

Council

27 February 2024



Reading

Borough Council

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Title	Council Tax Setting 2024/25
Purpose of the report	To make a key decision
Report status	Public report
Report author	Stuart Donnelly, Financial Planning & Strategy Manager
Lead Councillor	Councillor Brock, Leader of the Council
Corporate priority	Our Foundations
Recommendations	<p>That Council approve:</p> <ol style="list-style-type: none">The following amounts that have been calculated for the year 2024/25 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:<ol style="list-style-type: none">£486,773,400 Gross Revenue Expenditure (being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the Act);£367,889,000 Gross Revenue Income (being the estimated aggregate income of the Council for the items set out in section 31A (3) of the Act);£118,884,400 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));£2,016.88 Reading Borough Council band D Council Tax (being the amount at (iii) above (Item R) divided by the Council's tax base 58,944.73 (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 4.99% in the Council's own tax). <p>That Council notes:</p> <ol style="list-style-type: none">That the net tax base of 58,944.73 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2024/25 was agreed by Full Council on 30th January 2024;

	<p>3. That the band D Council Tax for Reading Borough Council is £2,016.88 as shown in Table 2 of the report;</p> <p>4. That including the Fire and Police authority precepts; the Overall Council Tax by property valuation band is as set out in Table 4 of the report.</p>
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1. Summary

- 1.1. The purpose of this report is to approve the calculations for determining the Council's Council Tax requirement for the year 2024/25 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 the 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 2024/25 Report – Council Meeting, 30th January 2024;
 - Referendums Relating to Council Tax Increases (Principles) (England) Report 2024 to 2025; and
 - 2024/25 Budget & Medium Term Financial Strategy 2024/25 - 2026/27 – Policy Committee 19th February 2024.

2. Policy Context

- 2.1. 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.
- 2.2. Full Council at its meeting on 30th January 2024 approved the Council Tax Base for 2024/25 as 58,944.73 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")].

3. The Proposal

Council Tax Calculations

- 3.1. 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.
- 3.2. The Council, in accordance with Sections 31 to 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 Council Tax 2024/25

(i) Council Tax Requirement	£118,884,400
(ii) Tax Base (Number of band D equivalent properties)	58,944.73
(iii) Basic Amount of Council Tax (band D) – (i) divided by (ii)	£2,016.88

- 3.3. Reading's basic amount of Council Tax for a band D property for 2024/25 is £2,016.88 which represents an overall increase of 4.99% on the 2023/24 figure of £1,921.02; an increase of £95.86 (approximately £1.84 per week).
- 3.4. In accordance with Sections 31 to 36 of the Local Government Finance Act 1992, the Council's basic amount of Council Tax by property valuation band for 2024/25 is as shown in Table 2 below:

Table 2. Reading Borough Council - Council Tax by Property Valuation Band 2024/25

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,344.59	1,568.68	1,792.78	2,016.88	2,465.08	2,913.27	3,361.47	4,033.76

- 3.5. Local Authorities can increase Council Tax in 2024/25 by a core amount of up to 3.0%, without holding a local referendum. In addition, councils with adult social care responsibilities can increase their Council Tax by a further 2.0%, on top of the core amount, to be spent exclusively on adult social care. The 2024/25 band D amount includes within it prior year increases in respect of adult social care as set out in Table 3:

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£	£	£	£	£	£	£
General Tax Requirement	1,535.27	1,627.23	1,659.62	1,725.84	1,811.95	1,884.43	1,978.46
Additional ASC Pressures	44.72	0.00	32.54	50.76	17.77	36.59	38.42
Total band D Charge	1,579.99	1,627.23	1,692.16	1,776.60	1,829.72	1,921.02	2,016.88
General Tax Change	2.99%	2.99%	1.99%	1.99%	1.99%	2.99%	2.99%
ASC Pressures Change	3.00%	0.00%	2.00%	3.00%	1.00%	2.00%	2.00%
Total band D Change	5.99%	2.99%	3.99%	4.99%	2.99%	4.99%	4.99%

- 3.6. The Council's basic amount of Council Tax for 2024/25 is therefore not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

Major Preceptors

- 3.7. The Office of the Police and Crime Commissioner for the Thames Valley and The Royal Berkshire Fire & Rescue Service set their precepts for 2024/25 at their respective meetings on 26th January 2024 and 15th February 2024.
- 3.8. The Police Precept is £15.873m and the Fire precept £4.793m, in accordance with Section 40 of the Local Government Finance Act 1992.
- 3.9. The basic amounts of Council Tax by property valuation band for 2024/25 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 2024/25

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Council	1,344.59	1,568.68	1,792.78	2,016.88	2,465.08	2,913.27	3,361.47	4,033.76
Police	179.52	209.44	239.36	269.28	329.12	388.96	448.80	538.56
Fire	54.21	63.24	72.28	81.31	99.38	117.45	135.52	162.62
Total	1,578.32	1,841.36	2,104.42	2,367.47	2,893.58	3,419.68	3,945.79	4,734.94

- 3.10. The overall band D charge for 2024/25 (including major preceptors) of £2,367.47 represents an increase of £111.22 (4.93%) on 2023/24 – the constituent elements are set out in Table 5 below:

Table 5. Change in Overall band D Council Tax Charge

Major Preceptor	2023/24	2024/25	Change	Percentage	Overall
	£	£	£	%	%
Council	1,921.02	2,016.88	95.86	4.99%	4.25%
Police	256.28	269.28	13.00	5.07%	0.58%
Fire	78.95	81.31	2.36	2.99%	0.10%
Total	2,256.25	2,367.47	111.22	4.93%	4.93%

4. Contribution to Strategic Aims

- 4.1. Full details of the Council's current Corporate Plan and the projects which will deliver these priorities are published on the Council's website. These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical. An updated Corporate Plan will be presented to Council in February 2024.
- 4.2. Council Tax is levied to fund service delivery as laid out in the 2024/25 Budget & Medium-Term Financial Strategy 2024/25-2026/27 report.

5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency at its meeting on 26th February 2019. The Council endorsed the Reading Climate Emergency Strategy 2020-25 and its vision for a 'net zero, resilient Reading in November 2020. At the same time, it adopted a new corporate Carbon Plan for the Council's own operations, including the target of an 85% cut in Council emissions by 2025. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 5.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 15th December 2023 until 19th January 2024. The feedback from this engagement, alongside the feedback from the Residents' Survey 2023 is set out in Appendices 11 and 12 of the 2024/25 Budget & Medium-Term Financial Strategy 2024/25-2026/27 report elsewhere on the agenda.
- 6.2. The highest proportion of properties in Reading are classed as band C and below, with 40.2% of properties classed as band C. The Reading element for this band for 2024/25 will be £1,792.78, an increase of approximately £1.64 per week. The overall Council Tax charge for this band (including Police and Fire) will be £2,104.42.
- 6.3. 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	7,782	10.2%	6/9
B	14,894	19.4%	7/9
C	30,862	40.2%	8/9
D	11,918	15.5%	9/9
E	5,883	7.7%	11/9
F	3,356	4.4%	13/9
G	1,895	2.5%	15/9
H	92	0.1%	18/9
Total	76,682	100.0%	

7. Equality Implications

- 7.1. An equality impact assessment has been undertaken for the budget proposals set out in the Medium-Term Financial Strategy report.
- 7.2. 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. Additionally, the 2024/25 Budget and Medium-Term Financial Strategy Report 2024/25-2026-27 provides a one-off grant in 2024/25 of £80 for residents in receipt of Council Tax Support to further mitigate the increase in Council Tax in the current circumstances.

8. Other Relevant Considerations

- 8.1. There are none.

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 2023/24. 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. The financial implications are set out in the main body of the report.

11. Timetable for Implementation

- 11.1. Not applicable.

12. Background Papers

- 12.1. There are none.