



**REPORT of
DIRECTOR OF RESOURCES**

to
COUNCIL
22 FEBRUARY 2023

COUNCIL TAX 2023 / 24

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to set out the total amount that needs to be raised from Council Tax in the forthcoming year. This is known as the Council Tax precept (Council Tax Requirement) for Maldon District Council and forms part of the funding that supports the services provided by the Council. Ultimately, this report sets the amount of Council Tax charged to each household in the District.
- 1.2 The report not only details the average amount of Council Tax charged by Maldon but also includes the total amounts of Council Tax expected to be collected for Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (EPFCCFRA) for both Fire and Police services, and the various Parish Councils within the District.

2. RECOMMENDATIONS

- (i) that Maldon District Council's Council Tax Requirement for 2023 / 24 is set at £5,663,960;
- (ii) that the Maldon District Council's Band D Council Tax (excluding Parish precepts) is set at £218.75, reflecting an increase of £6.35 (2.99%), all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iii) that the precept demands and level of Band D Council Tax of the Essex County Council, the EPFCCFRA for both Police and Fire, and the various Parish Councils within the District be determined as set out in the report, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iv) that the Council agrees the resolution set out at **APPENDIX A**.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council is statutorily required to determine its own Council Tax Requirement and, including precepts determined by the other precepting authorities, to determine the Council Tax for the 2023 / 24 financial year (**APPENDIX A**).
- 3.2 Setting the level of council tax to be charged and calculating the total amount of council tax to be drawn from the collection fund is the final stage of the budget

process. Council tax is a major form of funding that pays for the services provided to residents. The amount of funding the council may raise in council tax is limited by:

- the number and council tax valuation band of the properties in the district on which a charge for council tax can be applied (referred to as the council tax base); and
- the maximum increase that may be applied to the current council tax level (without a referendum being triggered).

3.3 Maldon's council tax base for 2023 / 24 expressed as Band D equivalent properties is 25,892.3 and was agreed by the Council on 3 November 2022.

3.4 The Government laid before the House of Commons a written ministerial statement on the Final Referendum Principles for approval. For Maldon District Council, if it wished to raise its relevant basic amount of Council Tax for 2023 / 24 by the greater of:

(a) 3%, or more, greater than its relevant basic amount of council tax for 2022 / 23;

and

(b) more than £5 greater than its relevant basic amount of council tax for 2022 / 23.

then a referendum of the local electorate would be required to approve or veto the increase.

3.5 The Council is intending to increase its own Council Tax by 2.99%, which is within the referendum thresholds. The table below illustrates the impact of the £6.35 increase for each of the council tax bands:

A	B	C	D	E	F	G	H
£4.23	£4.94	£5.64	£6.35	£7.76	£9.17	£10.58	£12.70

3.6 Essex County Council is reporting a budget and precept increase of 3.5%, including an increase of the Adult Social Care Precept by 2.0%. The Police and Crime Commissioner for Essex and Essex County Fire and Rescue Service are reporting their budget increases of 6.84% and 6.57% respectively.

3.7 Maldon District Council's Council Tax Requirement 2023 / 24

3.7.1 The Council Tax Requirement as calculated and recommended is £5,664,960. The table below illustrates the calculation:

	2022 / 23	2023 / 24
	£	£
Maldon District Council Net Budget Requirement	6,167,783	7,389,501
Government Grant		
Baseline Business Rates	(1,532,729)	(683,344)
Business Rates Retention Scheme	(781,516)	(1,800,394)
Collection Fund Net Deficit	1,567,750	758,197
Maldon District Council Tax Requirement	5,421,288	5,664,960

- 3.7.2 The Council Tax Requirement including all preceptors is shown in the table below. The percentage increase is due to both an increase in the Tax Base and the Budget Requirement.

Precepting and Billing Authority	2022 / 23 £	2023 / 24 £	Change %
Essex County Council	35,762,664	37,548,240	4.99%
Essex County Fire and Rescue Service	1,922,749	2,078,613	8.11%
Office of the Police and Crime Commissioner for Essex	5,577,579	6,044,992	8.38%
Maldon District Council	5,421,362	5,663,960	4.47%
Parish Council's (Aggregate)	1,603,414	1,652,967	3.09%
Total	50,287,766	52,988,771	5.37%

- 3.7.3 The Average Council Tax for each household is calculated by taking the precept requirement and dividing it by the Council Tax Base. The average is always shown as Band D equivalent. All other bands are calculated by applying a ratio to the Band D Council Tax.

- 3.7.4 The table below shows the resulting Band D Council Tax amount for each of the precepting authorities that make up the Council Tax bill. The Parish element is not shown in this table as it will be different for each Parish area depending on the amount of the Parish precept. The individual Parish Precepts are shown in **APPENDIX A** section 3 (g).

Precepting and Billing Authority	2022 / 23 £	2023 / 24 £	Change %
Essex County Council	1,401.12	1,450.17	3.50%
Essex County Fire and Rescue Service	75.33	80.28	6.57%
Office of the Police and Crime Commissioner for Essex	218.52	233.47	6.84%
Maldon District Council	212.40	218.75	2.99%
Total	1,907.37	1,982.67	3.95%

- 3.7.5 The 2023 / 24 average Parish Band D Council Tax increase equates to £75.30 and gives an overall Band D average charge of £1,982.67 compared to the current year Band D average charge of £1,907.37.

- 3.7.6 In accordance with Section 30-36 of the Local Government and Finance Act, 1992, as amended, the Council Tax payable for each band of property by Parish taking into account the individual precept requirement for each Parish Council has been calculated as set out in **APPENDIX A** – Table A.

4. CONCLUSION

- 4.1 The Council as the billing authority is statutorily required to determine its own Council Tax Requirement and include the precepts determined and notified to the Council by the precepting authorities, to determine the Council Tax for the 2023 / 24 financial year. This report and the Appendices do that.

5. IMPACT ON STRATEGIC THEMES

- 5.1 This report discharges the Council's statutory function as a Council Tax billing authority.

6. IMPLICATIONS

- (i) **Impact on Customers** – The report and the Appendices sets out the Council Tax that will be payable by residents of the District for the financial year commencing 1 April 2023.
- (ii) **Impact on Equalities** – None arising directly from this report.
- (iii) **Impact on Risk** – Significant legal and statutory default risk if the Council fails to set the Council Tax for its area for 2023 / 24.
- (iv) **Impact on Resources (financial)** – Significant financial and statutory default risk if the Council fails to set the Council Tax for its area for 2023 / 24.
- (v) **Impact on Resources (human)** – None arising from this report.
- (vi) **Impact on the Environment** – None arising directly from this report.

Background Papers: Council Tax Base Report to the Council, 3 November 2022.

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