



<b>REPORT TO:</b>	Council
<b>DATE:</b>	2 <sup>nd</sup> March 2023
<b>SUBJECT:</b>	Council Tax Setting 2023/24
<b>PURPOSE:</b>	To set the amounts of Council Tax applicable for 2023/24 for each valuation band and in each part of the district.
<b>KEY DECISION:</b>	Yes
<b>PORTFOLIO HOLDER:</b>	Councillor Peter Coupland
<b>REPORT OF:</b>	Christine Marshall, Deputy Chief Executive Corporate Development (s151)
<b>REPORT AUTHOR:</b>	Edward Brindle – Strategic Finance Manager- Public Sector Partnership Services Ltd Samantha Knowles – Assistant Director – Finance
<b>WARD(S) AFFECTED:</b>	All
<b>EXEMPT REPORT?</b>	No

#### **SUMMARY**

The South Holland District Council budget was considered by Cabinet on 14th February 2023 and recommendations are now provided to Council on 2<sup>nd</sup> March 2023, setting the band D Council tax at £195.39, a £5.76 (3%) increase on 2022/23. The Budget report is based on the finance settlement advised by the Department for Levelling up, Housing and Communities.

#### **RECOMMENDATIONS**

That Council approves:

1. The formal Council Tax resolutions for 2023/24 as set out in Appendix A and summarised at 4.1.
2. That Council approves that the charge to be levied on the Council Taxpayers of Spalding for services provided in their town (Spalding Special Estimates) will be £241,124 for 2023/24. This equates to a Band D equivalent charge of £25.47 (£24.57 for 2022/23).

## REASONS FOR RECOMMENDATIONS

To comply with the budgetary and policy framework.

## OTHER OPTIONS CONSIDERED

No other options were considered.

### 1.0 BACKGROUND

- 1.1 Cabinet considered the final budget proposals at its meeting on 14th February 2023 and its recommendations are now provided to Council for its approval on 2<sup>nd</sup> March 2023.
- 1.2 This report incorporates relevant resolutions for the setting of the Council Tax for 2023/24 in accordance with the recommended budget.

### 2. REPORT

- 2.1 Formal resolutions are required to set the Council Tax in accordance with the Local Government Finance Act 1992 (as amended). These resolutions incorporate the precept requirement for South Holland District Council, as well as all other Authorities that issue a precept in the District. The required resolutions are detailed at **Appendix A**.
- 2.2 Schedule 5 of the Localism Act 2011 introduced a change to the Local Government Act 1992. This makes provision for Council Tax Referendums to be held if an authority increases its basic amount of Council Tax in excess of principles determined by the Secretary of State.
- 2.3 These principles are set each year and for 2023/24 the trigger levels have been set as follows:
  - Lincolnshire County Council, as an Adult Social Care (ASC) Authority, can increase its core Council Tax by no more than 5% (comprising 3% for the Adult Social Care Precept, and 2% for other expenditure).
  - Lincolnshire Police and Crime Commissioner (LPCC) - If the basic amount of Council Tax increases by more than £15.00 above its 2022/23 value for a typical Band D property.
  - South Holland District Council – If the basic amount of Council Tax increases by 3% (or more than 3%) and more than £5, whichever is the greater.
  - Local precepting authorities (Parish Councils) are not subject to a Council Tax referendum.
- 2.4 Based on the Council tax resolutions at Appendix A none of the precepting authorities are setting a Council Tax level that would require a referendum.

### 3. South Holland District Council Budget

3.1 The South Holland District Council budget was considered by Cabinet on 14th February 2023 and recommendations are now provided to Council on 2<sup>nd</sup> March 2023, setting the band D Council tax at £195.39, a £5.76 (3%) increase on 2022/23. The Budget report is based on the finance settlement advised by the Department for Levelling Up, Housing and Communities.

### 3.2 Spalding Special Expenses

It is proposed that the amount to be charged to the residents of Spalding for services provided in their town (Spalding Special Expenses) are as follows:

Gross Expenditure	£241,124
Less reserves funding	£0
Expenditure charged to residents	£241,124
Tax base	9,467
Band D (£.p)	£25.47
% Change from 2022/23	3.66%

### 4. Council Tax Resolutions

4.1 The required resolutions for the approval of the levels of Council Tax are set out at Appendix A. The figures relating to the District Council and the average of the parishes are summarised in the following table:

Resolution Ref	Description	SHDC	Parish Precept (incl Spalding Special)	Total
		£	£	£
3a	Gross expenditure	38,984,457	1,371,358	40,355,815
3b	Gross Income	33,153,824	-	33,153,824
3c		<b>5,830,633</b>	<b>1,371,358</b>	<b>7,201,991</b>
1a	Tax base	<b>29,841</b>	<b>29,841</b>	<b>29,841</b>
3d 3f	Band D Council Tax	<b>195.39</b>	<b>45.96</b>	<b>241.35</b>

4.2 The Council tax bills for 2023/24 include the requirements of Town and Parish Councils (where relevant), Lincolnshire County Council and the Police and Crime Commissioner for Lincolnshire, who are all individually responsible for setting their own Council tax levels. The Council tax resolutions (resolution 3(e), 4 and 5) relating to these organisations are covered at Appendix A and summarised below.

## 5. Town and Parish Councils

5.1 The Town and Parish Council precepts are detailed at Appendix B and total £1,130,234. The average band D charge is £45.96 for 2023/24, an increase of 8.24%. Appendix B shows the combined parish and district precepts for all valuation bands.

## 6. Lincolnshire County Council

6.1 Lincolnshire County Council confirmed its precept for 2023/24 at its Meeting on 17th February 2023, setting a Council Tax Band D charge of £1,503.63 (£1,432.17 for 2022/23) which is a £71.46 (4.99%) increase.

## 7. Police and Crime Commissioner for Lincolnshire

7.1 The Police and Crime Commissioner's budget for 2023/24 was approved by the Lincolnshire Police and Crime Panel on 3rd February 2023. The proposed Council Tax Requirement represents a Council Tax Band D charge of £291.24 (£276.30 for 2022/23) which is a £14.94 increase (5.41%), although this is subject to final confirmation by the Police and Crime Commissioner.

7.2 Based on the formal council tax resolutions the total (average) band D Council Tax will be as follows: (subject to formal confirmation of the LCC and PCC Values).

	<u>2022/23</u>	<u>2023/24</u>	<u>Increase</u>	<u>Increase</u>
	£	£	£	%
South Holland District Council	189.63	195.39	5.76	3%
Lincolnshire County Council	1,432.17	1,503.63	71.46	4.99%
Police and Crime Commissioner for Lincolnshire	276.30	291.24	14.94	5.41%
<b>Sub total</b>	<b>1,898.10</b>	<b>1,990.26</b>	<b>92.16</b>	<b>4.86%</b>
Town and Parish Councils (including Spalding Special average)	42.46	45.96	3.50	8.24%
<b>Total</b>	<b>1,940.56</b>	<b>2,036.22</b>	<b>95.66</b>	<b>4.93%</b>

7.3 **Appendix D** shows the combined council tax charges to include all precepting authorities by parish and valuation band.

## 8. OPTIONS

8.1 Approve the recommendations of this report.

8.2 Make Changes before approving the recommendations of this report.

## **9. EXPECTED BENEFITS TO THE PARTNERSHIP**

- 9.1 To set the amounts for Council Tax applicable for 2023/24 for each valuation band and in each part of the District, by the required deadline for South Holland District Council which will facilitate billing for the year.
- 9.2 Council Tax is set in accordance with the resolutions will maintain a balanced budget in 2023/24 as per the recommendations from Cabinet on the Budget, Medium Term Financial Plan and Capital Strategy Report for 2023/24.

### **IMPLICATIONS:**

#### **SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP**

None

#### **CORPORATE PRIORITIES**

None

#### **STAFFING**

None

#### **CONSTITUTIONAL AND LEGAL IMPLICATIONS**

Local Government Finance Act 1992 as amended applies.

Under section 52ZC of the 1992 Act the question of whether an authority's relevant basic amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State.

The principles for a financial year must be set out in a report which must be laid before and approved by the House of Commons. If the report for a financial year is not approved on or before the date on which the local government finance report for the same year is approved by the House of Commons, no principles have effect for that year and accordingly no authority's relevant basic amount of council tax is capable of being excessive for that year.

Paragraph 2.3 specifies the proposed referendum principles as they apply to those authorities precepting on East Lindsey residents. This report is required by virtue of the Local Government Finance Act 1992 (as amended).

#### **DATA PROTECTION**

None

#### **FINANCIAL**

Financial implications are detailed in the Budget, Medium Term Financial Plan and Capital Strategy report for 2023/24 and in section 1 above.

Parish Council precepts are financed by parish taxpayers in the same way as special expenses. The additions applicable to the district level of Council Tax for parish expenses are shown in the appendices to this report. The average parish addition to the district level of Council Tax will amount to £45.96 (£42.46 for 2022/23), an increase of £3.50 (8.24%) on last year.

The Authority must submit a Council Tax Requirement (CTR1) within 7 days of approval of the Council tax Resolutions. All summary figures quoted in this report are included in the return which confirms that the Authority does not appear to be subject to a referendum.

## **RISK MANAGEMENT**

Risk management is fully considered as part of the budget setting process.

## **STAKEHOLDER / CONSULTATION / TIMESCALES**

The Council has a legal duty to consult residents on its draft budget proposals.

## **REPUTATION**

None

## **CONTRACTS**

None

## **CRIME AND DISORDER**

None

## **EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING**

None

## **HEALTH AND WELL BEING**

*None*

## **CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

*None*

<b>APPENDICES</b>	
Appendices are listed below and attached to the back of the report: -	
Appendix A	2023/24 Council Tax Resolutions
Appendix B	2023/24 South Holland Parish Councils Band D Council Tax
Appendix C	2023/24 South Holland District Council Parish Council Tax Levy/Reliefs
Appendix D	2023/24 South Holland District Council Levels of Overall Council Tax
Appendix E	Council Tax resolution - definitions

## **BACKGROUND PAPERS**

None

<b>REPORT APPROVAL</b>	
Report author:	Samantha Knowles, Assistant Director Finance <a href="mailto:sknowles@sholland.gov.uk">sknowles@sholland.gov.uk</a> Steven Houchin, Chief Finance Officer, Public Sector Partnership Services Ltd <a href="mailto:Steven.Houchin@PSPSL.co.uk">Steven.Houchin@PSPSL.co.uk</a>
Signed off by:	Christine Marshall, Deputy Chief Executive Corporate Development <a href="mailto:Christine.Marshall@sholland.gov.uk">Christine.Marshall@sholland.gov.uk</a>
Approved for publication:	Councillor Peter Coupland, Portfolio Holder for Finance, Commercialisation & Partnerships