
**Cabinet
Council**

**20 February 2024
20 February 2024**

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

Director Approving Submission of the report:

Director of Finance and Resources (Section 151 Officer)

Ward(s) affected:

All

Title:

Council Tax Setting Report 2024/25

Is this a key decision?

Yes - Council is being recommended to approve the Council Tax levels for 2024/25

Executive Summary:

This report calculates the Council Tax level for 2024/25 and makes appropriate recommendations to the Council, consistent with the Budget Report 2024/25 on the same agenda. The report recommends a 4.9% increase in the City's Council Tax. Some figures and information are necessarily provisional at this stage due to precepts not having been confirmed. These are shaded in grey.

The report incorporates the impact of the Council's gross expenditure and the level of income it will receive through Business Rates, grants, and fees and charges. This results in a Council Tax requirement, as the amount that its expenditure exceeds all other sources of income.

The report includes a calculation of the Band D Council Tax that will be needed to generate this Council Tax requirement, based on the City's approved Council Tax base. The 2024/25 Band D Council Tax that is calculated through this process has increased by £94.44 from the 2022/23 level.

Each year the Government determines the maximum Council Tax increases that local authorities can set without triggering a referendum. For 2024/25 the Secretary of State has published a report which proposes that the rise in Coventry City Council's Council Tax must be below 5% in 2024/25 to avoid triggering a referendum, comprising a 2% precept

for expenditure on adult social care and a maximum of 3% for other expenditure. At the time of writing the Secretary of State's report is subject to parliamentary approval. The recommendations within the Budget Report 2024/25 are based on a proposed increase in Council Tax of 4.9%, incorporating a core Council Tax rise of 2.9% and a 2% Adult Social Care Precept.

At the time of writing this report the precept from the Police and Crime Commissioner and the precept from the Fire and Rescue Authority have not been confirmed. The provisional figures provided in this report are based on indicative figures. A report, with confirmed final figures, will be presented at the Council meeting on 20 February 2024.

Members should note that the recommendations follow the structure of resolutions drawn up by the Chartered Institute of Public Finance and Accountancy, to ensure that legal requirements are fully adhered to in setting the tax. As a consequence, the wording of the proposed resolutions is necessarily complex.

Recommendations:

That Cabinet recommend to Council the approval of recommendations (1) to (5).

Council is recommended:

(1) To note the following Council Tax base amounts for the year 2024/25, as approved by Cabinet on 9 January 2024, in accordance with Regulations made under Section 31B of the Local Government Finance Act 1992 ("the Act"):

a) 87,734.0 being the amount calculated by the Council as its Council Tax base for the year for the whole Council area;

b) Allesley	403.7
Finham	1,564.8
Keresley	561.8

being the amounts calculated by the Council as its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

(2) That the following amounts be now calculated by the Council for the year 2024/25 in accordance with Sections 31A, 31B and 34 to 36 of the Act:

(a) £867,820,927 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils (*Gross Expenditure and reserves required to be raised for estimated future expenditure*);

(b) £691,923,346 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) of the Act. (*Gross Income including reserves to be used to meet the Gross Expenditure but excluding Council Tax income*);

(c) £175,897,581 being the amount by which the aggregate at (2)(a) above exceeds the aggregate at (2)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;

(d) £2,004.90
$$\frac{(2)(c)}{(1)(a)} = \frac{£175,897,581}{87,734}$$

being the amount at (2)(c) above divided by the amount at (1)(a) above, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. (*Average Council Tax at Band D for the City including Parish Precepts*).

(e) £51,447 being the aggregate amount of all special items referred to in Section 34(1) of the Act. (*Parish Precepts*);

(f) £2,004.31
$$= (2)(d) - \frac{(2)(e)}{(1)(a)} = £2,004.90 - \frac{£51,447}{87,734.0}$$

being the amount at (2)(d) above, less the result given by dividing the amount at (2)(e) above by the amounts at (1)(a) above, 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 the area to which no special item relates. (*Council Tax at Band D for the City excluding Parish Precepts*);

g)

Coventry (unparished area)	£2,004.31
Allesley	£2,046.16
Finham	£2,017.93
Keresley	£2,027.86

being the amounts given by adding to the amount at (2)(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (1)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. (*Council Taxes at Band D for the City and Parish*).

h)

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,336.21	1,364.11	1,345.29	1,351.91
B	1,558.91	1,591.46	1,569.50	1,577.23
C	1,781.61	1,818.81	1,793.72	1,802.54
D	2,004.31	2,046.16	2,017.93	2,027.86
E	2,449.71	2,500.86	2,466.36	2,478.49
F	2,895.11	2,955.56	2,914.78	2,929.13
G	3,340.52	3,410.27	3,363.22	3,379.77
H	4,008.62	4,092.32	4,035.86	4,055.72

being the amounts given by multiplying the amounts at (2)(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwelling listed in different valuation bands.

(3) To note that for the year 2024/25 the Police and Crime Commissioner for the West Midlands and West Midlands Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwelling shown below:

Valuation Band	Police and Crime Commissioner for the West Midlands	West Midlands Fire Authority
	£	£
A	143.70	50.13
B	167.65	58.49
C	191.60	66.84
D	215.55	75.20
E	263.45	91.91
F	311.35	108.62
G	359.25	125.33
H	431.10	150.40

(4) That having calculated the aggregate in each case of the amounts at (2)(h) and (3) above, the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the following amounts as the amounts of Council Tax for the year 2024/25 for each part of its area and for each of the categories of dwellings shown below:

Valuation Band	Parts to which no special item relates	Parish of Allesley	Parish of Finham	Parish of Keresley
	£	£	£	£
A	1,530.04	1,557.94	1,539.12	1,545.74
B	1,785.05	1,817.60	1,795.64	1,803.37
C	2,040.05	2,077.25	2,052.16	2,060.98
D	2,295.06	2,336.91	2,308.68	2,318.61
E	2,805.07	2,856.22	2,821.72	2,833.85
F	3,315.08	3,375.53	3,334.75	3,349.10
G	3,825.10	3,894.85	3,847.80	3,864.35
H	4,590.12	4,673.82	4,617.36	4,637.22

(5) That the Council determines that its relevant basic amount of Council Tax for 2024/25 is not excessive in accordance with the principles set out in the Secretary of State's report, under Sections 52ZC and 52ZD of the Act.

List of Appendices included:

None

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

Yes – 20 February 2024

**Report title:
2024/25 Council Tax Setting Report**

1. Context (or background)

- 1.1 The purpose of this report is to seek approval for the City's 2024/25 Council Tax. The total planned spending (Gross Expenditure) in 2024/25 will be met in part by grant income, and fees and charges. Any spending that is in excess of these income streams must be met from Council Tax and is referred to as the 'Council Tax Requirement'.
- 1.2 The details of the planned spending for 2024/25 are proposed in the 'Budget Report 2024/25' that is being considered by the Council in conjunction with this Council Tax Setting Report.
- 1.3 The Government has legislated that the rise in Coventry City Council's basic Council Tax must be below 5% in 2024/25 to avoid triggering a referendum, comprising a 2% precept for expenditure on adult social care and maximum 3% for other expenditure. The recommendations within the Budget Report 2024/25 are based on a proposed increase in Council Tax of 4.9%, incorporating a core Council Tax rise of 2.9% and a 2% Adult Social Care Precept.
- 1.4 At the time of writing this report the precept from the Police and Crime Commissioner and the precept from the Fire and Rescue Authority have not been confirmed. A report, with confirmed final figures, will be presented at the Council meeting on the 20 February 2024.

2. Options considered and recommended proposal

- 2.1 The total Band D Council Tax in 2023/24 was £2,185.44. The figures calculated in this report represent a 4.9% increase from the 2023/24 figures for the City's Council Tax, and a 5.0% increase in total.

Total Council Tax, excluding any element for Parish Precepts, can be broken down as:

	Band D £	Increase from 2023/24 %	Proportion of total bill %
Coventry City Council	2,004.31	4.9	87.3
Police and Crime Commissioner for the West Midlands	215.55	6.4	9.4
West Midlands Fire Authority	75.20	3.0	3.3
Total Coventry Council Tax	2,295.06	5.0	100.00

2.2 The Band D Council Tax is used by Government as the national comparator. However, for Coventry, this does not reflect the demographics of the area and the make-up of the property mix; Coventry's property base is weighted towards Bands A to C. The average Council Tax bill in Coventry is £1,426.19, after allowing for all discounts and exemptions.

2.3 The total or "headline" council tax calculated for each band, for households of 2 or more adults with no reductions, and for households of 1 adult (who receive a 25% discount), is summarised below:

Valuation Band	Value of Property As at April 1991	Proportion of Band D	Chargeable Dwellings		Council Tax	
			No.	%	2 + Adults ¹ £	1 Adult ¹ £
Band A dwellings entitled to Disabled Persons Relief		5/9	173	0.1	1,275.03	956.26
A	Up to £40,000	6/9	55,941	39.6	1,530.04	1,147.53
B	£40,001 to £52,000	7/9	42,494	30.1	1,785.05	1,338.79
C	£52,001 to £68,000	8/9	23,980	17.0	2,040.05	1,530.04
D	£68,001 to £88,000	9/9	9,879	7.0	2,295.06	1,721.29
E	£88,001 to £120,000	11/9	4,838	3.4	2,805.07	2,103.80
F	£120,001 to £160,000	13/9	2,387	1.7	3,315.08	2,486.30
G	£160,001 to £320,000	15/9	1,417	1.0	3,825.10	2,868.83
H	Over £320,000	18/9	111	0.1	4,590.12	3,442.58
			141,220	100.0		

¹ These amounts may be subject to penny rounding when the actual bill is produced.

3. Results of consultation undertaken

The proposals in the Pre-Budget Report have been subject to an eight week period of public consultation. The details arising out of this consultation period have been reported in the Budget Report.

4. Timetable for implementing this decision

The proposals in this report take effect for the financial year starting 1 April 2024.

5. Comments from Director of Finance and Resources (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

A £1m increase or decrease in either the City Council's 2024/25 Council Tax requirement or Government grant, would lead to a £11.40 increase or decrease in

Band D Council Tax (£7.08 in the average Council Tax per chargeable dwelling). Every £1 added to or removed from the Council Tax level will raise or reduce Council Tax income by £87,734.

5.2 Legal implications

A statutory duty is placed on the Council, as billing authority, to set for each financial year an amount of council tax for different categories of dwellings according to the band in which the dwelling falls. The requirements to calculate and set a Council Tax are set out in the Local Government Finance Act 1992 and are detailed in the report. The Localism Act 2011 made significant changes to this Act, requiring authorities to calculate a Council Tax requirement for the year, not a budget requirement as was previously required. The Local Government Finance Act 2012 made minor changes to the 1992 Act, clarifying the effect of the changes made to the way non-domestic rates income is distributed.

6. Other implications

6.1 How will this contribute to the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

This report calculates the level of Council Tax required to enable a balanced budget to be set for the next financial year, as detailed in the associated Budget Report, on the same agenda. The Budget Report includes the Medium Term Financial Strategy (as an appendix), and this details the approach that the Council will take in meeting future financial challenges. As such the Budget Report lays the foundation for ensuring the continued financial sustainability of the Council, which is a key enabling priority of the One Coventry Plan.

6.2 How is risk being managed?

A non-collection rate is built into estimates of Council Tax income. Collection performance is monitored on a regular basis.

6.3 What is the impact on the organisation?

See the Budget Setting 2024/25 Report, Council 20 February 2024.

6.4 Equalities/EIA

No further implications

6.5 Implications for (or impact on) climate change and the environment

No further implications

6.6 Implications for partner organisations?

No further implications

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Barry Hastie	Director of Finance and Resources (Section 151 Officer)	-	8/2/24	8/2/24
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	8/2/24	8/2/24

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