

Meeting:	Council
Meeting date:	Friday 6 March 2020
Title of report:	Council tax setting
Report by:	Cabinet member finance and corporate services

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To set the council tax and precepts for 2020/21.

At its meeting on 14 February Herefordshire Council approved the net budget requirement for 2020/21 at £157.1m and an associated council tax requirement of £109.8m on a tax base of 69,756.19 band D equivalents.

As the billing authority this report seeks approval for the council tax amounts for each category of dwelling in Herefordshire including precepts from West Mercia Police, Hereford and Worcester Fire Authority and Herefordshire town and parish councils for the financial year 2020/21. Appendices 1, 2 and 5 will be updated and shared as a supplementary paper following the confirmation of the Walford parish precept requirement.

Recommendation(s)

That:

- (a) The precepting authority details incorporated in appendices 1 to 5, relating to town and parishes, West Mercia Police and Hereford and Worcester Fire Authority be approved in accordance with sections 30(2), 34(3), 36(1) and section 40 of the Local Government Finance Act 1992 (as amended) and that the following amounts be approved for the year 2020/21 in accordance with sections 31 to 36 of the Local Government Finance Act 1992, regulation 6 (as amended by the Localism Act 2011):**

- | | | |
|----|--------------|--|
| a. | TBC | being the estimated aggregate expenditure of the council in accordance with section 31A (2) of the act, including all precepts issued to it by parish councils; |
| b. | £222,682,000 | being the estimated aggregate income of the council for the items set out in section 31A (3) of the act (including revenue support grant); |
| c. | TBC | being the amount by which the aggregate at (a) above exceeds the aggregate at (b) calculated by the council in accordance with section 31A(4) of the act, as its council tax requirement for the year (including parish precepts); [Item R in the formula in Section 31B of the Act] |
| d. | TBC | being the amount at (c) above divided by the amount of the council tax base 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. | TBC | being the aggregate amount of all special items (parish precepts) referred to in section 34(1) of the act; |
| f. | £1,573.77 | being the amount at (d) above less the result given by dividing the amount at (e) above by the amount of the council tax base 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 (Herefordshire Council band D council tax, excluding parishes) |

(b) it is agreed that the net tax base of 69,756.19 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) used for setting the budget requirement for 2020/21;

- a. **is allocated to band D equivalent dwellings per precept area as shown in appendix 1; and**
- b. **the individual council tax allocations per valuation band of dwelling by parish (including fire and police precepts) as set out in appendix 5.**

Alternative options

1. There are no alternative options to setting a council tax. As the billing authority, the council is required to set the overall council tax for the following financial year and Council approved the net tax base on which the precept is in part based at its meeting on 14 February; the remaining precept elements are set by other authorities and the council acts as the collecting agent for those precepted sums.
2. Local government legislation requires the council to set council tax each financial year. It also requires that certain categories of income and expenditure and other financial information are provided in accordance with Local Government Finance Act 1992 (as amended by the Localism Act 2011).

Key considerations

3. The Local Government Finance Act 1992 (as amended by the Localism Act 2011) sets out the specific amounts to be calculated and approved. This report enables the council to meet its legislative duty and set the council tax for each category of dwellings, including the council tax requirement of the council.
4. Herefordshire Council approved a council tax increase of 3.9% (inclusive of 2% adult care precept) above the rate of council tax for 2019/20 at its meeting on 14 February. The council's band D council tax for 2020/21 becomes set at £1,573.77.
5. The parish precepts for 2020/21 is attached at appendix 1. Walford Parish Council will be confirming its precept requirement for 2020/21 on the 28th February, following confirmation of this a supplementary paper will be published confirming the total precept and average band D council tax charge.
6. The precepts for the Office of the Police and Crime Commissioner for West Mercia, an increase of 3.9%, and Hereford and Worcester Fire Authority, an increase of 2.0%, are shown in appendices 3 and 4.

Council tax calculations

7. The calculation of council tax involves several stages and the Local Government Finance Act 1992 requires figures to be calculated including and excluding parish precepts. The following table will be updated in a supplementary paper to be issued following the confirmation of the Walford parish precept requirement:

	Herefordshire Council £	Parish precepts £	Herefordshire incl. parishes (average) £
Estimated gross expenditure	379,799,000	TBC	TBC
LESS estimated income	222,682,000	Not applicable	222,682,000
Net budget requirement	157,117,000	TBC	TBC

LESS retained business rates	36,726,000	Not applicable	36,726,000
LESS revenue support grant	635,000	Not applicable	635,000
LESS rural sparsity delivery grant	5,101,000	Not applicable	5,101,000
LESS adult social care grant	4,875,000	Not applicable	4,875,000
Council tax requirement	109,780,000	TBC	TBC
Divided by council net tax base (band D equivalent)	69,756.19	69,756.19	69,756.19
Council tax at band D	£1,573.77	TBC	TBC

Council tax amounts

8. Appendices 1 to 5 to this report contain the individual council tax amounts for each category of dwelling as required by the Local Government Finance Act 1992 and associated regulations. Appendices 1, 2 and 5 will be updated and shared as a supplementary paper following the confirmation of the Walford parish precept requirement.
9. Herefordshire Council's band D council tax for 2020/21 is £1,573.77, which is an increase of £59.07 (3.9%) compared to 2019/20.
10. As part of the process we are required to include precepts from other bodies that will be included on council tax bills.
11. The parish precepts is set out in detail in appendix 1 providing the parish precept requirement and the band D council tax charge for each parish. This will be updated and published as a supplementary paper following the confirmation of the Walford parish precept requirement.
12. The charge by each property band, inclusive of the Herefordshire Council charge, is set out in appendix 2. This will be updated and published as a supplementary paper following the confirmation of the Walford parish precept requirement.
13. The Office of the Police and Crime Commissioner for West Mercia precept is set out in appendix 3 (£225.20 at band D).
14. The Hereford and Worcester Fire Authority precept is set out in appendix 4 (£85.99 at band D).
15. Appendix 5 provides the impact of all precepts on the council tax bill by detailing the total amount of council tax payable in each parish by property band. This will be updated and published as a supplementary paper following the confirmation of the Walford parish precept requirement.

Community impact

16. The council tax is levied to enable the council to resource service delivery in accordance with the corporate plan priorities established by full Council. The proposed increase could result in increasing individuals financial difficulties; this is mitigated by providing payment options, relevant discounts and reliefs including the council tax reduction scheme and financial hardship policy.

Equality duty

17. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
18. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.
 19. The council tax charges may not directly impact on the equality duty because charges are levied in relation to property values and not individuals however where it may have an impact on households there are a variety of schemes in place to mitigate against a negative impact, including single person discount and council tax reduction.

Resource implications

20. The resources required for billing purposes are contained within existing budgets. Customers are encouraged to register online to receive their bill electronically. As in prior years, information relating to council tax, including how the money is spent, will be available online and a weblink will be included on issued bills.

Legal implications

21. S30 of the Local Government Act 1992 places a duty on this council, as a billing authority, to set an amount of council tax for the different categories of dwellings, according to the band in which the dwelling falls before 11 March.
22. A notice of the amount set must be published in at least one newspaper circulating in the authority's area within 21 days of the decision.

23. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on this decision as a relevant matter, if he or she has an outstanding council tax debt of over two months. If a councillor is present at this meeting he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.

Risk management

24. That an incorrect precept is applied, this would result in differences between the amount collected and the amount required. Every effort is made to ensure the correct data is gathered and applied to minimise this risk.

Consultees

25. The council consulted with the public on the proposed budget for 2020/21. There were a total of 269 responses to the consultation; 52% of respondents thought that a council tax increase of 4% is about right or too little. The council tax charge is determined by the budget requirement as agreed by full Council on 14 February following a review of the outcome of the budget consultation.
26. The council has undertaken no consultation on the precepts of other authorities, this is not a matter that the council can undertake.

Appendices

Appendix 1 - Herefordshire Council requirement by parish, including band D equivalent.

Appendix 2 - Council tax for each valuation band, by parish, without the police and fire precepts.

Appendix 3 – The Office of the Police and Crime Commissioner for West Mercia precept requirement for each valuation band.

Appendix 4 - Hereford and Worcester Fire Authority precept requirement for each valuation band.

Appendix 5 - Council tax for each valuation band by parish, including the police and fire precepts.

Background papers

None identified