

**Report to:** Council  
**Date of Meeting:** 26<sup>th</sup> February 2020  
**Public Document:** Yes  
**Exemption:** None



**Review date for release**

**Subject:** Council Tax Resolution 2020/21

**Purpose of report:**

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2020/21.

In agreeing to the Cabinet recommendations on the Revenue and Capital Budgets 2020/21 (Minute Number 135) on the 5<sup>th</sup> February 2020 this gives the Council Tax requirement for this Council of £8,827,496 resulting in a Council Tax Band D amount of £146.78. This is an increase of £5 a year (3.53%), within the threshold stipulated by government before triggering a council tax referendum.

The Budget report to Cabinet on 5<sup>th</sup> February 2020 can be found here: [Revenue and Capital Budgets 2020/21 Report](#) , this report contains links to the detailed Revenue and Capital Budget report to Cabinet on the 8<sup>th</sup> January 2020/21.

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 2020/21 budgets and is satisfied with the adequacy of the proposed financial reserves. **The 2020/21 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.**

**A delay in setting the Council Tax will have very serious financial consequences. It will render the Council vulnerable to legal proceedings and serious financial losses will accrue very soon from a late setting of Council Tax; not only in its own loss of income to run services, but preceptors are still required to be paid at £11 million a month and this will have to be met by this Council.**

The budget reports to Cabinet and the Housing Review Board highlight future consideration that need to be addressed in order to set a balanced budgets from **2021/22 onwards**. A refreshed Medium Term Financial Plan is required to be debated with updated actions in order to balance future budgets and a revised Housing Revenue Account Business Plan is required to consider the implication of the cost of replacing right to buy properties and the costs associated with the Carbon Reduction Plan.

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These will be subject to further debate and necessary decisions required before the Council can set its 2021/22 budget.

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:**

**To approve the formal Council Tax Resolution at Appendix A**

**Reason for recommendation:**

The Council as a billing authority is required to set the Council Tax for 2020/21

**Officer:**

Simon Davey, Strategic Lead Finance (CFO/S151)

**Portfolio Holder:**

Portfolio Holder for Finance

**Financial implications:**

This report sets the Council's Council Tax requirement for 2020/21 which is derived from its Budget Requirement as recommended by Cabinet on 5<sup>th</sup> February 2020.

**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 2020/21 which start to reduce the Council's Carbon emissions.

**Risk:**

Low Risk

**Links to background information:**

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**Link to [Council Plan](#):**

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

## Report in full

### 1 Council Tax Resolution 2020/21

#### 1.1 The precept levels of other precepting bodies are detailed below.

It should be noted the amounts below for Devon County Council and Fire and Rescue Authority are provisional as they don't meet to set their budget and precept until the 20<sup>th</sup> February (County) and 21<sup>st</sup> February (Fire). Should the amounts change then a revised report will be issued to Council.

- **Town & Parish Councils**

The Town & Parish Council Precepts for 2020/21 are detailed in Schedule 1 and total £4,258,412.59. The increase in the average Band D Council Tax for Town and Parish councils is 3.86% and results in an average Band D Council Tax figure of £70.81 for 2020/21.

- **Devon County Council**

Devon County Council set their precept at £86,570,563.86. This results in a Band D Council Tax of £1,439.46. This is a total increase of 3.99%; includes a charge for adult social care services representing 2% of the increase.

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

Police and Crime Commissioner for Devon and Cornwall set their precept at £13,329,651.24. This results in a Band D Council Tax of £221.64, being a 4.41% increase on the previous year.

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

Devon & Somerset Fire & Rescue Authority set their precept at £5,306,841.84. This results in a Band D Council Tax of £88.24, being a 1.99% increase on the previous year.

#### 1.2 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 2020/21 budget.

- 1.3 This recommendation is reflected in the formal Council Tax Resolution at Appendix A and the total Band D Council Tax will be as follows:

<b>COUNCIL TAX LEVIES</b>	<b>2019/2020</b>	<b>2020/2021</b>	<b>Variation</b>
	<b>£</b>	<b>£</b>	<b>%</b>
East Devon District Council	141.78	146.78	3.53%
Parish & Town Councils (Average)	68.18	70.81	3.86%
Sub Total	209.96	217.59	-
Devon County Council	1,384.29	1,439.46*	3.99%
Police and Crime Commissioner for Devon and Cornwall	212.28	221.64	4.41%
Devon & Somerset Fire & Rescue Authority	86.52	88.24	1.99%
<b>TOTALS</b>	<b>£1,893.05</b>	<b>£1,966.93</b>	<b>3.90%</b>

\* This increase of 3.99% includes a charge for adult social care services representing 2% of the increase.

**The Council is recommended to resolve as follows:**

1. It be noted that on 18<sup>th</sup> December 2019 Council (minute reference 54 refers) calculated the Council Tax Base 2020/21
  - (a) for the whole Council area as 60,141 [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 2020/21 (excluding Parish precepts) is £8,827,496.
3. That the following amounts be calculated for the year 2020/21 in accordance with Sections 30 to 36 of the Act:
  - (a) £90,438,863 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) £77,352,954 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £13,085,909 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) £217.59 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) £4,258,413 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) £146.78 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 2020/21 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	£959.64	£147.76	£58.83
B	£1,119.58	£172.39	£68.63
C	£1,279.52	£197.01	£78.44
<u>D</u>	<u>£1,439.46</u>	<u>£221.64</u>	<u>£88.24</u>
E	£1,759.34	£270.89	£107.85
F	£2,079.22	£320.15	£127.46
G	£2,399.10	£369.40	£147.07
H	£2,878.92	£443.28	£176.48

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 2020/21 for each of the categories of dwellings shown in Schedule 3.

The Council has determined that its relevant basic amount of Council Tax for 2020/21 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 2020/21 is excessive and therefore the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.