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| To: | Council |
| Date: | 21 February 2024 |
| Report of: | Head of Financial Services |
| Title of Report:  | Council Tax 2024/25 |

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| Summary and recommendations |
| Purpose of report: | To set out the necessary calculations to enable the Council to set the 2024/25 Council Tax for Oxford City. |
| Key decision: | No |
| Cabinet Member with responsibility: | Councillor Ed Turner, Deputy Leader (Statutory), and Cabinet Member for Finance and Asset Management |
| Corporate Priority: | All |
| Policy Framework: | Budget |
| Recommendations: That Council resolves to approve for the financial year 2024/25 recommendations 1 to 5 and to note points 6 to 8 below: |
| 1. | The City Council’s precept and Council Tax requirement of £16,277,802 including Parish precepts and £16,014,035 excluding Parish Precepts. |
| 2. | The average Band D Council Tax figure (excluding Parish Precepts) of £346.36, a 2.99% increase on the 2023/24 figure of £336.30. Including Parish Precepts, the figure is £352.07, a 2.91% increase (see paragraphs 2 to 8 of the report). |
| 3. | A contribution of £10,000 to Old Marston Parish Council in recognition of the additional expenditure that the parish incurs as a consequence of maintaining the cemetery (see paragraphs 11 and 12 of the report). |
| 4. | The amount of £692,280 to be treated as Special Expenses (see paragraph 16 of the report). |
| 5. | The Band D Council Taxes for the various areas of the city (excluding the Police and Crime Commissioner and Oxfordshire County Council’s precepts) as follows: |
|  | Littlemore | £372.56 |  |
|  | Old Marston | £380.03 |  |
|  | Risinghurst and Sandhills | £371.41 |  |
|  | Blackbird Leys | £350.78 |  |
|  | Unparished Area | £349.34 |  |
|  | These figures include Parish Precepts and special expensing amounts as appropriate; in addition to the City Wide Council Tax of £331.39.The Council is also asked to note: |
| 6. | Oxfordshire County Council’s precept and Band D Council Tax as set out in paragraph 19 below |
| 7. | The Police and Crime Commissioner for the Thames Valley’s precept and Band D Council Tax as set out in paragraph 20 below, and |
| 8. | The overall average Band D equivalent Council Tax of £2,441.91 including Parish Precepts (subject to confirmation of the Band D figures for the Oxfordshire County Council). |

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| Appendices |
| Appendix 1 | Statutory Calculations Required for Setting of the Council Tax |
| Appendix 2 | Council Tax Charges per Band 2024/25 |
| Appendix 3 | Council Tax Setting Risk Register 2024/25 |

# Introduction and background

The Localism Act, 2011 requires local authorities to calculate the amount of income to be collected from Council Tax based on the Band D charge multiplied by the Council’s Tax Base. The City Council’s calculation of this figure, the Council Tax Requirement, including the Parish Precepts is £16,277,802. The Council Tax Requirement for the Council’s own purposes is £16,014,035. The detailed calculation is shown in Appendix 1.

# Calculation of basic amount of Council Tax

The tax bases for the various parts of the city were approved by the Audit and Governance Committee on 17 January 2024 and totalled 46,234.9. This allows 2% for non-collection.

On 18 December 2023 the Secretary of State for Levelling Up, Housing and Communities published the Provisional Local Government Finance Settlement. This confirmed that the council tax referendum limit would remain at 3%. The Finance Settlement also confirmed that district councils will be allowed to apply the higher of the referendum limit or £5.

Social Care authorities are allowed an additional 2% Adult Social Care precept on top of the referendum limit.

Police and Crime Commissioners have a referendum limit of no more than £13 on a Band D property.

The Basic Amount of Council Tax is calculated in accordance with Section 31B of the Local Government Finance Act 1992. Details are shown in Appendix 1 and summarised in Table 1 below.



The Basic Amount of Council Tax (excluding Parish Precepts) represents a 2.99% increase on the 2023/24 figure of £336.30 and an annual increase of £10.06 or approximately 19p per week.

The Basic Amount of Council Tax is calculated by dividing the Council Tax Requirement by the Tax Base. This amount of tax is calculated purely to comply with statutory requirements.

# Calculation of actual amounts of Council Tax

The calculation of the City Wide Council Tax is set out in Table 2 below. The City Wide Council Tax is the base amount of Council Tax payable by all dwellings throughout the authority’s area, with parish precepts and special expenses being added to this to form the full charge.



The parish councils within the city boundary have issued the Council with their precepts. These, and the associated Special Expenses requirement for other areas of the city, are as shown in Table 3 below.



# Old Marston Parish

The May 2002 Guidance Note issued by Central Government (Department of Transport, Local Government and the Regions) on Financial Arrangements with Parish and Town Councils outlined principles that should be followed in financial arrangements between district and parish councils. These include:

* Fairness in the provision of services (and access to them) by the principal authority between different parts of their area
* Democratic control and accountability – to let local councils support additional services with additional expenditure

Old Marston Parish Council subsequently made a successful case to the Council for a contribution to the parish in recognition of the additional expenditure that the parish incurs in relation to maintaining the cemetery within the parish. The use of the cemetery is not restricted to residents of that parish; hence a contribution has been made to increase the Parish Precept in recognition of this fact since 2008/09. For 2024/25 the Old Marston Parish Precept has been calculated as £63,737.84 and a recommendation is made to Council to increase this by £10,000 to £73,737.84.

# Unparished areas of the city

Only part of the city area is parished. In the Unparished Area the city the Council itself undertakes the parish functions. Section 35 (2) of the Local Government Finance Act 1992, states that ‘special expenses’ should be calculated when there are “any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area by …….a parish”.

Within the city area the services shown in the table below are currently provided by at least one parish council. To avoid double charging for the cost of providing these services, a Special Expense - equivalent to the cost of providing these services elsewhere in the city - is levied on those areas not providing them.

Table 4 below sets out the Special Expenses Account:



The calculation of Special Expenses is based on an assessment of the types of work undertaken in parishes as a whole. The services are provided in at least one if not all the parishes. However, in the case of cemeteries, there is only one cemetery in the parished areas, located in Old Marston. As outlined in paragraph 12, Old Marston Parish Council have put forward a successful case to the Council that the cemetery is available for use by people living outside of the parish - particularly in respect of interment of ashes. The Council has previously accepted this case and approved a contribution to the Old Marston Precept. The total expenditure on the three remaining cemeteries has been charged across all areas except for the Old Marston Parish.

Further details of the calculations, as required by the Act are shown at Appendix 1.

Taxes by area and by Band are shown at Appendix 2.

# Oxfordshire County Council

The Oxfordshire County Council’s likely precept figure for 2024/25 is £84,173,409.54 giving a Band D Council Tax of £1,820.56, a 4.99% increase on the 2023/24 figure of £1,734.03. The figures are due to be finalised on 20 February 2024. That percentage increase includes an overall Adult Social Care Precept of 2%. The Provisional Local Government Finance Settlement for 2024/25, announced on 18 December 2023, allowed authorities with Adult Social Care (ASC) responsibilities to raise an ASC Precept of 2%. The ASC Precept was in addition to the normal referendum limit of 3%.

# Police and Crime Commissioner for Thames Valley

The precept figure for 2023/24 is £12,450,133.87 giving a Band D Council Tax of £269.28 a 5.07% increase on the 2023/24 figure of £256.28. The Home Secretary announced on 18 December 2023 that he proposed to empower Police and Crime Commissioners to increase their Band D precept by up to £13 in 2024/25 without the need to call for a local referendum. The precept figure was confirmed by the Thames Valley Police and Crime Panel at its meeting on 26 January 2024.

# Financial implications

These are all included within the main body of the report.

# Legal issues

The Local Government Finance Acts, 1988 and 1992, as amended by The Localism Act 2011 prescribe all of the calculations set out in this report. The Council as the Billing Authority is required under section 30 of the Local Government Finance Act 1992 to set the Council Tax before the 11 March in the preceding financial year.

# Level of risk and implications

Due to the increases explained in the paragraphs above Oxford residents will face an overall rise in their Council Tax liability for 2024/25 of an average of 4.69%. The average Band D Council Tax paid in Oxford in 2023/24 was £2,332.44. This will increase by £109.47 to £2,441.91 in 2024/25.

A risk assessment has been undertaken and a risk register is attached at Appendix 3. This includes a risk relating to the potential reputational impact on the Council as Billing Authority for the area and a risk relating to the increased challenge of maintaining the collection rate.

# Equalities impact

It is difficult to estimate the dimensions of equality risks around Council Tax increases. The Council has put in place proportionate mitigating actions such as the Council Tax Reduction Scheme and the work of the Housing Team to protect the most vulnerable and economically challenged households across the city.

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