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Governance Support
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Dear Member

COUNCIL - THURSDAY, 3 MARCH 2022

I am now able to enclose, for consideration at the Thursday, 3 March 2022 meeting of the Council, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
8.	Revenue Budget 2022-2023 Conservative Amendment	(Page 318)
13.	Council Tax 2022/2023	(Pages 319 - 325)

Yours sincerely

Teresa Buckley
Clerk

Item 8 – Revenue Budget 2022-2023

Conservative Notice of Motion

Council Meeting 3 March 2022

Proposed amendment

(Constitution Reference: Council Meeting Standing Order A13.4)

(Amendments shown in bold text)

- 1) That for 2022/23 net revenue expenditure of **£120.8m** resulting in a Council Tax requirement of **£78.1m** for 2022/23 (a 2.99% increase in Council Tax, of which 1% is for Adult Social Care) be approved, **subject to £570,000 for one-off highways improvements (including repairing pot-holes, repainting double yellow lines, improved signage, improved road safety, the introduction of new traffic regulation orders) to be allocated from the Comprehensive Spending Review Reserve. The reserve balance to be reinstated as the first allocation of any underspend in 2021/22 and 2022/23.**

Proposer: Councillor Foster

Seconder: Councillor Hill

Meeting: Council

Date: 3rd March 2022

Wards Affected: All Wards in Torbay

Report Title: Council Tax 2022/23

Cabinet Member Contact Details: Councillor Darren Cowell,
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Director Contact Details: Director of Finance, 01803 207285,
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1. Purpose of Report

The Council has a statutory obligation to set a 2022/23 Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies before the 11 March in the preceding financial year.

2. Reason for Proposal and its benefits

The purpose of this technical report is to enable the Council to fulfil its statutory duty to calculate and set the Council Tax Requirement and Council Tax for 2022/23.

Included in this report is a required change to the 2022/23 Council tax Support scheme to reflect the impact on claimants of the recently announced £150 council tax rebate.

3. Recommendation(s) / Proposed Decision

3.1 That the Council is recommended to note:

3.2 On the 9 December 2021 Council approved the following Council Tax Bases for 2022/23: -

a) For the whole Council area as 46,194.82, [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and

b) For dwellings in the Brixham Town Council area as 6,185.57 to which a Parish precept relates.

3.3 That the Police and Crime Commissioner for Devon and Cornwall, and the Devon and Somerset Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each

category of dwellings in the Council's area as indicated in the table in paragraph 3.6 below.

That the Council is recommended to approve:

3.4 The Council Tax requirement for the Council's own purposes for 2022/23 (excluding Brixham Town Council) of £78,072,000.

3.5 That the following amounts be calculated for the year 2022/23 in accordance with Chapter Three of the Act:

a) £321,339,600 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 the precept issued to it by Brixham Town Council.

b) (£242,888,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c) £78,451,600 being the amount by which the aggregate at 3.5(a) above exceeds the aggregate at 3.5(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) £1,698.28 being the amount at 3.5(c) above (Item R), all divided by Item T (3.2(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) £379,600 being the aggregate amount of all special items (Brixham Town Council) referred to in Section 34(1) of the Act

f) £1,690.06 being the amount at 3.5(d) above less the result given by dividing the amount at 3.5(e) above by Item T (3.2(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.

3.6 That the Council, in accordance with Chapter Three of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2022/23 for each part of its area and for each of the categories of dwellings.

	Valuation Band							
	A	B	C	D	E	F	G	H
Ratio of each band-to-Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Torbay Council	1,126.71	1,314.49	1,502.28	1,690.06	2,065.63	2,441.20	2,816.77	3,380.12

Police and Crime Commissioner	164.37	191.77	219.16	246.56	301.35	356.14	410.93	493.12
Devon and Somerset Fire and Rescue Authority	61.19	71.39	81.59	91.79	112.19	132.59	152.98	183.58
Aggregate of Council Tax Requirements ex. Town Council	1,352.27	1,577.65	1,803.03	2,028.41	2,479.17	2,929.93	3,380.68	4,056.82
Brixham Town Council	40.91	47.73	54.55	61.37	75.01	88.65	102.28	122.74
Aggregate of Council Tax Requirements including Brixham Town Council	1,393.18	1,625.38	1,857.58	2,089.78	2,554.18	3,018.58	3,482.96	4,179.56

Note: Torbay Council's precept includes the Adult Social Care "precept" set in 2016/17 to 2018/19, 2020/21 to 2022/23.

- 3.7 That it is noted that the Council's basic amount of Council Tax for 2022/23 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. (Refer to paragraph 5.7)
- 3.8 That the Council Tax Support Scheme for 2022/23 (as approved by Council in December 2021), be revised to incorporate the requirements of the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022 as outlined in paragraph 6.1 in this report.
- 3.9 That Council approve the delegation of authority to the Director of Finance, in consultation with the Cabinet Member for Corporate and Community Services, to update and implement the discretionary policy to facilitate the administration of the Energy Rebate discretionary fund.

4. Precepts on Torbay Council as a Billing Authority

- 4.1 Members should note that due to the complexity of setting the council tax level in accordance with statute it is not possible to simplify this report.
- 4.2 The Council approved the statutory Tax Base for Torbay at its meeting on the 9 December 2021 as 46,194.82 for the year 2022/23 and approved the 2022/23 Tax Base for Brixham Town Council as 6,185.57. When the “Council Tax Requirements” of the Police and Crime Commissioner for Devon and Cornwall, the Devon and Somerset Fire and Rescue Authority and Torbay Council (including Brixham Town Council) are determined, it remains only to make the statutory “basic tax” calculations in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, and “set” the tax for the eight Valuation Bands A to H ranging from 6/9ths to 18/9ths of the basic amount – “Band D”.
- 4.3 The precept levels of other precepting bodies have been received. These are detailed below:

4.4 Brixham Town Council

Brixham Town Council met on 9 February 2022 and set a precept of £379,600. This results in a Band D Council Tax for 2022/23 of £61.37, (£58.09 2021/22), which is an increase of 5.65%.

4.5 Police and Crime Commissioner (PCC) for Devon & Cornwall

The Police and Crime Commissioner for Devon and Cornwall met on 28 January 2022 and set a precept (for Torbay) of £11,389,794.82. This results in a Band D Council Tax for 2022/22 of £246.56, (£236.56 2021/22), an increase of 4.23%.

4.6 Devon and Somerset Fire and Rescue Authority

Devon and Somerset Fire and Rescue Authority met on 21st February 2022 and set a precept of £4,240,222. This results in a Band D Council Tax for 2022/23 of £91.79, (£90.00 2021/22), an increase of 1.99%.

- 4.7 If the formal Council Tax Resolutions within 3.6 above are approved, the total basic amount “Band D” of Council Tax will be as follows:

	2021/22	2022/23	2022/23
	£	£	% Change
Torbay Council	1,641.00	1,690.06	2.99
Police and Crime Commissioner	236.56	246.56	4.23
Devon and Somerset Fire and Rescue Authority	90.00	91.79	1.99
Sub-Total	1,967.56	2,028.41	3.09

Brixham Town Council (only payable by Brixham residents)	58.09	61.37	5.65
Total	2,025.65	2,089.78	3.17

Background Documents

[The Referendums Relating to Council Tax Increases \(Principles\) \(England\) Report 2022-23: draft \(publishing.service.gov.uk\)](#)

[\(Public Pack\)Item 10 Council Tax Base 2022/2023 Agenda Supplement for Council, 09/12/2021 17:30 \(torbay.gov.uk\)](#)

[Agenda for Cabinet on Tuesday, 22 February 2022, 5.30 pm \(torbay.gov.uk\)](#)

Supporting Information

5. Summary

- 5.1 The Partnership will present the 2022/23 revenue budget to Council on 3 March 2022. The 2022/23 net revenue budget for approval is £120.818m.
- 5.2 This is net expenditure before the Council's general income and funding, NNDR Income, NNDR top up grant, other general grant and any collection fund surplus.
- 5.3 This results in a Council Tax requirement for the Torbay Council element of £78,072,000. Including the Brixham Town Council precept the Council Tax requirement is £78,451,600.
- 5.4 Expenditure at that level for Torbay Council will result in a Band D Council Tax for 2022/23 of £1,690.06, a 2.99% increase in the Torbay Council element of the Council tax.
- 5.5 Under section 52ZB(1) of the Local Government Finance Act 1992 ("the 1992 Act") as inserted by Schedule 5 to the Localism Act 2011, each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year ("the year under consideration") is excessive. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
- 5.6 The question whether an authority's relevant basic amount of council tax for a financial year ("the year under consideration") is excessive must be decided in accordance with a set of principles determined by the Secretary of State for the year
- 5.7 For 2022-23, *"the relevant basic amount of council tax of an authority which belongs to the category mentioned in paragraph 2(a) is excessive if the authority's relevant basic amount of council tax for 2022-23 is 2% + A% (comprising A% for*

expenditure on adult social care, and 2% for other expenditure), or more than 2%+A%, greater than its relevant basic amount of council tax for 2021-22”.

“A%” means 4% minus the percentage increase in the relevant local authority’s relevant basic amount of council tax for expenditure on adult social care for 2021-22;”

- 5.8 For 2022-23 the Council will set an adult social care precept 1% and a precept of 1.99% for other expenditure.
- 5.9 For Torbay Council if the formal Council Tax Resolutions within 3.5 above are approved the change in the “relevant basic amount” (i.e. the Band D Council tax) for 2022-23 is 2.99%, which is not excessive.
- 5.10 The gross expenditure and income figures included at 3.5 (a) and 3.5 (b) are linked to the budget digest information presented to Council in March, which are prior to any adjustments to comply with CIPFA and central government reporting requirements

6 Council Tax Support and Energy Rebate Scheme

- 6.1 As a result of the recently passed Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022, the Council’s 2022/23 Council Tax Support scheme is required to be revised from 1 April 2022 so that Energy Rebate scheme payments are fully disregarded in determining a household’s eligibility for Council Tax Support. This will ensure that households entitled to Council Tax Support will receive the full benefit of the Energy Rebate scheme payment.
- 6.2 The government recognises many households will need support to deal with rising energy costs, which are being affected by global factors. From 1 April, the energy price cap will rise from £1,277 to £1,971 – an almost £700 increase in energy bills for the average household.
- 6.3 As a result the government announced a package of support to help households with rising energy bills in 2022/23. This includes:
- A £200 discount on their energy bill this Autumn for domestic electricity customers. This will be paid back automatically over the next 5 years.
 - A £150 Energy Rebate for all households that occupy property Council Tax property Bands A-D in England. All payments within scope are to be paid by 30 September 2022.
 - £144 million of discretionary funding for Local Authorities to support households who need support but are not eligible for the £150 Energy Rebate. Torbay’s “fixed” allocation of this funding is £375,750. Allocations from the discretionary fund are to be spent by 30 November 2022.
- 6.4 Around 85% of households in Torbay (applied to primary residence only) occupy properties that are in Bands A-D should benefit from the £150 energy rebate, noting that the rebate will not be paid for second homes or empty properties.

- 6.6 The Energy Rebate discretionary fund is available for households that need help with their energy bills but are not eligible, such as households on income related benefits in higher property bands E-H or occupying properties in bands A-D that are exempt from Council Tax. It is recommended the delegation of authority to the Director of Finance, in consultation with the Cabinet Member for Corporate and Community Services, to update and implement the discretionary policy to facilitate the administration of the Energy Rebate discretionary fund.

7. Legal Implications

- 7.1 The Council is required, in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set an amount of Council Tax for each of the eight Valuation Bands for the coming financial year before 11th March. This is a matter of calculation only but in accordance with Section 67 of the Act must be set by the Council.
- 7.2 The change to the 22/23 Council Tax Support scheme is required by the Council Tax (Demand Notices and Reduction Schemes) (England) (Amendment) Regulations 2022.

8. Consultation

- 8.1 There has been extensive consultation on the 2022/23 budget proposals with all Members and through the Overview and Scrutiny Board meetings and consultation with stakeholders and residents through a series of Community Partnership meetings and Council staff.

9. Associated Risks

- 9.1 The Council must set the Council Tax before 11th March each year. The Collection of Council Tax income is essential to ensure the services provided by the Council and the other precepting bodies are adequately funded.
- 9.2 If the Council fails to set a Council Tax before 11th March, it will be in breach of its statutory obligation and subject to legal challenge.