

Council

Date of Meeting:	22 February 2023
Report Title:	Council Tax 2023/24 - Statutory Resolution
Report of:	Alex Thompson – Director of Finance and Customer Services (Section 151 Officer)
Report Reference No:	To be provided by Democratic Services
Ward(s) Affected:	All

1. Purpose of Report

- 1.1. The Council is required by legislation to disclose its calculations of its Budget Requirement and Council Tax for 2023/24 under statutory resolutions and to approve the formal Council Tax Resolution for 2023/24.

2. Executive Summary

- 2.1. Cheshire East Council, as a billing authority, is responsible for the billing and collection of Council Tax due from local taxpayers and must therefore make a resolution to set the overall Council Tax level. This means that the Authority also collects Council Tax income to cover not only its own services but also precepts set by other authorities.
- 2.2. The Council Tax levied is therefore made up of four elements:
- Cheshire East Borough Council element
 - Town & Parish Council precepts
 - Police & Crime Commissioner for Cheshire precept
 - Cheshire Fire Authority precept

3. Recommendations

- 3.1. **That Council**

- 3.1.1. Approves a Council Tax for Cheshire East Council for the financial year 2023/24, at £271,096.891 in accordance with the formal resolutions as shown in Section 14 of the report.
- 3.1.2. Notes that the council tax precept of Cheshire Fire Authority, Police Crime and Commissioner for Cheshire, and each Town and Parish Council have been approved and notified to the Council in accordance with the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011.
- 3.1.3. Notes the average Council Tax for the Cheshire East Borough is £2,109.02 in accordance with the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011.

4. Reasons for Recommendations

- 4.1. In accordance with the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011 the Council is required to set the amounts of the Council Tax for 2023/24 for each of the categories of dwelling in the Council Tax area. This requirement is achieved by approving the statutory resolution shown in this report.

5. Other Options Considered

- 5.1. As the local billing authority the Council has a duty to set the Council Tax for the Cheshire East Council area. The recommendations in this report reflect the results of a comprehensive consultation process to support the decision making process and ensure it is compliant with relevant legislation. No further options are therefore being considered as part of this report.

6. Background

- 6.1. The Council Tax levied is made up of four elements as follows:
 - 6.1.1. the Council Tax Base for 2023/24 - **Appendix A**.
 - 6.1.2. the statutory calculation required to arrive at the amount of Council Tax for each area in respect of Borough Council, Town and Parish Council requirements - **Appendices B and C**.
 - 6.1.3. the precepts issued by Police & Crime Commissioner for Cheshire and Cheshire Fire Authority under Section 40 of the Act – Sections 11 and 12 of the report.
 - 6.1.4. the statutory calculation of the aggregate of the Borough Council, Parish Councils, Police & Crime Commissioner and Cheshire Fire Authority amount of Council Tax for each of the categories of the dwelling for each Council Tax area - **Appendix D**.

7. Council Tax Base

- 7.1. The Council Tax base was agreed at the Cheshire East Council meeting of [14 December 2022](#) as 158,778.54 for the year 2023/24. A breakdown of the calculation by Parish is attached at **Appendix A**.

8. General Fund Budget

- 8.1. On 9 February 2023 [Corporate Policy Committee](#) recommended a General Fund Budget of £353,125,238. The calculation reflects the detailed Medium-Term Financial Strategy prepared through consultation, which included all service Committees.

9. Cheshire East Borough Council Tax

- 9.1. The Council Tax Requirement for the Borough Council is £271,096,891.
- 9.2. The Band D Council Tax is therefore £1,707.39 (the requirement of £271,096,891 divided by the tax base of 158,778.54).
- 9.3. Growth in the local taxbase supports the ambition in the Corporate Plan of creating economic independence from government grant. In 2023/24, there continues to be minimal general government grant support to the revenue budget of Cheshire East Council (£0.4m). When increases in demand related to protecting vulnerable people and inflation in costs are taken into account, this creates a requirement to continue to increase Council Tax levels in-line with government expectations.
- 9.4. The ability to raise additional Council Tax for use solely on Adult Social Care (ASC) was accepted in each of the years 2017/18 (3%), 2018/19 (3%), 2020/21 (2%), 2021/22 (3%) and 2022/23 (1%). The Provisional Finance Settlement in December 2022 confirmed a further 2% ASC precept could be levied in 2023/24 to help alleviate the continuing growth pressure.
- 9.5. The provisional local government finance settlement also announced the referendum limit on base increases was to be increased from 2% to 3%, as such, it is proposed that Council Tax is increased by 4.99% (including 2% ringfenced for Adult Social Care pressures) for 2023/24 to give a Band D charge of £1,707.39 for 2023/24.

10. Parish Council Precepts

- 10.1. Each Parish Council has notified the Council with its precept requirement for the year. The total amount of these special items is £10,116,193 which produces an average Band D Council Tax of £63.71.

- 10.2.** The Community Governance Review (CGR) concluded during 2022/23. The taxbase calculation, as noted in 9.2, reflects the results of the CGR. This will affect a small number of town and parishes where some will merge together, and some will have changes to their boundaries from April 2023. This resulted in changes to the taxbase for the coming year in these areas. The number of town and parishes will also reduce from 114 in 2022/23 to 106 for 2023/24.

11. Police & Crime Commissioner for Cheshire precept

- 11.1.** The precept demand issued by Police & Crime Commissioner is £39,764,498 which produces a Band D Council Tax of £250.44. This represents a 6.4% (£15) increase on the 2022/23 Band D Council Tax level. The Police & Crime Commissioner has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands							
A	B	C	D	E	F	G	H
166.96	194.79	222.61	250.44	306.09	361.75	417.40	500.88

12. Fire Authority Precept

- 12.1.** The precept demand issued by Cheshire Fire Authority is £13,889,947 which produces a Band D Council Tax of £87.48. This represents a £5 (6.1%) increase on the 2022/23 Band D Council tax level. Cheshire Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands							
A	B	C	D	E	F	G	H
58.32	68.04	77.76	87.48	106.92	126.36	145.80	174.96

13. Total Council Tax

- 13.1. The average Council Tax to be charged to taxpayers in Band D can be summarised as follows:

Element	Charge
	£
Cheshire East Borough Council	1,707.39
Average for Parish Councils	63.71
Average Local Council Tax	1,771.10
Police & Crime Commissioner	250.44
Cheshire Fire Authority	87.48
Total Council Tax	2,109.02

14. Formal Resolution

- 14.1. That it be noted that on 14 December 2022 the Council calculated the Council Tax base 2023/24.
- (a) for the whole Council area as 158,778.54 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")).
- (b) for individual parishes, as in **Appendix A**.
- 14.2. Calculated that the Council Tax requirement for the Council's own purposes for 2023/24 (excluding Parish precepts) is £271,096,891.
- 14.3. That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:
- a. £740,744,041 being the aggregate of the amounts which 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.
- b. £459,530,957 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c. £281,213,084 being the amount by which the aggregate at 14.3(a) above exceeds the aggregate at 14.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its

Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).

- d. £1,771.10 being the amount at 14.3(c) above divided by the amount at 14.1(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 (including Parish precepts).
- e. £10,116,193 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- f. £1,707.39 being the amount at 14.3(d) above less the result given by dividing the amount at 14.3(e) above by the amount at 14.1(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 its area to which no Parish precept relates.
- g. **Appendix A** being the amounts calculated by the Council, in accordance with regulations 3 and 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its total council tax base for the year and council tax base for dwellings in those parts of its area to which one or more special items relate.
- h. **Appendix B** being the amounts given by adding to the amount at (f) above, the amounts of special items relating to dwellings in those parts of the Council's area mentioned above divided by in each case the appropriate tax base from Appendix A, calculated by the Council in accordance with Section 34(3) of the 1992 Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which one or more special items relate. (Band D charges for each Parish area).
- i. **Appendix C** being the amounts given by multiplying the amount at (h) above by the number which, in the proportion set out in Section 5(1) of the 1992 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 1992 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (Local charges for all Bands).
- j. **Appendix D** being the aggregate of the local charges in (i) above and the amounts levied by major precepting authorities, calculated in accordance with Section 30(2) of

the 1992 Act (The total Council Tax charge for each band in each Parish area).

- 14.4. To note that the Police & Crime Commissioner and the Fire Authority have issued precepts to Cheshire East Council in accordance with section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as shown in sections 11 and 12 above.
- 14.5. Determine whether Cheshire East Council's basic amount of Council tax for 2023/24 is excessive in accordance with principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992.

15. Consultation and Engagement

- 15.1. The recommendation in this report reflects the results of the 2023-27 Budget Consultation process.

16. Implications

16.1. Legal

- 16.1.1. As covered in the report.

16.2. Finance

- 16.2.1. As covered in the report.

16.3. Policy

- 16.3.1. None.

16.4. Equality

- 16.4.1. None.

16.5. Human Resources

- 16.5.1. None.

16.6. Risk Management

- 16.6.1. The steps outlined in this report will address the main legal and financial risk to the Council's financial management in the setting of a legal Council Tax level for 2023/24.

16.7. Rural Communities

- 16.7.1. None.

16.8. Children and Young People/Cared for Children

- 16.8.1. None.

16.9. Public Health

- 16.9.1. None.

16.10. Climate Change

16.10.1. None.

Access to Information	
Contact Officer:	Alex Thompson Director of Finance and Customer Services (Section 151 Officer) alex.thompson@cheshireeast.gov.uk
Appendices:	Appendix A - Council Tax Base 2023/24 Appendix B – Council Tax - Band D per Parish 2023/24 Appendix C – Local Council Tax per Band 2023/24 (Borough Council and Town and Parish Council) Appendix D – Total Council Tax per Band 2023/24 (including Police and Fire)
Background Papers:	Budget Consultation released 6 January 2023 Council 14 December 2022: Domestic Taxbase Report MTFS - Corporate Policy 9 February 2023