

Title of report: 2023/24 Council Tax Setting Report

Meeting: Council

Meeting date: Friday 3 March 2023

Report by: Leader of the council

Classification

Open

Decision type

Budget and policy framework

Wards affected

(All Wards);

Purpose

To set the council tax and precepts for 2023/24.

At its meeting on 10 February 2023, the council approved the net budget requirement for 2023/24 at £194.0m and an associated council tax requirement of £127.0m on a tax base of 71,073.11 band D equivalents.

As the billing authority, this report seeks approval for council tax amounts for each category of dwelling in Herefordshire including precepts from West Mercia Police, Hereford and Worcester Fire Authority and Hereford town and parish councils for the financial year 2023/24.

Recommendation(s)

That:

- a) **The precepting authority details included at appendices 1 to 5, relating to town and parishes, West Mercia Police and Hereford and Worcester Fire Authority be approved in accordance with sections 30(2), 34(3), 36(1) and section 40 of the Local Government Finance Act 1992 (as amended) and that the following amounts be approved for the year 2023/24 in accordance with sections 31 to 36 of the Local Government Finance Act 1992 (as amended by the Localism Act 2011):**

- a. **£405,368,165 being the estimated aggregate expenditure of the council in accordance with section 31A (2) of the act, including all precepts issued to it by parish councils;**
 - b. **£273,020,000 being the estimated aggregate income of the council for the items set out in section 31A (3) of the act (including revenue support grant);**
 - c. **£132,348,165 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) calculated by the council in accordance with section 31A(4) of the act, as its council tax requirement for the year (including parish precepts); [Item R in the formula in Section 31B of the Act];**
 - d. **£1,862.14 being the amount at (c) above divided by the amount of the council tax base calculated by the council, in accordance with section 31B of the act, as the basic amount of its council tax for the year (including parish precepts);**
 - e. **£5,368,165 being the aggregate amount of all special items (parish precepts) referred to in section 34(1) of the act;**
 - f. **£1,786.61 being the amount at (d) above less the result given by dividing the amount at (e) above by the amount of the council tax base calculated by the council, in accordance with section 34(2) of the act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no parish precept relates (Herefordshire Council band D council tax, excluding parishes); and**
- b) It is agreed that the net tax base of 71,073.11 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) used for setting the budget requirement for 2023/24;**
- a. **is allocated to band D equivalent dwellings per precept area as shown in appendix 1; and**
 - b. **the individual council tax allocations per valuation band of dwelling by parish (including fire and police precepts) as set out in appendix 5.**

Alternative options

1. There are no alternative options to setting a council tax. As the billing authority, the council is required to set the overall council tax for the following financial year. Council approved the net tax base on which the precept is in part based at its meeting on 10 February 2023; the remaining precept elements are set by other authorities and the council acts as the collecting agent for those precepted sums.
2. Local government legislation requires the council to set council tax each financial year. It also requires that certain categories of income and expenditure and other financial information are provided in accordance with Local Government Finance Act 1992 (as amended by the Localism Act 2011).

Key considerations

3. The Local Government Finance Act 1992 (as amended by the Localism Act 2011) sets out the specific amounts to be calculated and approved. This report enables the council to meet its legislative duty and set the council tax for each category of dwellings, including the council tax requirement of the council.

4. Council approved a council tax increase of 4.99% (inclusive of 2% adult care precept) above the rate of council tax for 2023/24 at its meeting on 10 February 2023. The council's band D council tax for 2023/24 becomes set at £1,786.61.
5. The parish precepts for 2023/24 are attached at appendix 1, total £5,368,165 amounting to an average band D council tax charge of £75.53. This represents an average increase of 5.7% over 2023/24. The charge by each property band, inclusive of the council charge, is set out in appendix 2.
6. The precepts for the Office of the Police and Crime Commissioner for West Mercia, an increase of 5.94%, and Hereford and Worcester Fire Authority, an increase of 5.59%, are shown in appendices 3 and 4.
7. Appendix 5 provides the impact of all precepts on the council tax bill by detailing the total amount of council tax payable in each parish by property band.

Council Tax Calculations

8. The calculation of council tax involves several stages and the Local Government Finance Act 1992 requires figures to be calculated including and excluding parish precepts. The table below meets this requirement.

	Herefordshire Council £	Parish precepts £	Herefordshire incl. parishes (average) £
Estimated gross expenditure	400,000,000	5,368,165	405,368,165
LESS estimated income	(206,012,000)	Not applicable	(206,012,000)
Net budget requirement	193,988,000	Not applicable	199,356,165
LESS retained business rates	(40,614,000)	Not applicable	(40,614,000)
LESS revenue support grant	(983,000)	Not applicable	(983,000)
LESS rural services delivery grant	(6,033,000)	Not applicable	(6,033,000)
LESS social care support grant	(13,466,000)	Not applicable	(13,466,000)
LESS market sustainability & fair cost of care grant	(2,062,000)	Not applicable	(2,062,000)
LESS new homes bonus	(231,000)	Not applicable	(231,000)
LESS adult social care discharge fund	(951,000)	Not applicable	(951,000)
LESS services grant	(1,268,000)	Not applicable	(1,268,000)
LESS collection fund surplus	(1,400,000)	Not applicable	(1,400,000)
Council tax requirement	126,980,000	5,368,165	132,348,165
Council net tax base (band D equivalent)	71,073.11	71,073.11	71,073.11
Council tax charge at band D	1,786.61	75.53	1,862.14

Council Tax Amounts

9. Appendices 1 to 5 to this report contain the individual council tax amounts for each category of dwelling as required by the Local Government Finance Act 1992 and associated regulations.
10. The council's band D council tax for 2023/24 is £1,786.61, which is an increase of £84.91 (4.99%) compared with 2022/23.
11. As part of the process we are required to include precepts from other bodies that will be included on council tax bills.

12. The parish precepts is set out in detail in appendix 1 providing the parish precept requirement and the band D council tax charge for each parish.
13. The charge by each property band, inclusive of the council charge, is set out in appendix 2.
14. The Office of the Police and Crime Commissioner for West Mercia precept is set out in appendix 3 (£264.50 at band D).
15. The Hereford and Worcester Fire Authority precept is set out in appendix 4 (£94.40 at band D).
16. Appendix 5 provides the impact of all precepts on the council tax bill by detailing the total amount of council tax payable in each parish by property band.

Community impact

17. The council tax is levied to enable the council to resource service delivery in accordance with the corporate plan priorities established by full Council. The proposed increase could result in increasing individuals' financial difficulties; this is mitigated by providing payment options, relevant discounts and reliefs, including the council tax reduction scheme, and local assistance fund. The council provides council tax discount to care leavers and foster carers.

Environmental Impact

18. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy. All council tax payers are encouraged to manage their account online and to activate electronic billing.

Equality duty

19. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
20. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. The council tax charges may have an impact on households and there are a variety of schemes in place to mitigate against a negative impact, including single person discount and council tax reduction. Further details how to make such claims can be found on the council's website.

Resource implications

21. The resources required for billing purposes are contained within existing budgets. Customers are encouraged to register online to receive their bill electronically. As in prior years, information relating to council tax, including how the money is spent, will be available online and a weblink will be included on issued bills.

Legal implications

22. The Local Government Finance Act 1992 (the Act) places a duty on this council, as a billing authority, to set an amount of council tax for the different categories of dwellings, according to the band in which the dwelling falls before 11 March each year (section 30 (6) of the Act).
23. A notice of the amount set must be published in at least one newspaper circulating in the authority's area within 21 days of the decision.
24. Part 3 Section 1 of the council's constitution confirms that approval of the rate of Council Tax and relevant precepts is a function of full Council.
25. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on this decision as a relevant matter, if he or she has an outstanding council tax debt of over two months. If a councillor is present at this meeting he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.

Risk management

26. That an incorrect precept is applied, this would result in differences between the amount collected and the amount required. Every effort is made to ensure the correct data is gathered and applied to minimise this risk.

Consultees

27. The council consulted with the public on its proposed budget for 2023/24, the outcome of this was discussed at the council meeting held on 10 February 2023. Precepting authorities conduct their own consultation as they deem appropriate.

Appendices

Appendix 1 – Herefordshire Council requirement by parish including band D equivalent

Appendix 2 - Council tax for each valuation band, by parish, without the police and fire precepts

Appendix 3 – The Office of the Police and Crime Commissioner for West Mercia precept requirement for each valuation band

Appendix 4 - Hereford and Worcester Fire Authority precept requirement for each valuation band

Appendix 5 - Council tax for each valuation band by parish, including the police and fire precepts

Background papers

None identified