



Report to:	Council	27 February 2024
Lead Cabinet Member:	Councillor John Williams, Lead Cabinet Member for Resources	
Lead Officer:	Peter Maddock, Head of Finance	

Council Tax Resolution - 2024/2025

Executive Summary

1. The Council is scheduled to agree its budget and level of Council Tax for 2024/2025 at this meeting, following consideration of the proposals by Cabinet at its meeting on 6 February 2024. The Council is required to formally approve the total Council Tax for the residents of South Cambridgeshire District, including the Council Tax requirements of precepting organisations.

Recommendation

2. **That the Council Tax Resolution, detailed at Appendix A, be approved.**

Reason for Recommendation

3. To enable Full Council to comply with the Local Government Finance Act 1992 and the Localism Act 2011 in respect of setting Council Tax.

Details

4. The proposed Council Tax Resolution for the financial year 2024/2025 is attached at Appendix A.
5. The precepting authorities have agreed the following precepts:
 - (1) Cambridgeshire County Council agreed their precept on 13 February 2024. Their element of the Council Tax will be £1,619.82 an increase of 4.99% (2% social care, 2.99% general) on the 2023/2024 level of £1,542.87. This is in line with the referendum limit of 3% General Precept, 2% Adult Social Care Precept and provides for an increased precept of 7.0%.
 - (2) The Cambridge Police & Crime Commissioner agreed their precept on 31 January 2024. Their element of the Council Tax will be £285.48 an increase of 4.76% on the 2023/2024 level of £272.52. This is in line with the referendum limit of £13 and provides for an increased precept of 5.9%.
 - (3) The Cambridgeshire Fire & Rescue Authority agreed the precept on 15 February 2024. Their element of the Council Tax will be £82.26 an increase of 2.93% on the 2023/2024 level of £79.92. This is in line with the referendum limit of 3% and provides for an increased precept of 4.9%.

- (4) The Cambridgeshire and Peterborough Combined Authority agreed the precept on 25 January 2023. Their element of the Council Tax will be £36.00. The 2023/2024 level was £12.00.
6. The Resolution, detailed at **Appendix A**, is based on the Notice of Precepts submitted to the Council.
7. The following points should be considered by Members before approving the Resolution:

(1) Council Tax Requirements – District and Parishes

(a) District Requirement for Own Needs

Based on the budget presented to Council at this meeting, summarised at **Appendix E**, the proposed District level Council Tax average Band D requirement for 2024/2025 is £170.31 which represents a £5 per dwelling increase year on year, in line with the threshold set by the Secretary of State.

(b) Parish Precepts

Parish Council Precepts total £7,555,320 for 2024/2025. This is an increase of £591,062 (8.49%) in comparison to the total Parish Council Precepts of £6,964,258 for 2023/2024. Due to the increase in Council Tax base for 2023/2024, this has resulted in an increase in the average Band D Council Tax for parishes from £103.43 in 2023/2024 to £110.09 for 2024/2025 (equal to 6.44%). Council Tax Base figures for Parish Councils in 2024/2025 is summarised at **Appendix B** and Parish Council tax levels at **Appendix C**.

Parish precepts are made on this Council's own Council Tax Requirement on the Collection Fund. Expressed, therefore, in terms of an **Average Band D Council Tax for the whole District**, it amounts to £110.09 in 2024/2025 compared to £103.43 in 2023/2024 representing a 6.44% increase.

(c) District including Parishes Requirement – Band D Council Tax

The average Band D Council Tax in 2024/2025 for the District (including parish precepts) is £280.40. This may be compared to the Council Tax requirement for 2023/2024 of £268.74. The average Band D Council Tax has increased year on year by 4.34%.

(2) Summary Council Tax Requirements – Collection Fund Precepts 2024/2025

It is this Council's responsibility, as the billing authority, to set a Council Tax each year that comprises all precepts on the Collection Fund.

Following the requirements of the other precepting bodies on the Collection Fund, the average Band D Council Tax for 2024/2025 is:

Major Preceptor	Proposed Council Tax		
	2024/2025 £	2023/2024 £	Change %
SCDC including Parish Councils	280.40	268.74	4.34

Cambridgeshire County Council	1,619.82	1,542.87	4.99
Cambridgeshire Fire Authority	82.26	79.92	2.93
Cambridgeshire and Peterborough Combined Authority	36.00	12.00	200.0
Cambridge Police & Crime Commissioner	<u>285.48</u>	<u>272.52</u>	<u>4.76</u>
Total average Band D Council Tax	<u>2,303.96</u>	<u>2,176.05</u>	<u>5.88</u>

(3) Clarification of Figures in the Resolution

The following narrative is provided in order to clarify the technical nature of section 3 of the resolution attached at **Appendix A.**

Proposed Resolution	Details
3(a) £139,297,433	This represents the gross expenditure of the Council including Parish precepts.
3(b) £120,053,465	This represents the total income to the Council, including Government support and share of Council Tax surplus.
3(c) £19,243,968	This represents the balance to be raised by Council Tax including Parish precepts.
3(d) £2,303.96	This represents the average Band D Council Tax for the year (including Parish precepts).
3(e) £7,555,320	This represents the amount reappropriated under Special Area Charges and Parish precepts.
3(f) £170.31	This represents the average Band D Council Tax excluding the amounts covered by Special Area Charges and Parish precepts.

8. The Council is also required to determine that the Council's basic amount of Council Tax for 2024/2025 is not excessive in accordance with principles approved under Section 52ZB and 52ZY Local Government Finance Act 1992 and Section 4ZA Local Government Finance Act 1992: Referendums relating to Council Tax Increases.
9. For 2024/2025 the level deemed to be excessive, as determined by the Government in its Referendums Relating to Council Tax Increases (Principles) Report (England), is an increase of 3% or more, or £5 per dwelling whichever is the greater. As such, the Council can determine, for its portion of the Council Tax that the level of Council Tax increase for 2024/2025 is not excessive or requiring a local referendum.
10. The total Council Tax to be paid by residents in 2024/2025 by Council Tax band, including the precepting authorities, is detailed in **Appendix D.**

Implications

11. In the writing of this report, taking into account the financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Legal

12. It is a requirement that each major precepting authority approves its Council Tax Requirement before 1 March each year, for the forthcoming financial year. The billing authority (i.e. this Council) is required to set the Council Tax for its area by 11 March each year, for the forthcoming financial year. However, the billing authority cannot set the Council Tax before the earlier of the following:
 - 1 March in the financial year preceding that for which the amount is set;
 - The last date of issue of precepts by a major precepting authority (i.e. Cambridgeshire County Council, Cambridge Police & Crime Commissioner and the Cambridgeshire Fire Authority).
13. These requirements are set out in the Local Government Finance Act 1992, subsequently updated by the Localism Act 2011, and require the billing authority to calculate a Council Tax Requirement for the year.
14. The Council is also required to determine that the Council's basic amount of Council Tax for 2024/2025 is not excessive in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992 and Section 4ZA of the Local Government Finance Act 1992: Referendums relating to Council Tax Increases (as inserted by the Localism Act 2011).
15. Section 72 of the Localism Act 2011 introduces the requirement for referendums to approve or veto council tax increases that exceed the limits set out by the Secretary of State (approved by Parliament). For 2024/2025, all local authorities and Fire and Rescue authorities cannot raise Council Tax by the higher of 3%, or £5 without a referendum. For Police and Crime Commissioners the referendum limit has been set at £13 per Band D Property. Adult social care authorities have been given additional flexibility on their current council tax referendum threshold to be used entirely for adult social care; this provision does not apply to South Cambridgeshire District Council.
16. In the event of the Council, or a Major Preceptor, setting a budget above the Council Tax threshold the Council is required to make substitute calculations to be adopted if the result of the Referendum vetoes the proposed Council Tax. The 11 March deadline for calculating the budget in section 31A (11) of the Local Government Finance Act 1992 is disapplied for the purposes of a substitute calculation.
17. Where a new parish council is to be formed the District Council, as the Council Tax billing authority, may anticipate a precept that will be issued by the new parish council. In order to do so it must specify an amount to be shown in the establishment order made under section 86 of the Local Government and Public Involvement in Health Act 2007. Specifying an anticipated precept allows the amount to be incorporated into the Council Tax bills for the new parish area to ensure that the new parish has the necessary funds to fulfil its responsibilities.

Policy

18. Council Tax is a result of the decisions taken in setting the Council's budget requirement after taking into account income sources and the Council Tax Base. The Council has agreed a Local Council Tax Reduction Scheme for the 2024/2025 financial year and the effect of the Scheme, in particular the effect on the Council Tax Base, is taken into account in determining the District's Council Tax.

19. The Council Tax Requirement of this Council includes the impact of Parish/Town Council precepts, although the Council does not have any role in the setting of these, other than determining the Tax Base for each parish.
20. The Council does not have any role in the setting of Council Tax for Cambridgeshire County Council, The Cambridge Police & Crime Commissioner and the Cambridgeshire Fire Authority. Their decisions do, however, feed into the overall Council Tax Resolutions, set out in **Appendix A**.

Financial

21. Failure to agree the Council Tax Resolution would delay the preparation of Council Tax bills and the collection of the payments from residents. The cost of such a delay would be borne solely by the Council.

Risk

22. There is a risk that one of the precepting bodies may amend their precept requirement after the issue of this report and that the figures quoted may differ from the provisional figures provided. Should this happen revised appendices will be circulated for approval.

Environmental

23. There are no environmental implications arising directly from the report.

Equality Analysis

24. In preparing this report, due consideration has been given to the Council's statutory Equality Duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations, as set out in Section 149(1) of the Equality Act 2010.
25. The relevance test for equality has determined that the report has no relevance to the Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relation. An equality analysis is not needed.

Background Papers

Where the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require documents to be open to inspection by members of the public, they must be available for inspection:

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

The following documents are relevant to this report:

- General Fund Medium Term Financial Strategy – Report to Cabinet: 7 November 2023

- General Fund Medium Term Financial Strategy – Report to Council: 30 November 2023
- Budget Report – Report to Cabinet: 6 February 2024
- General Fund Medium Term Financial Plan – Report to Cabinet: 6 February 2024
- General Fund Medium Term Financial Plan – Report to Cabinet: 27 February 2024
- Council Tax Base – Report of Chief Finance Officer: 19 December 2023

Appendices

- A Council Tax Resolution 2024/2025
- B Council Tax Base figures for Parish Councils 2024/2025
- C Parish Council Special Expenses per Dwelling 2024/2025
- D Council Tax per Dwelling: All Preceptors 2024/2025
- E Estimated Income and Expenditure Statement: 2024/2025

Report Authors:

Peter Maddock – Head of Finance
e-mail: peter.maddock@scambs.gov.uk

Farzana Ahmed – Deputy Head of Finance
e-mail: farzana.ahmed@scambs.gov.uk