

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

TO:	COUNCIL		
DATE:	23rd FEBRUARY 2022		
TITLE:	COUNCIL TAX SETTING 2022/23		
LEAD COUNCILLOR:	COUNCILLOR BROCK	PORTFOLIO:	LEADER OF THE COUNCIL
SERVICE:	ALL	WARDS:	BOROUGHWIDE
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JOB TITLE:	FINANCIAL PLANNING & STRATEGY MANAGER	E-MAIL:	stuart.donnelly@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The purpose of this report is to approve the calculations for determining the Council's Council Tax requirement for the year 2022/23 in accordance with the Local Government Finance Act 1992.
- 1.2. The report also sets out the Council Tax amounts for each property valuation band in the Borough including precepts notified from the Office of the Police & Crime Commissioner for Thames Valley and Royal Berkshire Fire & Rescue Service.
- 1.3. This report has been prepared with reference to the following documents:
 - Local Government Finance Act 1992;
 - Approval of the Local Council Tax Support Scheme and the Council Tax Base for 2022/23 Report - Council Meeting, 27th January 2022;
 - Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23; and
 - 2022/23 Budget & Medium Term Financial Strategy 2022/23 - 2024/25 - Policy Committee 14th February 2022 and this agenda.

2. RECOMMENDED ACTION

Council is asked to:

- 2.1. Agree the following amounts that have been calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Local Government Act 1992:
- (i) £466,765,550 **Gross Revenue Expenditure, including transfers to reserves and any collection fund deficit**
(being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the Act);
 - (ii) £362,362,550 **Gross Revenue Income, including transfers from reserves, general government grants and any collection fund surplus**
(being the estimated aggregate income of the Council for the items set out in section 31A (3) of the Act);
 - (iii) £104,403,000 **Net Revenue Expenditure**
(being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated in accordance with Section 31A (4) of the Act, as the Council's Council Tax Requirement for the year. (Item R in the formula in section 31A (4) of the Act));
 - (iv) £1,829.72 **Reading Borough Council band D Council Tax**
(being the amount at (iii) above (Item R) divided by the Council's tax base 57,059.55 (Item T) calculated in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year. This represents an increase of 2.99% in the Council's own tax).
- 2.2. Note that the net tax base of 57,059.55 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2022/23 was agreed by Full Council on 25th January 2022 and;
- (i) that the band D charge for Reading Borough Council is £1,829.72 as shown in section 4.4 of the report; and
 - (ii) that including the Fire and Police authority precepts; Council Tax by property valuation band is as set out in section 4.9 of the report.

3. POLICY CONTEXT

- 3.1. The Local Government Finance Act 1992 sets out the specific amounts to be calculated and approved when setting the Council Tax. This report allows the Council to meet its legislative duty to set the Council Tax for each property band.
- 3.2. Full Council at its meeting on 25th January 2022 approved the Council Tax Base for 2022/23 as 57,059.55 band D equivalent properties for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992 as amended (the "Act")].

4. COUNCIL TAX CALCULATIONS

4.1. The calculation of Council Tax involves several stages and the Local Government Finance Act 1992 requires figures to be calculated including and excluding precepts. The following tables set out the required calculations.

4.2. The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets its own band D amount by dividing its Council Tax requirement (as set out in Appendix 1 of the budget report which appears elsewhere on the agenda) by the agreed number of band D equivalent properties (its tax base) as shown in Table 1 below:

Table 1. Calculation of Reading Borough Council's band D Charge 2022/23

(i) Council Tax Requirement	£104,403,000
(ii) Tax Base (Number of band D equivalent properties)	57,059.55
(iii) Basic Amount of Council Tax (band D) - (i) divided by (ii)	£1,829.72

4.3. Reading's basic amount of Council Tax for a band D property for 2022/23 is £1,829.72 which represents an overall increase of 2.99% on the 2021/22 figure of £1,776.60; an increase of £53.12 (approximately £1.02 per week).

4.4. In accordance with Sections 30 and 36 of the Local Government Finance Act 1992, the Council's basic amount of Council Tax by property valuation band for 2022/23 is as shown in Table 2 below:

Table 2. Reading Borough Council - Council Tax by Property Valuation Band 2022/23

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,219.81	1,423.12	1,626.42	1,829.72	2,236.32	2,642.93	3,049.53	3,659.44

4.5. Local Authorities can increase Council Tax in 2022/23 by a core amount of up to 2.0%, without holding a local referendum. In addition, councils with adult social care responsibilities can increase their Council Tax by a further 1.0%, on top of the core amount, to be spent exclusively on adult social care. The 2022/23 band D amount includes within it prior year increases in respect of adult social care as set out in the Table 3:

Table 3. Change in Reading Borough Council's band D Charge

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£	£	£
General Tax Requirement	1,392.29	1,447.97	1,535.27	1,627.23	1,659.62	1,725.84	1,811.95
Additional ASC Pressures	27.30	42.59	44.72	0.00	32.54	50.76	17.77
Total band D Charge	1,419.59	1,490.56	1,579.99	1,627.23	1,692.16	1,776.60	1,829.72
General Tax Change	1.99%	1.99%	2.99%	2.99%	1.99%	1.99%	1.99%
ASC Pressures Change	2.00%	3.00%	3.00%	0.00%	2.00%	3.00%	1.00%
Total band D Change	3.99%	4.99%	5.99%	2.99%	3.99%	4.99%	2.99%

4.6. The Council's basic amount of Council Tax for 2022/23 is therefore not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

Major Preceptors

- 4.7. The Office of the Police and Crime Commissioner for Thames Valley and The Royal Berkshire Fire & Rescue Service set their precepts for 2022/23 at their respective meetings on 28th January 2022 and 15th February 2022.
- 4.8. The Police Precept is £13.767m and the Fire precept £4.220m, in accordance with Section 40 of the Local Government Finance Act 1992.
- 4.9. The basic amounts of Council Tax by property valuation band for 2022/23 of each of the respective precepting authorities are set out in Table 4 below together with the overall Council Tax charge per property band (before any exemptions or discounts that may be applied):

Table 4. Overall Council Tax Including Major Preceptors 2022/23

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Council	1,219.81	1,423.12	1,626.42	1,829.72	2,236.32	2,642.93	3,049.53	3,659.44
Police	160.85	187.66	214.47	241.28	294.90	348.52	402.13	482.56
Fire	49.30	57.52	65.73	73.95	90.38	106.82	123.25	147.90
Total	1,429.96	1,668.30	1,906.62	2,144.95	2,621.60	3,098.27	3,574.91	4,289.90

- 4.10. The overall band D charge for 2022/23 (including major preceptors) of £2,144.95 represents an increase of £68.12 (3.28%) on 2021/22 - the constituent elements are set out in Table 5 below:

Table 5. Change in Overall band D Charge

	2021/22	2022/23	Change	Percentage	Overall
	£	£	£	%	%
Council	1,776.60	1,829.72	53.12	2.99%	2.56%
Police	231.28	241.28	10.00	4.32%	0.48%
Fire	68.95	73.95	5.00	7.25%	0.24%
Total	2,076.83	2,144.95	68.12	3.28%	3.28%

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1. Council Tax is levied to fund service delivery as laid out in the Medium-Term Financial Strategy 2022/23-2024/25.

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1. There are no environmental implications arising directly from this report.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1. The highest proportion of properties in Reading are classed as band C and below, with 40.1% of properties classed as band C. The Reading element for this band for 2022/23 will be £1,626.42, an increase of approximately £0.91 per week. The overall Council Tax charge for this band (including Police and Fire) will be £1,906.62.

7.2. The number of properties in each band is set out in Table 6 below:

Table 6 - Number and Distribution of Properties by Council Tax Banding

Band	Number of Properties in Band	Proportion	Amount Payable as a Proportion of band D
A	7,639	10.2%	6/9
B	14,630	19.6%	7/9
C	29,896	40.1%	8/9
D	11,401	15.3%	9/9
E	5,735	7.7%	11/9
F	3,328	4.5%	13/9
G	1,874	2.5%	15/9
H	87	0.1%	18/9
Total	74,590	100.0%	

8. EQUALITY IMPACT ASSESSMENT

- 8.1. An equality impact assessment has been undertaken for the budget proposals set out in the Medium-Term Financial Strategy report.
- 8.2. An Equalities Impact Assessment was completed in respect of the amendments to the Local Council Tax Reduction Scheme that were approved by Council on 27th January 2022.
- 8.3. As well as the Council's current Council Tax Reduction Scheme there are statutory discounts and exemptions available to residents who may otherwise struggle to pay their Council Tax, details are available on the Council's website.

9. LEGAL IMPLICATIONS

- 9.1. Section 30 of the Local Government Act 1992 places a duty on the Council, as the billing authority, to set the Council Tax for all the property bands for 2022/23. Any amount must be set before 11th March in the financial year preceding that for which it is set but is not invalid merely because it is set on or after that date.

10. FINANCIAL IMPLICATIONS

- 10.1. As set out in the body of the report.

11. BACKGROUND PAPERS

- 11.1. None.