and parish councils totals circa £1 million in 2025/26.

As part of our Medium Term Financial Plan (MTFP 16), the council proposes to cease the LCTRS grant payments to town and parish councils entirely in 2026/27, to assist the council in meeting its significant budget challenge next year. Public consultation on this and other Phase 2 budget proposals will run from 21 November 2025 to 4 January 2026, though I would advise you to plan on this basis at this stage.

The outcome of the Phase 2 consultation and savings proposals will be considered by Cabinet on 21 January 2026 and included in the council's 2026/27 budget and MTFP 16 report to County Council on 18 February 2026.

## Indicative Tax Base Position 2026/27

Your (indicative) tax base (note that this is subject to the agreement of the changes to the LCTRS 2026/27 at County Council on 10 December 2025), and the impact of withdrawing the grant payments to town and parish councils is shown below for your council:

<b>Easington Village Parish Council</b>	
Current Tax Base (2025/26) <b>[A]</b>	930.70
<b>Tax Base for 2026/27[B]</b>	<b>964.90</b>
Tax Base Increase/(Decrease) from 2025/26 <b>[C] = [B] - [A]</b>	34.20
Current Band D Council Tax (2025/26) <b>[D]</b>	200.00
Increase/(Decrease) in Council Tax Yield <b>[E] ([C] x [D])</b>	6,840.00
Removal of 2025/26 LCTRS Grant <b>[F]</b>	0.00
<b>*Net Position [E] - [F]*</b>	<b>6,840.00</b>

\*This is the amount you would have to increase or decrease your precept by to give you a standstill position in terms of resource availability (in cash terms).

Town and parish councils are asked to plan on the basis that:

- the LCTRS policy change considered within the tax base assumptions is approved at Council on 10 December 2025; and
- the removal of the LCTRS grant payments to town and parish councils is ultimately approved following the Phase 2 budget savings proposal public and stakeholder consultation.

I will write to you separately if the LCTRS changes are not agreed at the County Council meeting on 10 December 2025 to inform you of the revised position.

Whilst I am sure that the proposal to cease the LCTRS grant payments to town and parish councils will be disappointing, I would be grateful if you could submit your precept requirement by 23 January 2026 to enable this to be incorporated into the 2026/27 budget and council tax setting reports to Cabinet and Council in February 2026. I have attached the relevant Official Precept Request forms within this letter.

Precept payments will be paid directly into your bank account in accordance with the instalment profiles that applied in 2025/26. **Please ensure that all relevant bank account details are supplied on the attached form. Please also supply your current email address for remittance notification.**

**If your precept is greater than £140,000 you must also comply with the requirements of the Council Tax Regulations 2003, which require additional information to be published as follows:**

- **Gross expenditure breakdown by class of service provided;**
- **Income broken down by class of service provided;**
- **Net expenditure broken down by class of service provided;**
- **A statement of the effect of the aggregate gross expenditure and net budget requirement upon the level of precept issued.**

Should you require any further information with regards to this letter, please do not hesitate to contact my Technical Accountancy Team via email @ **townandparishprecepts@durham.gov.uk**. Further information is provided in the November 2025 Cabinet report, which is available on the Durham County Council website.

Yours sincerely

Paul Darby  
Corporate Director of Resources

## DURHAM COUNTY COUNCIL

### OFFICIAL PRECEPT REQUEST 2026/27 –Easington Village Parish Council

Please return a completed, signed electronic request via email to [townandparishprecepts@durham.gov.uk](mailto:townandparishprecepts@durham.gov.uk).

<b>1. Precept Requirement for 2026/27</b>	£
<b>2. Tax Base 2026/27</b>	964.90
<b>3. Band D Charge</b>	£
Divide the precept figure in Box 1 by the tax base figure in box 2 to calculate the Band D charge for the year commencing 1st April 2026	
<b>4. Date of Meeting</b>	
This is the date of the parish/town council meeting where the precept in box 1 above was agreed	

<b>Print Name (Chairman)</b>		<b>Signature</b>		<b>Date</b>	
<b>Print Name (Clerk)</b>		<b>Signature</b>		<b>Date</b>	

#### Bank details for payment:

<b>Name of bank</b>					
<b>Bank address</b>					
<b>Sort code</b>		<b>Account number</b>			
<b>Email for remittance advice</b>					

It is essential that all of the above information is provided. Failure to do so may result in a delay in your precept/grant being paid.

