

Meeting:	Council
Meeting date:	27 February 2025
Report of:	Director of Finance
Portfolio of:	Cllr Katie Lomas, Executive Member for Finance, Performance, Major Projects, Equalities and Inclusion

Decision Report: Council Tax Resolution 2025/26

Subject of Report

1. This report asks Members to approve the rate of council tax for 2025/26. Although the legal requirement is that the Council must have set a balanced budget and the council tax charge by 11 March it is important that council tax rates are approved at this meeting to allow sufficient time to produce and post council tax bills and meet all statutory deadlines.
2. This report sets out the resolution based on the assumption that the budget proposals recommended by Executive on 21 January 2025 are approved.
3. Members are reminded that the individual council tax bill is comprised of four elements - the amount levied for City of York Council, the amount precepted by the Mayoral Police and Crime Commissioner, the Mayoral General Precept (including Fire and Rescue Services) and, for properties in a parished area of the city, the amount precepted by the individual Town or Parish Council.
4. Any authority proposing an excessive increase in council tax must hold a local referendum and obtain a 'yes' vote before implementing the increase. An authority proposing an excessive increase must also make substitute calculations, based on a non-excessive council tax level. This is implemented if the excessive increase is rejected in the referendum.
5. In 2025/26, local authorities with social care responsibilities (county and unitary authorities) will have a total threshold of 5% or more.

Of this, 2% is available for adult social care and 3% for general spending. District councils have a threshold of 3% or £5.00 on a band D bill; and for Police and Crime Commissioners, the threshold is £14 on a band D bill. No thresholds were applied to parish and town councils or to mayoral combined authorities.

6. Therefore, City of York Council may charge a maximum of 2% social care precept in 2025/26, in addition to the 3% for general spending. The additional social care precept must be used to fund adult social care.

Financial Strategy Implications

7. Alongside the requirement to set a balanced budget as part of the financial strategy, the Council must also set a Council Tax charge for the forthcoming year.

Recommendation and Reasons

8. Council is recommended to resolve as follows:
It be noted that on 2 December 2024 the Chief Finance Officer, under her delegated authority, calculated the council tax base for the year 2025/26:
 - (a) for the **whole Council area** as 69,426.10 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; and
 - (b) for those dwellings in those parts of its area to which a **Parish** precept relates as in column 1 in the attached Schedule A.
9. Calculate that the Council Tax requirement for the Council’s own purposes for 2025/26 (excluding Parish precepts) is £120,180,050.
10. That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:
 - (a) £565,383,463 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.

- (b) £444,083,969 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £121,299,494 being the amount by which the aggregate at 9(a) above exceeds the aggregate at 9(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. [Item R in the formula in Section 31B of the Act].
- (d) £1,747.17 being the amount at 9(c) above [Item R], all divided by Item T (7(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £1,119,444 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Schedule A).
- (f) £1,731.05 being the amount at 9(d) above less the result given by dividing the amount at 9(e) above by Item T (7(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
11. To note that the Mayoral Combined Authority (including Fire and Rescue Services) and the Mayoral Police and Crime Commissioner has issued precepts to the Council in accordance with Section 40 of the Act for each category of dwellings in the Council's area as indicated in the tables below.
12. That the Council, in accordance with sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the tables below, and

at Schedule B for Parished areas, as the amounts of council tax for 2025/26 for each part of its area and for each of the categories of dwellings.

City of York Council

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,154.03	1,346.37	1,538.71	1,731.05	2,115.73	2,500.41	2,885.08	3,462.10

Mayoral Police & Crime Commissioner

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
213.91	249.56	285.21	320.86	392.16	463.46	534.77	641.72

Mayoral General (including Fire and Rescue)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
71.35	83.24	95.13	107.02	130.80	154.58	178.37	214.04

Aggregate of Council Tax Requirements (excluding Parished Areas)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,439.29	1,679.17	1,919.05	2,158.93	2,638.69	3,118.45	3,598.22	4,317.86

13. Determine that the Council's basic amount of council tax for 2025/26 is not excessive in accordance with the principles approved under section 52ZB of the Act. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of council tax for 2025/26 is excessive and that the billing authority is not

required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

Background

14. The Council's net revenue budget and capital programme were recommended by the 21 January 2025 Executive for approval by Council. Details appear earlier on this agenda.
15. The council tax levels to be proposed will include the precepts received from the parish councils, the North Yorkshire Police Authority and the North Yorkshire Fire and Rescue Authority. Members are reminded that the Council must word the resolution in precise language, as directed by legislation.

Parishes

16. The total parish funding has increased by £122,042 (11.84%) to £1,152,852 from £1,030,810 in 2024/25. This figure includes grants totalling £33,408 provided by the council to parishes to protect against the effects of the localised council tax support scheme. Therefore, the total amount of council tax to be levied by parishes in 2025/26 is £1,119,444. The percentage increases vary from 0.62% to 37.04, with an average increase overall of 10.13%. 5 parishes have frozen their funding. The individual precepts are only charged to the residents in that parish. The total rise in parish precepts over the last three years has been £255k (28%).

Mayoral Combined Authority

17. From 1st April 2025 responsibility for both police and fire and rescue services in North Yorkshire has transferred to the York and North Yorkshire Combined Authority.
18. The York and North Yorkshire Combined Authority has set a Mayoral Police and Crime Commissioner precept at £22,276,058. This results in a Band D Council Tax of £320.86 in 2025/26, an increase of £14 (4.56%).
19. The York and North Yorkshire Combined Authority has set a Mayoral General Precept (including Fire and Rescue services) at £7,429,981. This results in a Band D Council Tax of £107.02. This is a new precept. However, for information the Fire and Rescue precept for 2024/25 resulted in a Band D figure of £83.02.

National Non-Domestic Rates (NNDR)

20. City of York Council is currently a member of the Leeds City Region (LCR) Business Rates Pool. The pool was formed for 2021/22 and retains 50% of business rates, in line with national policy. The pool will continue to operate in 2025/26.
21. The council is projecting retained business rates income in 2025/26 of £36.241m, which is an increase of £0.9m compared to 2024/25.

Consultation Analysis

22. Not applicable

Options Analysis and Evidential Basis

23. Not applicable

Organisational Impact and Implications

24. The implications have been set out in the Financial Strategy report, earlier on this agenda.

Risks and Mitigations

25. Not applicable

Wards Impacted

26. All

Contact details

For further information please contact the authors of this Decision Report.

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Report approved:	Yes
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Background papers

Report of the Chief Finance Officer, Financial Strategy 2025/26 to 2029/30; Executive, 21st January 2025,
<https://democracy.york.gov.uk/documents/s181127/Executive%20Financial%20Strategy.pdf>

Annexes

- Schedule A – 2025/26 Basic City of York Council and Parish element of Council Tax by parish area
- Schedule B - Total aggregate Council Tax (City of York Council, Police, Fire and Parish) by parish area
- Schedule C - Precepting information by parish area