

Blaby District Council

Cabinet Executive

Date of Meeting	26 February 2024
Title of Report	Council Tax 2024/25 This is not a Key Decision and is on the Forward Plan
Lead Member	Cllr. Maggie Wright - Finance, People & Performance (Deputy Leader)
Report Author	Finance Group Manager
Corporate Priority	Medium Term Financial Strategy (MTFS)

1. What is this report about?

- 1.1 The Council is required to set out the total amount that needs to be raised from the collection of Council Tax in the forthcoming year. This is known as the Council Tax Requirement for Blaby District Council and forms part of the funding towards the services provided by the Council. The report sets the amount of Council Tax charged to each household in the district.

2. Recommendation(s) to Cabinet Executive and Council

- 2.1 The Council Tax Requirement for 2024/25 is set at £6,526,402.
- 2.2 The District Council Band D Council Tax is set at £189.14, reflecting an increase of 2.99% (£5.49), all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended.
- 2.3 The precepts and Band D Council Tax for Leicestershire County Council*, the Office of the Police and Crime Commissioner (OPCC), the Combined Fire Authority, and the various Parish Councils within the District, be determined as set out in the following report, with all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended.

3. Reason for Decisions Recommended

- 3.1 The Council is statutorily required to determine its own Council Tax Requirement and to determine the Council Tax for the 2024/25 financial year, after considering precepts set by the other preceptors.

4. Matters to consider

4.1 Background

Setting the level of Council Tax to be charged and calculating the total amount of Council Tax to be drawn from the Collection Fund, is the final stage of the budget process. The amount of funding the Council may raise in Council Tax is limited by:

- The number and size of properties in the district on which a charge for Council Tax can be applied (referred to as the Council Tax Base), and
- The maximum increase that may be applied to the current Council Tax level (without a referendum being triggered).

Blaby's Council Tax Base for 2024/25 is 34,505.83 and this was approved at a meeting of the Cabinet Executive on 15th January 2024.

Each year the government sets out the principles that determine whether a local authority's proposed council tax increase is excessive. For 2024/25, the basic amount of council tax for a shire district council is considered excessive if:

- It is 3%, or more than 3%, greater than the basic amount of council tax in 2023/24; **and**
- It is more than £5 greater than the basic amount of council tax in 2023/24.

This means that Blaby can increase its Band D council tax by the greater of 2.99% or £5 in 2024/25 without triggering a referendum. If a referendum were to be triggered this would require the local electorate to be given an opportunity to vote to support or veto the increase in council tax.

The table below illustrates the impact on each council tax band if the council tax is increased by 2.99%:

A	B	C	D	E	F	G	H
£3.66	£4.27	£4.88	£5.49	£6.71	£7.93	£9.15	£10.98

4.2 Proposal(s)

The OPCC set its budget and Council Tax on 1st February 2024, which resulted in the Police and Crime Panel approving a £13.00 per annum for a Band D property. The Combined Fire Authority approved an increase of 2.98% to its Band D Council Tax at a meeting on 14th February 2024. Finally, Leicestershire County Council set its Council Tax requirement on 21st February 2024, approving an overall increase of 4.99% (2.99% plus 2.00% for Adult Social Care). All of these represent the maximum increase permissible under the Council Tax Referendum Principles.

The Council Tax Requirement for Blaby has been determined to be £6,526,402 and is calculated as follows:

	2023/24 £	2024/25 £
General Fund Budget Requirement	14,665,176	15,393,779
<u>Financed by:</u>		
National Non-Domestic Rates	(3,704,765)	(3,677,627)
New Homes Bonus Grant	(430,029)	(14,280)
Section 31 Grant – NNDR Compensation	(2,587,873)	(2,922,373)
Funding Guarantee	(1,530,635)	(2,245,863)
Services Grant	(90,200)	(15,571)
Revenue Support Grant	(74,608)	(79,550)
Council Tax (Surplus)/Deficit	64,864	87,887
Council Tax Requirement	6,311,930	6,526,402

The Council Tax Requirement, including all preceptors, is shown in the table below. The percentage increase takes account of both the increase in the Council Tax Base, and the increase in Band D Council Tax.

	2023/24 £	2024/25 £	Change £
Leicestershire County Council	52,429,736	55,263,868	2,834,132
Leicestershire, Leicestershire & Rutland Combined Fire Authority	2,725,175	2,817,498	92,323
Office of the Police & Crime Commissioner for Leicestershire	9,390,845	9,876,611	485,766
Blaby District Council	6,311,930	6,526,402	214,472
Parish Councils (Aggregate)	4,214,207	4,620,807	406,600
Total	75,071,893	79,105,186	4,033,293

The Average Council Tax for each household is calculated by taking the precept requirement and dividing it by the Council Tax Base. This average is always shown as a Band D equivalent.

The table below shows the resulting Band D Council Tax amount for each of the preceptors that comprise the Council Tax bill. The Parish element is not shown in this table but is added on depending on the Parish in which the household is situated. Appendix A provides details of all individual Parish precepts.

	2023/24 £	2024/25 £	Change
Leicestershire County Council			
• Main element *	1,324.31	1,369.92	2.99%
• Adult Social Care element *	201.15	231.66	2.00%
• Total	1,525.46	1,601.58	4.99%
Leicestershire, Leicestershire & Rutland Combined Fire Authority	79.29	81.65	2.98%
Office of the Police & Crime Commissioner for Leicestershire	273.23	286.23	4.76%
Blaby District Council	183.65	189.14	2.99%
Total	2,061.63	2,158.60	4.70%

* In accordance with Government guidance each percentage is calculated as an increase to the 2023/24 total of £1,525.46.

All other bands are calculated by applying a ratio to the Band D Council Tax.

The average parish Council Tax is £133.91 which, when added to the figures in the table above, gives an overall Band D average charge of £2,292.51. By way of comparison, the current year Band D average charge is £2,184.24. The relevant Council Tax for each of the bands, including the average Parish charge, is:

A	B	C	D	E	F	G	H
£1,528.35	£1,783.07	£2,037.79	£2,292.51	£2,801.97	£3,311.40	£3,820.86	£4,585.02

In accordance with Section 30-36 of the Local Government and Finance Act, 1992, the Council Tax payable for each band of property has been determined taking into account the individual precept requirement for each Parish Council. This information is set out in Appendix B.

4.3 Relevant Consultations

Major preceptors and all Parishes have been consulted to obtain their precept requirements for 2024/25.

As part of the annual budget consultation exercise, a sample selection of residents has been asked for their views on increasing the Council Tax for 2024/25. The consultation had not closed at the point of publication of this report and a verbal update will be given when the report is presented at the Cabinet Meeting.

5. What will it cost and are there opportunities for savings?

- 5.1 The financial implications of this report are dealt with in the report General Fund Budget Proposals 2024/25 also included on this agenda.

6. What are the risks and how can they be reduced?

6.1

Current Risk	Actions to reduce the risks
Not performing the calculations correctly and therefore issuing Council Tax demands to residents incorrectly	All precept amounts are formally notified to the Council by each authority or Parish. Meticulous calculations and independent checks are made to ensure accuracy

7. Other options considered

- 7.1 None – the setting of the Council Tax Requirement is a statutory requirement, and changes to Council Tax Support and discretionary liability must be approved by Full Council.

8. Environmental impact

8.1 None arising directly from this report.

9. Other significant issues

9.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

10. Appendix

10.1 Appendix A – Comparison of Band D Tax by Parish

10.2 Appendix B – Total Council Tax Amounts by Band 2024/25

10.3 Appendix C – Draft Resolution

11. Background paper(s)

11.1 General Fund Budget Proposals 2024/25
Council Tax Setting 2024/25 files held by Finance Services

12. Report author's contact details

Nick Brown	Finance Group Manager
Nick.Brown@blaby.gov.uk	0116 272 7625