

Meeting: Council

Date: 21st February 2019

Wards Affected: All Wards in Torbay

Report Title: Council Tax 2019/20

Is the decision a key decision? Yes

When does the decision need to be implemented? The Council has a statutory obligation to set a Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies, for 2019/20 before 11th March in the preceding financial year.

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1. Purpose and Introduction

1.1 The purpose of this technical report is to enable the Council to calculate and set the Council Tax for 2019/20.

2. Proposed Decision

2.1 That the Council is recommended to note:

2.2 That in December 2018 the Council calculated the Council Tax Base for 2019/20:-

a) For the whole Council area as 45,699.55, [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 6,187.87 to which a Parish precept relates.

2.3 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 2.6 below.

That the Council is recommended to approve:

2.4 The Council Tax requirement for the Council's own purposes for 2019/20 (excluding Brixham Town Council) of £68,688,200.

2.5 That the following amounts be calculated for the year 2019/20 in accordance with Chapter Three of the Act:

a) £291,490,572 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) (£222,485,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c) £69,005,572 being the amount by which the aggregate at 2.5(a) above exceeds the aggregate at 2.5(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) £1,509.98 being the amount at 2.5(c) above (Item R), all divided by Item T (2.2(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) £317,372 being the aggregate amount of all special items (Brixham Town Council) referred to in Section 34(1) of the Act

f) £1,503.04 being the amount at 2.5(d) above less the result given by dividing the amount at 2.5(e) above by Item T (2.2(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.

2.6 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 2019/20 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	1,002.03	1,169.03	1,336.04	1,503.04	1,837.05	2,171.05	2,505.07	3,006.08
Police and Crime Commissioner	141.52	165.11	188.69	212.28	259.45	306.63	353.80	424.56
Devon and Somerset Fire and Rescue Authority	57.68	67.29	76.91	86.52	105.75	124.97	144.20	173.04
Aggregate of Council Tax	1,201.23	1,401.43	1,601.64	1,801.84	2,202.25	2,602.65	3,003.07	3,603.68

Requirements ex. Town Council								
Brixham Town Council	34.19	39.89	45.59	51.29	62.69	74.09	85.48	102.58
Aggregate of Council Tax Requirements including Brixham Town Council	1,235.42	1,441.32	1,647.23	1,853.13	2,264.94	2,676.74	3,088.55	3,706.26

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

2.7 That the Council's basic amount of Council Tax for 2019/20 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. (see paragraph 5.9)

3. Reason for Decision

3.1 The Council has a statutory obligation to set a Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies, for 2019/20 before 11th March in the preceding financial year. By approving proposed decisions the Council will meet that requirement.

4 Summary

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 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.

4.3 The Council approved the statutory Tax Base for Torbay at its meeting in December 2018 as 45,699.55 for the year 2019/20, and approved the 2019/20 Tax Base for Brixham Town Council as 6,187.87. 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".

4.4 The precept levels of other precepting bodies have been received. These are detailed below:

4.5 Brixham Town Council

Brixham Town Council met on 24th January 2019 to and set a precept of £317,372. This results in a Band D Council Tax for 2019/20 of £51.29, (£46.77 2018/19), which is an increase of 9.66%.

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

The Police and Crime Commissioner for Devon and Cornwall met on 8th February 2019 and set a precept (for Torbay) of £9,701,100. This results in a Band D Council Tax for 2019/20 of £212.28, (£188.28 2018/19), an increase of 12.75%.

4.7 Devon and Somerset Fire and Rescue Authority

Devon and Somerset Fire and Rescue Authority met on 19th February 2019 and set a precept of £3,953,925. This results in a Band D Council Tax for 2019/20 of £86.52, (£84.01 2018/19), an increase of 2.99%.

4.8 If the formal Council Tax Resolutions within 2.6 above are approved, the total basic amount “Band D” of Council Tax will be as follows:

	2018/19	2019/20	2019/20
	£	£	% Change
Torbay Council	1,459.40	1,503.04	2.99%
Police and Crime Commissioner	188.28	212.28	12.75%
Devon and Somerset Fire and Rescue Authority	84.01	86.52	2.99%
Sub-Total	1,731.69	1,801.84	4.05%
Brixham Town Council (only payable by Brixham residents)	46.77	51.29	9.66%
Total	1,778.46	1,853.13	4.20%

5 Supporting Information

5.1 The Mayor presented the 2019/20 revenue budget proposal to Council on 31st January 2019 which was adjourned to the 7th February 2019. Objections to the Mayor’s Revenue Budget were made at the meeting on the 7th February 2019, in accordance with the constitution the Mayor had until the 14th February 2019 to consider these objections. The 2019/20 revenue budget was set by Council on the 21st February 2019. The approved 2019/20 net revenue budget was £111.367m.

- 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 £68.688m. Including the Brixham Town Council precept the Council Tax requirement is £69.005m.
- 5.5 Expenditure at that level (as para 5.3) for Torbay Council will result in a Band D Council Tax for 2019/20 of £1,503.04, a 2.99% increase in the Torbay Council element of the Council tax.
- 5.6 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.
- 5.7 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
- 5.8 The 'Referendums Relating to Council Tax Increases (Principles) Report 2019/20' states:-
- 5.9 *For 2019-20, 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 2019-20 is 3+A% (comprising A% for expenditure on adult social care, and 3% for other expenditure), or more than 3+A%, greater than its relevant basic amount of council tax for 2018-19.*
- "A%" means the lesser of—*
- (a) 6% minus the aggregate of —*
- (i) the percentage increase in the relevant local authority's relevant basic amount of council tax for expenditure on adult social care for 2017-18; and*
- (ii) the percentage increase in the relevant local authority's relevant basic amount of council tax for expenditure on adult social care for 2018-19; and*
- (b) 2%;*
- 5.10 Torbay Council's Revenue Budget for 2017/18 and 2018/19 each included an additional 3% 'precept' to be spent on Adult Social Care, which is the maximum amount allowed before becoming excessive.
- 5.11 For Torbay Council if the formal Council Tax Resolutions within 2.5 above are approved the change in the "relevant basic amount" (i.e. the Band D Council tax) is 2.99%, which is not excessive.
- 5.12 The gross expenditure and income figures included at 2.5 (a) and 2.5 (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. Possibilities and Options

- 6.1 Statutory requirement, there are no alternative options.

7. Fair Decision Making

7.1 Statutory requirement, there are no alternative options.

8. Consultation

8.1 There has been extensive consultation on the budget proposals with all Members and through the Overview and Scrutiny Board meetings held in 2018/19 and consultation with stakeholders and residents through a series of Community Partnership meetings and Council staff.

9. 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.

Additional Information

[Council Tax referendum principles](#)

[Council Taxbase 2019/20 - Report to Council 5th December 2018](#)

[2019/20 Revenue Budget Proposals – Report to Council 7 February 2019](#)