

Report to: Council



Date of Meeting 24th February 2021

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

Council Tax Resolution 2021/22

Report summary

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2021/22.

In agreeing to the Cabinet recommendations on the Revenue and Capital Budgets 2021/22 (Minute Number 322) on the 3rd February 2021 this gives the Council Tax requirement for this Council of £9,119,550 resulting in a Council Tax Band D amount of £151.78. This is an increase of £5 a year (3.41%), within the threshold stipulated by government before triggering a council tax referendum.

The Budget report to Cabinet on 3rd February 2021 can be found here: [agenda and draft minutes](#), this report contains links to the detailed Revenue and Capital Budget report to Cabinet on the 6th January 2021.

In accordance with Section 25 of the Local Government Act 2003 the Chief Financial Officer (Strategic Lead Finance) has reported to the authority on the robustness of the 2021/22 budgets and is satisfied with the adequacy of the proposed financial reserves. **The 2021/22 budget recommended by Cabinet is balanced with expenditure matched by available income.**

There is a legal requirement for the Council to set a budget and associated Council Tax; the process for Council Tax Billing starts the day after the Council meeting in order to meet the necessary deadlines (bill printing, dispatch and appropriate direct debit notifications etc.). The obligation to make a lawful budget each year is shared equally by each Member.

The Council Tax setting process is that all preceptors (Devon County Council, Police and Crime Commissioner for Devon and Cornwall, Devon & Somerset Fire & Rescue Authority and town and parish councils) will set their budgets and relevant council tax requirement and then this Council, as the billing authority, will formally set the Council Tax for the area to include all amounts to be collected. This report sets out the details of this Council's Council Tax requirement and the precepts for other bodies.

Recommendation:

1. To approve the formal Council Tax Resolution at Appendix A
2. Inclusion of Queens Drive Delivery Group recommendations into the 2021/22 budget; additional £73k to the Capital Budget and to allocate £19k to Queens Drive Revenue Budget (outlined in 1.3 of the report).

Reason for recommendation:

The Council as a billing authority is required to set the Council Tax for 2021/22

Officer: Simon Davey, Strategic Lead Finance (CFO/S151)

Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Financial implications:

This report sets the Council's Council Tax requirement for 2021/22 which is derived from its Budget Requirement as recommended by Cabinet on 3rd February 2021.

Legal implications:

There are no legal observations required

Equalities impact Low Impact

Climate change High Impact

The budget approval gives the Council the resources necessary to undertake its business which will significantly contribute to the carbon footprint of the Council. There are budgets proposed to address this issue and fund actions for 2021/22 to reduce the Council's Carbon emissions.

Risk: Low Risk

Links to background information

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

1. East Devon District Council's Budget 2021/22

- 1.1 In agreeing to the Cabinet recommendations on the Revenue and Capital Budgets 2021/22 (Minute Number 322) on the 3rd February 2021 this gives the Council Tax requirement for this Council of £9,119,550 resulting in a Council Tax Band D amount of £151.78. This is an increase of £5 a year (3.41%), within the threshold stipulated by government before triggering a council tax referendum.
- 1.2 The Budget report to Cabinet on 3rd February 2021 can be found here: [agenda and draft minutes](#), this report contains links to the detailed Revenue and Capital Budget report to Cabinet on the 6th January 2021.
- 1.3 **The Exmouth Queens Drive Delivery Group** met on the 25th January 2021 making recommendations to Cabinet which had 2021/22 budgetary implications and were time critical. The minutes of that meeting have not been considered by Cabinet as yet, when they are presented the following Council meeting to approve the expenditure is not until 21st April 2021. Two areas of spend proposed by the Delivery Group, if approved, require orders to be placed and works arranged shortly with the knowledge that a budget will be in place on 1st April 2021. The two areas being:

- That the temporary use on the main Queen's Drive Space for the 2021 season progress as detailed in the report [report to Delivery Group] (paragraphs 3.1-3.8) in respect of arrangements for the bar, the traders, events and replacement of the seating areas.

The specific request with financial implication was the “- Repair and / or replacement of seating area – For the Property & FM Team to manage the removal of those items requiring repair and to replace with picnic style benches made from sustainable materials and securely attached. Members have already forwarded to Officers some ideas on specifications and suppliers and these will be considered alongside discussions with StreetScene. Initial work by the Property & FM Team suggests that to remove the existing furniture and replace with sustainable timber picnic benches would cost circa £15,000, similarly if sustainable plastic. If we were also to remove the boardwalk and replace with hard surfacing then the total cost for this and the picnic benches would be circa £20,000 - £35,000 dependant on finish.

- That the former car park site be laid to grass prior to planning permission for change of use being granted. To provide a grassed surface to the temporary car park is £18,000 to £38,000 (capital costs) with additional maintenance costs of £10,000 per annum

The overall financial implications of these recommendations from the Delivery Group result in lost car park income in the order of £20k - £30k (how much of this lost income will be recovered from car park users parking in other EDDC car parks is unknown). To provide a grassed surface to the temporary car park is £18k to £38k (capital costs) with additional maintenance costs of £10k per annum. It is expected activities on the site could generate up to £6k. A budget is also being requested of £20k to £35k (capital) to replace existing seating and infrastructure on Queen's Drive Space.

It was envisaged that additional budgets would be required, subject to Council approval, and although not included currently in the draft budget for 2021/22 the possibility of costs arising were highlighted. If proposals are adopted, with car park income assumed at a 50%

loss, then an increase is requested in the capital budget of total of £73k and net revenue implications of £19k.

If Council approve, this is an addition to the 2021/22 proposed Capital Programme of £73k and £19k to be add to the Queens Drive revenue budget from the unallocated budget held in the General Fund for such items, thereby making no amendment to overall budget and council tax requirement.

- 1.4 The budget includes an **increase in prime car park charges and permits which generates £300k** in additional income for 2021/22. This is a separate item on Council's agenda to consider. Should Council not accept the increase in charges, then at this stage of setting the Council Tax the General Fund Balance will have to make good the loss of £300k, proposals would then have to come back to Council on how savings could be made to meet this not insignificant gap in the underlying budget.

2 Council Tax Resolution 2021/22

- 2.1 The precept levels of other precepting bodies are detailed below.

It should be noted the amounts below for Devon & Cornwall Police Authority, Devon County Council, Fire & Rescue Authority are provisional as they don't meet to set their budget and precept until; Police on 15th February, County on 18th February and Fire on 19th February. Should the amounts change then a revised report will be issued to Council.

- **Town & Parish Councils**

The Town & Parish Council Precepts for 2021/22 are detailed in Schedule 1 and total £4,355,483.08. The increase in the average Band D Council Tax for Town and Parish councils is 2.37% and results in an average Band D Council Tax figure of £72.49 for 2021/22.

- **Devon County Council**

Devon County Council set their precept at £90,803,747.52. This results in a Band D Council Tax of £1,511.28. This is a total increase of 4.99%; includes a charge for adult social care services representing 3% of the increase.

- **Police and Crime Commissioner for Devon and Cornwall**

Police and Crime Commissioner for Devon and Cornwall set their precept at £14,213,471.04. This results in a Band D Council Tax of £236.56, being a 6.73% increase on the previous year.

- **Devon & Somerset Fire & Rescue Authority**

Devon & Somerset Fire & Rescue Authority set their precept at £5,407,560. This results in a Band D Council Tax of £90.00, being a 1.99% increase on the previous year.

- 2.2 This Council's calculations are set out in the formal Council Tax Resolution in Appendix A. This follows Cabinet's recommendation to Council on the 2021/22 budget.
- 2.3 This recommendation is reflected in the formal Council Tax Resolution at Appendix A and the total Band D Council Tax will be as follows:

| COUNCIL TAX LEVIES | 2020/2021 | 2021/2022 | Variation |
|--|------------------|------------------|------------------|
| | £ | £ | % |
| East Devon District Council | 146.78 | 151.78 | 3.41% |
| Parish & Town Councils (Average) | 70.81 | 72.49 | 2.37% |
| Sub Total | 217.59 | 224.27 | - |
| Devon County Council | 1,439.46 | 1,511.28* | 4.99% |
| Police and Crime Commissioner for Devon and Cornwall | 221.64 | 236.56 | 6.73% |
| Devon & Somerset Fire & Rescue Authority | 88.24 | 90.00 | 1.99% |
| TOTALS | £1,966.93 | £2,062.11 | 4.84% |

* This increase of 4.99% includes a charge for adult social care services representing 3% of the increase.

The Council is recommended to resolve as follows:

1. It be noted that on 6th January 2021 Cabinet (minute reference 290 refers) calculated the Council Tax Base 2021/22
 - (a) for the whole Council area as 60,084 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates as detailed in Schedule 1 attached.
2. As a preliminary step, calculate that the Council Tax requirement for the Council's own purposes for 2021/22 (excluding Parish precepts) is £9,119,550.
3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 30 to 36 of the Act:
 - (a) £91,145,038 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) £77,670,005 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £13,475,033 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).
 - (d) £224.27 being the amount at 3(c) above (Item R), all divided by Item T (1(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) £4,355,483 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Schedule 1).
 - (f) £151.78 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (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.

(g) The amounts stated in column 5 of the schedule 1 attached given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area specified in column 1 of Schedule 1 divided in each case by the amount at 1(a) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council tax for the year for dwellings in those parts of its area set out in column 1 of Schedule 1 to which one or more special items relate.

(h) The amounts set out in Schedule 2 attached given by multiplying the amounts at 3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that for the year 2021/22 Devon County Council, Police and Crime Commissioner for Devon and Cornwall and Devon and Somerset Fire and Rescue Authority have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

| Valuation Bands | Precepting Authority | | |
|-----------------|----------------------|---|--------------------------------|
| | Devon County Council | Police & Crime Com for Devon & Cornwall | Devon & Somerset Fire & Rescue |
| A | £1,007.52 | £157.71 | £60.00 |
| B | £1,175.44 | £183.99 | £70.00 |
| C | £1,343.36 | £210.28 | £80.00 |
| <u>D</u> | <u>£1,511.28</u> | <u>£236.56</u> | <u>£90.00</u> |
| E | £1,847.12 | £289.13 | £110.00 |
| F | £2,182.96 | £341.70 | £130.00 |
| G | £2,518.80 | £394.27 | £150.00 |
| H | £3,022.56 | £473.12 | £180.00 |

5. That, having calculated the aggregate in each case of the amounts at 3 (h) and 4 above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts set out in Schedule 3 attached as the amounts of council tax for the year 2021/22 for each of the categories of dwellings shown in Schedule 3.

The Council has determined that its relevant basic amount of Council Tax for 2021/22 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2021/22 is excessive and therefore the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.