

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

13 February 2024

Report of the Interim Chief Executive, Director of Finance and Transformation,
Leader of the Council and Cabinet Member for Finance and Housing

Part 1- Public

Matters for Recommendation to Council

1 SETTING THE COUNCIL TAX 2024/25

This report takes Cabinet through the process of setting the level of Council Tax for the financial year 2024/25 and seeks Cabinet's recommendations.

1.1 Introduction

1.1.1 The legislative framework for the setting of Council Tax is Chapter III of the Local Government Finance Act 1992. Section 30 requires that for each financial year and for each category of dwelling in its area, a billing authority shall set an amount of Council Tax.

1.1.2 The amount set will be the aggregate of the amount set by the billing authority under Sections 31A and 36 of the Act and the amounts set by major precepting authorities under Sections 42A, 42B and 45 to 47 of the Act.

1.2 Council Tax Base for 2024/25

1.2.1 The Council is required to set its tax base for the forthcoming financial year, and notify it to the major precepting authorities, during the period 1 December to 31 January.

1.2.2 Attached at **[Annex 1]** is the council tax base for the financial year 2024/25 which has been determined by the Director of Finance and Transformation in accordance with her delegated authority (published under decision notice DFT 23-030, 06/12/2023). This shows that there are 53,477.93 Band D equivalent properties within the Borough compared to 52,706.29 in the year 2023/24 (an increase of 1.5%).

1.2.3 All precepting authorities have been notified of the tax base for 2024/25.

1.3 Amounts of Council Tax to be set by the Billing Authority

- 1.3.1 The process is that, having determined the billing authority's tax requirement, this sum is initially divided by the tax base to determine the overall level of tax, inclusive of special expenses and parish precepts.
- 1.3.2 The resultant figure represents an average charge within the Borough for both Borough and Parish Council requirements. As part of the statutory process, this average is recorded on the Council's council tax resolution, which we refer to later. As Cabinet is aware, however, the average charge does not apply to any of the areas within the Borough other than by coincidence. In order to calculate the levels of tax for each of the areas within the Borough, it is necessary to determine the basic level of Council Tax that will apply to the whole of the Borough, and then calculate the additional charges relating to particular areas. This process determines the tax for Band D properties in each of those areas.
- 1.3.3 The tax for the full range of Band A to H properties is then established by using the ratios for each of the Bands as they relate to Band D. The relevant statutory ratios are as follows:

Table 1 - Band Ratio Relative to Band D

Band	Ratio to Band D
A	6/9
B	7/9
C	8/9
D	9/9
E	11/9
F	13/9
G	15/9
H	18/9

- 1.3.4 Cabinet is advised that, subject to the Draft Budget being recommended as per the earlier agenda item, TMBC's published share of the 2024/25 council tax at Band D will be **£238.16**. This represents a cash increase of £6.93 per annum compared to 2023/24, or 3%.
- 1.3.5 The level of tax set by the major precepting authorities, Kent County Council, The Police & Crime Commissioner for Kent and the Kent & Medway Fire & Rescue Authority, is then added to establish the overall tax for each band in each part of the area.

1.4 Kent County Council / The Police & Crime Commissioner for Kent / Kent & Medway Fire & Rescue Authority Precepts

- 1.4.1 Kent County Council's Cabinet met on 25 January, at which a recommendation concerning its precept was made. The County Council's full Council meeting to confirm the precept is to be held on 19 February.
- 1.4.2 The Police & Crime Commissioner for Kent's precept and level of Council Tax is due to be considered at a meeting on 6 February and we await confirmation of the outcome.
- 1.4.3 The Kent & Medway Fire & Rescue Authority's precept and level of Council Tax is due to be agreed on the morning of 20 February.

1.5 Draft Resolution

- 1.5.1 Attached at **[Annex 2]** is a draft resolution which seeks to identify for Cabinet the processes which have to be undertaken to arrive at the levels of Council Tax applicable to each part of the Borough. The parts in bold type seek to explain each calculation.
- 1.5.2 The resolution itself, incorporating the Borough Council's budget and Parish Council precept information and council tax levels for all major precepting authorities, **will be presented to the meeting of the Council on 20 February 2024.**

1.6 Legal Implications

- 1.6.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.
- 1.6.2 The Localism Act introduced a requirement for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State and approved by the House of Commons.

1.7 Financial and Value for Money Considerations

- 1.7.1 As set out above.

1.8 Risk Assessment

- 1.8.1 The Local Government Act 2003 requires the Chief Financial Officer, when calculating the Council Tax Requirement, to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. Consideration will and is given to the risks associated with any budget setting process where various financial and other assumptions have to be made. To mitigate the risks detailed estimates are formulated in conjunction with Services taking into account past outturn, current spending plans and likely future

demand levels / pressures and external guidance on assumptions obtained where appropriate.

- 1.8.2 Under the provisions of the Localism Act, any increase in the relevant basic amount of council tax above the principles, however small, will require a referendum to be held which is a risk in itself.

1.9 Equality Impact Assessment

- 1.9.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.10 Recommendations

1.10.1 Cabinet is asked to:

- 1) **NOTE** the draft resolution which will be completed and presented to Full Council at its meeting on 20 February 2024; and
- 2) **RECOMMEND** that Full Council approve a 3% or £6.93 per annum increase in the Borough Council's element of the council tax for 2024/25, representing a notional 'average' charge at Band D of £238.16.

Background papers:

Nil

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