

OPEN

Council

26 February 2025

Council Tax 2025/26 - Statutory Resolution

**Report of: Adele Taylor – Interim Executive Director of Resources
(Section 151 Officer)**

Report Reference No: C/18/24-25

Ward(s) Affected: All Wards

Purpose of Report

- 1 The Council is required by legislation to disclose its calculations of its Budget Requirement and Council Tax for 2025/26 under statutory resolutions and to approve the formal Council Tax Resolution for 2025/26.

Executive Summary

- 2 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.
- 3 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.

RECOMMENDATIONS

That Council:

1. Approves a Council Tax for Cheshire East Council for the financial year 2025/26, at £307,263,921 in accordance with the formal resolutions as shown in paragraphs 20-24 of the report.
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. Notes the average Council Tax for the Cheshire East Borough is £2,332.61 in accordance with the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011.

Background

- 4 The Council Tax levied is made up of four elements as follows:
- 5 The Council Tax Base for 2025/26 - Appendix A.
- 6 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.
- 7 The precepts issued by Police & Crime Commissioner for Cheshire and Cheshire Fire Authority under Section 40 of the Act – paragraphs 17 and 18 of the report.
- 8 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.

Council Tax Base

- 9 The Council Tax base was agreed at the Cheshire East Council meeting of 11 December 2024 as 163,261.10 for the year 2025/26. A breakdown of the calculation by Parish is attached at Appendix A.

General Fund Budget

- 10 On 6 February 2025 Corporate Policy Committee recommended a General Fund Budget of £402,375,101. The calculation reflects the detailed Medium-Term Financial Strategy prepared through consultation, which included all service Committees.

Cheshire East Borough Council Tax

- 11 The Council Tax Requirement for the Borough Council is £307,263,921.
- 12 The Band D Council Tax is therefore £1,882.04 (the requirement of £307,263,921 divided by the tax base of 163,261.10).
- 13 Growth in the local taxbase supports the ambition in the Cheshire East Plan of creating economic independence from government grant. In 2025/26, there continues to be minimal general government grant support to the revenue budget of Cheshire East Council (£0.8m). 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.
- 14 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%), 2022/23 (1%), 2023/24 (2%) and 2024/25 (2%). The Provisional Finance Settlement in December 2024 confirmed a further 2% ASC precept could be levied in 2025/26 to help alleviate the continuing growth pressure.
- 15 The provisional local government finance settlement also announced the referendum limit on base increases was to be maintained at to 3%, as such, it is proposed that Council Tax is increased by 4.99% (including 2% ringfenced for Adult Social Care pressures) for 2025/26 to give a Band D charge of £1,882.04 for 2025/26.

Parish Council Precepts

- 16 Each Parish Council has notified the Council with its precept requirement for the year. The total amount of these special items is £12,821,834 which produces an average Band D Council Tax of £78.54.

Police & Crime Commissioner for Cheshire precept

- 17 The precept demand issued by Police & Crime Commissioner is £45,213,529 which produces a Band D Council Tax of £276.94. This represents a 5.3% (£14) increase on the 2024/25 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
184.63	215.40	246.17	276.94	338.48	400.02	461.57	553.88

Fire Authority Precept

- 18 The precept demand issued by Cheshire Fire Authority is £15,524,498 which produces a Band D Council Tax of £95.09. This represents a 5.6% (£5) increase on the 2024/25 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
63.39	73.96	84.52	95.09	116.22	137.35	158.48	190.18

Total Council Tax

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

Element	Charge
	£
Cheshire East Borough Council	1,882.04
Average for Parish Councils	78.54
Average Local Council Tax	1,960.58
Police & Crime Commissioner	276.94
Cheshire Fire Authority	95.09
Total Council Tax	2,332.61

Formal Resolution

20 That it be noted that on 11 December 2024 the Council calculated the Council Tax base 2025/26.

(a) for the whole Council area as 163,261.10 (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.

21 Calculated that the Council Tax requirement for the Council’s own purposes for 2025/26 (excluding Parish precepts) is £307,263,921.

22 That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:

a. £895,825,778 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. £575,740,023 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c. £320,085,755 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. £1,960.58 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. £12,821,834 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act

f. £1,882.04 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).

- 23 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 paragraphs 17 and 18.

- 24 Determine whether Cheshire East Council's basic amount of Council tax for 2025/26 is excessive in accordance with principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992.

Consultation and Engagement

- 25 The recommendation in this report reflects the results of the 2025/26 budget engagement process.

Reasons for Recommendations

- 26 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 2025/26 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.

Other Options Considered

- 27 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.

Implications and Comments

Monitoring Officer/Legal

- 28 As covered in the report.

Section 151 Officer/Finance

- 29 As covered in the report.

Policy

- 30 None.

Equality, Diversity and Inclusion

- 31 None.

Human Resources

- 32 None.

Risk Management

- 33 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 2025/26.

Rural Communities

- 34 None.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

- 35 None.

Public Health

- 36 None.

Climate Change

- 37 None.

Access to Information	
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Appendices:	Appendix A - Council Tax Base 2025/26 Appendix B – Council Tax - Band D per Parish 2025/26 Appendix C – Local Council Tax per Band 2025/26 (Borough Council and Town and Parish Council) Appendix D – Total Council Tax per Band 2025/26 (including Police and Fire)
Background Papers:	Council Taxbase 2025/26