

Meeting: Council

Date: 25th February 2021

Wards Affected: All Wards in Torbay

Report Title: Council Tax 2021/22

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1. Purpose of Report

The Council has a statutory obligation to set a 2021/22 Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies before the 11th 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 2021/22.

3. Recommendation(s) / Proposed Decision

3.1 That the Council is recommended to note:

3.2 On the 3rd December 2020 Council approved the following Council Tax Bases for 2021/22:-

a) For the whole Council area as 45,464.53, [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 6,115.06 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 2021/22 (excluding Brixham Town Council) of £74,607,300.

3.5 That the following amounts be calculated for the year 2021/22 in accordance with Chapter Three of the Act:

a) £312,524,518 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) (£237,562,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c) £74,962,518 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) £1,648.81 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) £355,218 being the aggregate amount of all special items (Brixham Town Council) referred to in Section 34(1) of the Act

f) £1,641.00 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 2021/22 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	1,094.00	1,276.33	1,458.66	1,641.00	2,005.67	2,370.33	2,735.00	3,282.00

Police and Crime Commissioner	157.71	183.99	210.28	236.56	289.13	341.70	394.27	473.12
Devon and Somerset Fire and Rescue Authority	60.00	70.00	80.00	90.00	110.00	130.00	150.00	180.00
Aggregate of Council Tax Requirements ex. Town Council	1,311.71	1,530.32	1,748.94	1,967.56	2,404.80	2,842.03	3,279.27	3,935.12
Brixham Town Council	38.73	45.18	51.64	58.09	71.00	83.91	96.82	116.18
Aggregate of Council Tax Requirements including Brixham Town Council	1,350.44	1,575.50	1,800.58	2,025.65	2,475.80	2,925.94	3,376.09	4,051.30

Note: Torbay Council's precept includes the Adult Social Care "precept" set in 2016/17 to 2018/19, 2020/21 and 2021/22.

3.7 That the Council's basic amount of Council Tax for 2021/22 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. (Refer to paragraph 5.7)

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 3rd December 2020 as 45,464.53 for the year 2021/22, and approved the 2021/22 Tax Base for Brixham Town Council as 6,115.06. 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 18th February 2021 and set a precept of £355,218. This results in a Band D Council Tax for 2021/22 of £58.09, (£56.70 2020/21), which is an increase of 2.45%.

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

The Police and Crime Commissioner for Devon and Cornwall met on 5th February 2021 and set a precept (for Torbay) of £10,755,089.22. This results in a Band D Council Tax for 2021/22 of £236.56, (£221.64 2019/20), an increase of 6.73%.

4.6 Devon and Somerset Fire and Rescue Authority

Devon and Somerset Fire and Rescue Authority met on 19th February 2021 and set a precept of £4,091,808. This results in a Band D Council Tax for 2021/22 of £90.00, (£88.24 2020/21), 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:

	2020/21 £	2021/22 £	2020/21 % Change
Torbay Council	1,563.01	1,641.00	4.99
Police and Crime Commissioner	221.64	236.56	6.73
Devon and Somerset Fire and Rescue Authority	88.24	90.00	1.99
Sub-Total	1,872.89	1,967.56	5.05
Brixham Town Council (only payable by Brixham residents)	56.70	58.09	2.45
Total	1,929.59	2,025.65	4.98

Background Documents

[The Referendums Relating to Council Tax Increases \(Principles\) \(England\) Report 2020/21 \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/94424/the-referendums-relating-to-council-tax-increases-principles-england-report-2020-21.pdf)

Council Tax Base 2021/22 Report

[Agenda for Council on Thursday, 3 December 2020, 5.30 pm \(torbay.gov.uk\)](https://www.torbay.gov.uk/media/1000000/Agenda-for-Council-on-Thursday-3-December-2020-5.30-pm.pdf)

[Budget 2021/22 - Torbay Council](https://www.torbay.gov.uk/media/1000000/Budget-2021-22-Torbay-Council.pdf)

Supporting Information

5. Summary

- 5.1 The Partnership presented the 2021/22 revenue budget proposal to Council on 4th February 2021 which was adjourned to the 11th February 2021. The 2021/22 revenue budget was set by Council on the 11th February 2021. The approved 2021/22 net revenue budget was £115.5m.
- 5.2 This is net expenditure before the Council's general income and funding, NNDR Income, NNDR top up grant, other general grants and any collection fund surplus.
- 5.3 This results in a Council Tax requirement for the Torbay Council element of £74,607,300 Including the Brixham Town Council precept the Council Tax requirement is £74,962,518.
- 5.4 Expenditure at that level for Torbay Council will result in a Band D Council Tax for 2021/22 of £1,641.00, a 4.99% 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 The Government set the following package of referendum principles for 2021- 22:-
 - a core council tax referendum principle of up to 2% for shire counties, unitary authorities, London boroughs, the GLA general precept, and fire authorities
 - An Adult Social Care (ASC) precept of 3% on top of the core principle for local authorities with responsibility for adult social care.

- 5.8 The Referendum Principles for 2021/22 allows local authorities (with adult social care responsibilities) to raise the council tax precept by a further 3%, this precept is to be spent on Adult Social Care. Torbay Council has included the full 3% amount in the 4.99% Council Tax increase for 2021/22.
- 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) is 4.99%, 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 January, which are prior to any adjustments to comply with CIPFA and central government reporting requirements

6. Legal Implications

- 6.1 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 has to be set by the Council.

7. Consultation

- 7.1 There has been extensive consultation on the budget proposals with all Members and through the Overview and Scrutiny Board meetings held in 2020/21 and consultation with stakeholders and residents through a series of Community Partnership meetings and Council staff.

8. Associated Risks

- 8.1 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.
- 8.2 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.