

Council Tax Options
for setting of
2022/23
Council Tax

Financial Position

- The latest table in the quarter 2 budget monitoring report:

	2022/23 £000	2023/24 £000	2024/25 £000
Opening Budget Shortfall	402	690	3,632
Council Tax increase 2021/22	(111)	(110)	(110)
Current realised budget shortfall	291	580	3,522
Efficiencies identified not yet realised *	(1,306)	(2,002)	(2,571)
Pension costs to be funded by general fund balance	(82)	(18)	0
General Fund (surplus)/Budget Shortfall	(1,097)	(1,440)	951

* includes an estimate of all future council tax increases

The surplus will actually be used to reduce the amount of the NNDR growth protection reserve being used in each year.

Council Tax options - History

- Decisions taken for 2019/20 to 2021/22 based on a Band D property

Council Tax year	District part of the Council Tax bill	Percentage Increase	Annual Increase per property	Weekly increase per property	Extra Revenue to the District Council
2019/20	£176.29	2.99%	£5.12	0.10	£112,494
2020/21	£181.29	2.83%	£5.00	0.10	£110,789
2021/22	£186.28	2.75%	£4.99	0.10	£109,853

The level of increase each year affects the base for that year and for future years. The base for 2022/23 contains the increases of £112,494 £110,789 and £109,853.

Council Tax options – New Year

- Options for 2022/23 based on a Band D property

Council Tax year	District part of the Council Tax bill	Percentage Increase	Annual Increase per property	Weekly increase per property	Extra Revenue to the District Council
2022/23	£188.14	1%	£1.86	0.04	£41,548
2022/23	£189.98	1.99%	£3.71	0.07	£82,956
2022/23	£191.28	2.68%	£5.00	0.10	£111,991

The extra revenue will benefit 2022/23 and future years if an increase is agreed.

As the taxbase for 22/23 is currently being finalised these figures are indicative at this time.

Council Tax options – Future Years

- The financial information for 2022/23 – 2024/25 is currently being updated as part of the budget process. Figures are being calculated for 2025/26 for the first time.
- There have been some big changes expected to Local Government finances over the last few years but these were thrown into uncertainty by the Coronavirus pandemic.
- Changes to Business Rates Retention, the introduction of the Fair Funding Review and the Business Rates Reset in particular will affect us as a district council, probably detrimentally, when or if they now occur.
- The recent Spending Review announcement did not enlighten us at all.

Council Tax options – Future Years

- Something we are sure of, is that the Government will again assume we have increased our Council Tax by the maximum allowed when they calculate any grants or limits payable to us.
- Therefore by 2023/24 when the changes are now likely to hit us, the Government will assume we've made the following increases:

	2021/22	2022/23
Increase from 2019/20	(112,494)	(112,494)
Increase from 2020/21	(110,789)	(110,789)
Increase from 2021/22	(109,853)	(109,853)
Maximum increase allowed for 2022/23 *	(111,991)	(111,991)

*Referendum details not yet confirmed by DLUHC but we are likely to be limited to 1.99% and it is assumed £5.00 will be the maximum amount, whichever is the greater.

Council Tax options – Future Years (cont'd)

- If we increased our Council Tax each year by the maximum allowed as per the Government assumption, the extra council tax raised by the end of the current Medium Term Financial Plan would be as follows:

	2022/23	2023/24	2024/25	2025/26
Maximum increase allowed for 2022/23 * (no increase in tax base)	(111,991)	(111,991)	(111,991)	(111,991)
Maximum increase allowed for 2023/24 * (no increase in tax base)	0	(111,991)	(111,991)	(111,991)
Maximum increase allowed for 2024/25 * (no increase in tax base)	0	0	(111,991)	(111,991)
Maximum increase allowed for 2025/26 * (no increase in tax base)	0	0	0	(111,991)
Total by 2025/26 of cumulative increases				£(447,964)

* Referendum £5 and taxbase to be confirmed