

Report to: **Council Tax Setting Panel**

Date: **23 February 2021**

Title: **Council Tax 2021-2022**

Portfolio Area: **Support Services**

Wards Affected: **ALL**

Relevant Scrutiny Committee: **Overview and Scrutiny
Committee**

Urgent Decision: **Y** Approval and clearance obtained: **Y**

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Recommendations:

That the Council Tax Setting Panel approves the formal council tax resolutions as detailed below:

1. That it be noted that in December 2020 the Senior Leadership Team, under delegated authority from full Council, approved the Council Tax Base for the year 2021/22
 - (a) for the whole Council area as 20,239.51 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012; and

(b) for dwellings in those parts of its area to which a Parish Precept relates in accordance with regulation 6 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 **(Appendix A)**

2. That the Council Tax requirement for West Devon Borough Council's own purposes for 2021/22 (excluding Parish precepts) is calculated at £4,890,473 **(Appendix B)**.

3. That the following amounts are calculated by the Council for the year 2021/22 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the Localism Act 2011 **(Appendix B)**:

(a) £25,070,008 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/Town Councils **(Gross expenditure including parish precepts)**.

(b) £18,416,562 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act **(Total income including business rates and council tax collection fund deficit)**.

(c) £6,653,446 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(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) **(Council tax requirement including parish precepts)**.

(d) £328.74 being the amount at 3(c) above (Item R), all divided by the council tax base (1(a) above) in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year **(Average band D council tax for West Devon Borough Council and parishes)**.

(e) £1,762,973 being the aggregate amount of all special items (Parish Precepts), referred to in Section 34(1) of the Act (as per the attached **Appendix C – Parish Precepts**).

(f) £241.63

being the amount at 3(d) above less the result given by dividing the amount at 3(e) by the Council tax base (1(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 (**Band D council tax for West Devon Borough Council only**).

4. That it be noted the County Council, the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings as shown below:

Precepting authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Devon County Council's tax requirements	1,007.52	1,175.44	1,343.36	1,511.28	1,847.12	2,182.96	2,518.80	3,022.56
Police & Crime Commissioner's tax requirements	157.71	183.99	210.28	236.56	289.13	341.70	394.27	473.12
Devon & Somerset Fire & Rescue Authority's tax requirements	60.00	70.00	80.00	90.00	110.00	130.00	150.00	180.00

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts of Council Tax for the year 2021/22 for each of the categories of dwellings shown at **Appendix D (total of all valuation band council taxes for West Devon Borough Council including parishes, county, police and crime commissioner and fire authority)**.
6. That the Council concluded that the basic amount of Council Tax for West Devon Borough Council for 2021/22 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (see calculation at **Appendix B**).

1. Summary

The Council Tax Setting Panel is required to approve the formal council tax resolutions in which the Council Tax will be set for each parish and town. Council considered the overall budget and 'net council tax requirement' at the meeting on the 16 February 2021. At that stage the level of Council Tax is effectively set for the Borough Council and all that remains is to formally add in the County, Police and Crime Commissioner, Fire Authority and Town and Parish precepts to arrive at the overall level of council tax. The Local Government Finance Act 1992, Section 67(3) permits authorities to delegate this function.

Within West Devon Borough Council's Constitution, one of the Council Tax Setting Panel's responsibilities is to agree the Council Tax Resolution on behalf of the Council.

2. Background

2.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a council tax requirement for the year, not a budget requirement as previously. West Devon Borough Council is a billing authority.

2.2 Precepts have been notified to us from the Parish and Town Councils, Devon County Council, Devon and Cornwall Police and Crime Commissioner and Devon and Somerset Fire and Rescue Authority. These are detailed below:

(i) Town & Parish Council

The Town & Parish Council Precepts for 2021/22 are detailed in Appendix C and total £1,762,973. The increase in the average Band D Council Tax for Town and Parish Councils is 7.68% and results in an average Band D Council Tax figure of £87.11 for 2021/22.

(ii) Devon County Council

Devon County Council met on 18th February 2021 and set their precept at £30,587,566.67, adjusted by a contribution to the Collection Fund deficit of £44,293. This results in a Band D Council Tax of £1,511.28. This is an increase of £71.82 (See Section3) of which £43.11 relates to the Adult Social Care Precept.

(iii) Devon and Cornwall Police and Crime Commissioner

The Police and Crime Panel met on 5th February 2021 and set their precept at £4,787,858.49, adjusted by a Collection Fund deficit of £6,820. This results in a Band D Council Tax of £236.56.

(iv) Devon and Somerset Fire and Rescue Authority

Devon & Somerset Fire and Rescue Service met on 19th February 2021 and set their precept at £1,821,556, adjusted by a Collection Fund deficit of £2,715. This results in a Band D Council Tax of £90.00.

3. Outcomes/outputs

The Council Tax Setting Panel are requested to approve the formal Council Tax Resolutions for the year 2021/22 and the Council Tax for each of the parishes and towns within the Borough for the year 2021/22.

The table below shows how an average Band D council bill is made up for West Devon Borough for 2021/22 as compared to the previous year.

Precepting Authority	Band D 2020/21	Band D 2021/22	£ Increase	% Increase	Date Approved
West Devon Borough Council	£236.63	£241.63	£5.00	2.11%	16 Feb 2021
Devon County Council Precept	£1,313.73	£1,342.44	£28.71	4.99%	18 Feb 2021
Adult Social Care Precept *	£125.73	£168.84	£43.11		
Devon & Cornwall Police & Crime Commissioner	£221.64	£236.56	£14.92	6.73%	5 Feb 2021
Devon & Somerset Fire & Rescue	£88.24	£90.00	£1.76	1.99%	19 Feb 2021
Average Parishes/Towns	£80.90	£87.11	£6.21	7.68%	
TOTAL	£2,066.87	£2,166.58	£99.71	4.82%	

*This is an additional precept for authorities who have Adult Social Care responsibilities.

4. Options available and consideration of risk

The setting of the tax base has a significance far beyond the simple mathematics of the calculation and it forms an important component of the calculation of a robust budget and the medium term financial plan for both billing and precepting authorities. The council tax base has been calculated in accordance with Government legislation and associated guidance notes.

5. Proposed way forward

The Council Tax Setting Panel is required by law to approve the Council Tax taking into account the requirements of our major precepting bodies.

6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Financial	Y	<p>The Council Tax Setting Panel is required to calculate and approve the Council Tax requirement for 2021/22.</p> <p>As the billing authority, the Council must determine whether the Council's basic amount of Council Tax for 2021/22 is excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. These principles are set by the Secretary of State each year.</p> <p>Shire District Councils have the flexibility to set council tax increases of less than 2.0% or up to and including £5 for 2021/22, whichever is the greater.</p> <p>In the case of West Devon Borough Council, the £5 increase will not trigger a council tax referendum.</p>
Legal/Governance	Y	<p>The Council Tax Setting Panel is required by law to approve the Council Tax taking into account the requirements of our precepting bodies.</p>

Risk	Y	<p>Council Tax Requirement - failure to calculate the council tax requirement correctly would result in a budget surplus or deficit.</p> <p>Council Tax Setting - the Council has a statutory requirement to approve the formal council tax resolutions. The Authority could face a legal challenge if legislation is not fully complied with and the Council Tax is calculated incorrectly.</p>
Comprehensive Impact Assessment Implications		
Equality and Diversity		None directly arising from this report.
Safeguarding		None directly arising from this report.
Community Safety, Crime and Disorder		None directly arising from this report.
Health, Safety and Wellbeing		None directly arising from this report.
Other implications		None directly arising from this report

Supporting Information

Appendices:

Appendix A - Parish and Town Council Tax Bases 2021/22

Appendix B - Calculations relating to recommendations

Appendix C - Parish and Town Council Precepts 2021/22

Appendix D – County, Police and Crime Commissioner, Fire Authority, District and Parish/Town Requirements 2021/22

Background Papers

The Local Government Finance Act 1992

The Local Government Act 2003

SLT Dec 2020 - Declaration of Council Tax Base

Council 16 Feb 2021 – Budget Proposals 2021/22

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off (draft)	Yes
Data protection issues considered	Yes
Accessibility checked	Yes