Colchester	Council 13 February 2020		Item <b>7(i)</b>
Report of	Assistant Director for Corporate and Improvement Services	Author	Paul Cook 🕿 505861
Title	Precept and Council Tax Levels 2020/21		
Wards affected	Not Applicable		

## 1 **Executive Summary**

- 1.1 The purpose of this report is to set out the statutory resolutions the Council is required to approve, in order to set the Council Tax for each band for the financial year 2020/21. These include the following information:
- A Council Tax Base of 63,933 Band D equivalent properties, together with details of the Council Tax base for individual parishes.
- A Council Tax requirement for Colchester Borough Council of £12.50 million (excluding parishes).
- Colchester's element of the Council Tax being £195.57 for Band D properties (excluding parishes). An increase of 2.60%.
- Expected Band D Council Tax for Essex County Council, Essex Police and Essex Fire and Rescue Authority.
- The total Council Tax payable for the different parts of the Council's area.
- Parish, Town and Community Councils precept amounts for 2020/21.
- 1.2 The report should be read alongside the 2020/21 Revenue Budget, New Strategic Priorities and the Medium-Term Financial Forecast

#### 2 Recommended Decision

2.1 To approve the statutory resolutions as set out at Appendix 1 which are in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, in respect of the Council Tax for each band for the financial year 2020/21.

## 3 Reason for Recommended Decision

3.1 The Council is required, in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set formally the Council Tax for each band, which will include precepting authorities.

## 4 Alternative Options

4.1 The resolutions are a statutory requirement

## 5 Colchester Borough Council's Council Tax Requirement

- 5.1 29 January 2020 Cabinet approved and recommended to Council the 2020/21 Revenue Budget Requirement.
- 5.2 The final 2020/21 Local Government Finance Settlement has not yet been received but is expected before the Council meeting on 13 February 2020. The Settlement is not expected to contain any material changes from the Cabinet Report. Any differences will be reported to the Council meeting.
- 5.3 The budget proposals are based on additional business rates income above the 2020/21 business rate baseline. The January 2020 business rates 2020/21 return to the Ministry of Housing, Communities and Local Government confirms the budget estimate.
- 5.4 The forecast collection fund business rates deficit as at the end of 2019.20 is unchanged from the budgeted figure of £485k. This deficit will be met from the business rates reserve.
- 5.5 Any additional business rates achieved over the forecasts will be allocated to the business rates reserve.
- 5.6 Cabinet recommended that Colchester's element of the Council Tax for 2020/21 be agreed at £195.57 for Band D properties, which represents an increase of £4.95 (2.60%).
- 5.7 In approving Colchester's element of the Council Tax, account must be taken of Retained Business Rates and any surplus or deficit arising from the Collection Fund. Colchester's Council Tax requirement also must reflect Parish Council spending and the Table 1 sets out the position:
- 5.8 Colchester's Council Tax at Band D for 2020/21 is £195.57 and is set out in Table 2

Tab	le 1 – Council Tax Requirement (£k)		
1	Budget Requirement		24,514
2	Use of New Homes Bonus	(3,602)	
3	Use of Reserves and Balances	(2,779)	
4			18,133
5	Parish Councils requirement	2,094	
6			20,227
7	Business Rates Baseline	(4,300)	
8	Business Rates Growth	(1,870)	
9			14,057
10	Deficit on collection fund business rates	485	
11	Deficit on collection fund council tax	55	
12	Council Tax Requirement		14,597

Tab	le 2 – Colchester Band D Council Tax	
1	Council Tax Requirement (as detailed above)	14,597,183
2	Divided by Council Tax Base	63,933.0
3	Council Tax at Band D (including Parishes)	228.32
4	Deduct Parish Element	(32.75)
5	Council Tax at Band D for Colchester Borough Council	195.57

## 6 Essex County Council and Essex Police, Fire and Crime Commissioner

- 6.1 In order to determine formally the overall level of Council Tax, account has to be taken of the precept requirements of Essex County Council, Essex Police and the Fire and Rescue Service.
- 6.2 The table sets out the overall position based on information received at the date of writing this report. The Police Fire and Crime Panel expect to approve the budgets for Essex Police and Crime Commissioner and the Fire and Rescue Service on 6 February 2020. Essex County Council is expected to formally approve its budget on 11 February. Any change to the information set out in this report will be reported to this meeting.

Table 3 – Essex County Council, Police, Fire and Crime Commissioner						
	Council Tax at Band D					
2019/20 2020/21 Change C £ £ £p				Change %		
Colchester Borough Council	190.62	195.57	4.95	2.60		
Essex County Council	1,270.44	1,321.11	50.67	3.99		
Essex Police & Crime Commissioner	192.96	198.63	5.67	2.94		
Essex Fire and Rescue Service	72.45	73.89	1.44	1.99		
	1,726.47	1,789.20	62.73	3.63		

- 6.3 The overall position (excluding parishes) is set out in Table 4.
- 6.4 The appropriate Parish elements are added to these figures. Full details of the tax rates are given in Appendix 1. (Details of the individual Parish Precepts are set out in Appendix 2).
- 6.5

Table 4 = Overall Council Tax Rates								
Band	Colchester	County	Police	Fire	Total			
А	130.38	880.74	132.42	49.26	1,192.80			
В	152.11	1,027.53	154.49	57.47	1,391.60			
С	173.84	1,174.32	176.56	65.68	1,590.40			
D	195.57	1,321.11	198.63	73.89	1,789.20			
E	239.03	1,614.69	242.77	90.31	2,186.80			
F	282.49	1,908.27	286.91	106.73	2,584.40			
G	325.95	2,201.85	331.05	123.15	2,982.00			
Н	391.14	2,642.22	397.26	147.78	3,578.40			

## 7. Special Expenses

7.1 Special expenses are defined as those expenses incurred by the Council in performing, in part of the borough, a function performed elsewhere in the borough by a Parish Council. The Local Government Act 1992 allows the Council to treat any special

expenses as general expenses, i.e. as part of its own budget requirement for Council Tax purposes, provided the Council resolved accordingly.

7.2 It is reasonable for the Council to continue to treat special expenses as general expenses, and for clarity it is considered sensible to reaffirm this position on an annual basis. A resolution to this effect, therefore, is included within Appendix 1.

## 8. Strategic Plan References

8.1 The Strategic Plan objectives have informed all stages of the Council's budget setting process.

## 9. Publicity Considerations

9.1 The usual arrangements will be made to publish the approved tax levels in the local press and to produce the Council Tax Information Leaflet for distribution with the Council Tax bills. These will be in accordance with the legal requirements.

## **10.** Financial Implications

10.1 Included in the body of this report.

## 11. Consultation

11.1. The budget report to Cabinet set out consultation in respect of the budget including the statutory NNDR ratepayers meeting. This meeting took place on 15 January 2020.

#### 12. Environment and Sustainability Implications

12.1. The New Strategic Priorities reflect the Council's declaration of a Climate Emergency and its commitment to becoming carbon neutral by 2030. The environmental and sustainability implications of individual programmes will be thoroughly assessed with reference to the definition of sustainable development set out in the National Planning Policy Framework.

#### 13. Equality and Diversity Implications

13.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

## 14. Standard References

14.1. There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

## Appendices

Appendix 1: Resolutions Appendix 2: Parish Council Precepts 2020/21

**Background Papers** 

None

## RESOLUTIONS

- 1. It be noted that the Tax Base has been approved and the following amounts were calculated for the year 2020/21 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 as amended ('the Act'):
  - (a) 63,933.0 equivalent band D properties being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year. (Item T in the Act)
  - (b) Part of the Council's area for the parish of:

Parish	Parish Tax Base
Abberton & Langenhoe	434.7
Aldham	206.7
Birch	304.8
Boxted	604.3
Chappel	219.9
Copford	684.5
Dedham	927.1
East Donyland	820.2
East Mersea	124.0
Eight Ash Green	649.5
Fingringhoe	337.1
Fordham	326.1
Great Horkesley	1,049.2
Great Tey	378.8
Langham	488.9
Layer Breton	132.2
Layer de la Haye	720.6
Layer Marney	89.7
Little Horkesley	90.7
Marks Tey	950.9
Messing cum Inworth	176.3
Mount Bures	106.4
Myland	5,852.6
Stanway	4,061.3
Tiptree	3,508.0
Wakes Colne	238.6
West Bergholt	1,340.2
West Mersea	3,163.9
Winstred Hundred	487.9
Wivenhoe	2,851.0
Wormingford	193.8

Being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

- 2. Calculate that the Council Tax Requirement for the Council's own purposes for 2020/21 (excluding parish precepts) is £12,503,000
- 3. The following amounts be now calculated by the Council for the year 2020/21 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:

(a)	£127,039,200	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act. [Gross Expenditure]
(b)	£112,442,600	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. [Gross Income including Government grants]
(c)	£14,596,600	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)	£228.32	Being the amount at 3(c) above divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year. [Council Tax, including parishes]
(e)	£2,093,829	Being the aggregate amount of all special items referred to in Section 34(1) of the Act. [Parish Precepts]
(f)	£195.57	Being the amount at 3(d) above, less the result given by dividing the amount at 3(e) above by the amount at 1(a) above (Item T in the formula), 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 special item relates.

## (g) Part of the Council's area

	£
Abberton & Langenhoe	34.9
Aldham	63.3
Birch	36.1
Boxted	85.1
Chappel	77.5
Copford	59.2
Dedham	45.4
East Donyland	84.5
East Mersea	63.0
Eight Ash Green	52.1
Fingringhoe	34.9
Fordham	90.0
Great Horkesley	33.4
Great Tey	50.0
Langham	40.3
Layer Breton	0.0
Layer de la Haye	23.2
Layer Marney	0.0
Little Horkesley	45.4
Marks Tey	62.6
Messing cum Inworth	69.4
Mount Bures	27.6
Myland	23.5
Stanway	66.5
Tiptree	105.5
Wakes Colne	55.0
West Bergholt	76.4
West Mersea	103.5
Winstred Hundred	26.4
Wivenhoe	119.1
Wormingford	49.3
All other parts of the Council's area	195.57

Being the amounts 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 mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basis amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

## (h) Parts of the Council's Area

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Abberton & Langenhoe	153.66	179.27	204.88	230.49	281.71	332.93	384.15	460.98
Aldham	172.58	201.34	230.11	258.87	316.40	373.92	431.45	517.74
Birch	154.44	180.18	205.92	231.66	283.14	334.62	386.10	463.32
Boxted	187.11	218.29	249.48	280.66	343.03	405.40	467.77	561.32
Chappel	182.02	212.36	242.69	273.03	333.70	394.38	455.05	546.06
Copford	169.82	198.12	226.43	254.73	311.34	367.94	424.55	509.46
Dedham	160.63	187.41	214.18	240.95	294.49	348.04	401.58	481.90
East Donyland	186.69	217.81	248.92	280.04	342.27	404.50	466.73	560.08
East Mersea	172.39	201.13	229.86	258.59	316.05	373.52	430.98	517.18
Eight Ash Green	165.10	192.62	220.13	247.65	302.68	357.72	412.75	495.30
Fingringhoe	153.62	179.22	204.83	230.43	281.64	332.84	384.05	460.86
Fordham	190.35	222.07	253.80	285.52	348.97	412.42	475.87	571.04
Great Horkesley	152.67	178.11	203.56	229.00	279.89	330.78	381.67	458.00
Great Tey	163.69	190.98	218.26	245.54	300.10	354.67	409.23	491.08
Langham	157.23	183.43	209.64	235.84	288.25	340.66	393.07	471.68
Layer Breton	130.38	152.11	173.84	195.57	239.03	282.49	325.95	391.14
Layer de la Haye	145.86	170.17	194.48	218.79	267.41	316.03	364.65	437.58
Layer Marney	130.38	152.11	173.84	195.57	239.03	282.49	325.95	391.14
Little Horkesley	160.66	187.44	214.21	240.99	294.54	348.10	401.65	481.98
Marks Tey	172.13	200.81	229.50	258.19	315.57	372.94	430.32	516.38
Messing cum Inworth	176.65	206.09	235.53	264.97	323.85	382.73	441.62	529.94
Mount Bures	148.79	173.58	198.38	223.18	272.78	322.37	371.97	446.36
Myland	146.04	170.38	194.72	219.06	267.74	316.42	365.10	438.12
Stanway	174.70	203.82	232.93	262.05	320.28	378.52	436.75	524.10
Tiptree	200.71	234.16	267.61	301.06	367.96	434.86	501.77	602.12
Wakes Colne	167.05	194.89	222.73	250.57	306.25	361.93	417.62	501.14
West Bergholt	181.30	211.52	241.73	271.95	332.38	392.82	453.25	543.90

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
West Mersea	199.35	232.57	265.80	299.02	365.47	431.92	498.37	598.04
Winstred Hundred	147.99	172.65	197.32	221.98	271.31	320.64	369.97	443.96
Wivenhoe	209.77	244.73	279.69	314.65	384.57	454.49	524.42	629.30
Wormingford	163.24	190.45	217.65	244.86	299.27	353.69	408.10	489.72
All other parts of Council's area	130.38	152.11	173.84	195.57	239.03	282.49	325.95	391.14

Being the amounts given by multiplying the amounts at (f) and (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. It be noted that for the year 2020/21 Essex County Council, and the Essex Police, Fire and Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band	Precepting Authority				
	County	Police	Fire		
	£	£	£		
A	880.74	132.42	49.26		
В	1,027.53	154.49	57.47		
С	1,174.32	176.56	65.68		
D	1,321.11	198.63	73.89		
E	1,614.69	242.77	90.31		
F	1,908.27	286.91	106.73		
G	2,201.85	331.05	123.15		
Н	2,642.22	397.26	147.78		

## **Valuation Bands**

- 5. Having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2020/21 for each of the categories of dwellings shown overleaf:
- 6. For the purposes of Section 35 of the Local Government Act 1992, any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish council or chairman of a parish meeting shall not be treated as special expenses.
- 7 Determines that the Council's basic amount of Council Tax for 2020/21 is **not excessive** in accordance with the principles approved under Section 52ZB of the Act, and as shown in the calculation below.
  - (a) Increase defined by the Secretary of State as constituting an excessive increase for 2020/21:

*(i)* 2%, or more than 2%, greater than its relevant basic amount of council tax for 2019/20; and

(ii) more than £5.00 greater than its relevant basic amount of council tax for 2019/20.

(b) Percentage increase in the Council's basic amount of Council Tax:

2019/20 amount	£190.62
2020/21 amount	£195.57
Percentage increase:	£4.95 and 2.60%

The figure at 7(b) is less than the figure at 7(a) above and therefore the Council's basic amount of Council Tax for 2020/21 is **not excessive** and no referendum is required.

8 Discretionary council tax discounts and exemptions for 2020/21 are:

Reference to:	Council position
Second Homes: (Prescribed classes of	No discount applicable to this class
Dwelling A & B)	
Empty dwellings undergoing major	No discount applicable to this class
repair (formerly Exempt Dwellings	
"Class A")	
Vacant dwellings (formerly Exempt	A 100% discount will be given for a
Dwellings "Class C")	maximum period of 28 days.
Empty Homes Premium	A premium of 100% will be charged for
	properties empty for over 2 years, and
	200% for empty over 5 years.

## 9. Parts of the Council's Area

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Abberton & Langenhoe	1,216.08	1,418.76	1,621.44	1,824.12	2,229.48	2,634.84	3,040.20	3,648.24
Aldham	1,235.00	1,440.83	1,646.67	1,852.50	2,264.17	2,675.83	3,087.50	3,705.00
Birch	1,216.86	1,419.67	1,622.48	1,825.29	2,230.91	2,636.53	3,042.15	3,650.58
Boxted	1,249.53	1,457.78	1,666.04	1,874.29	2,290.80	2,707.31	3,123.82	3,748.58
Chappel	1,244.44	1,451.85	1,659.25	1,866.66	2,281.47	2,696.29	3,111.10	3,733.32
Copford	1,232.24	1,437.61	1,642.99	1,848.36	2,259.11	2,669.85	3,080.60	3,696.72
Dedham	1,223.05	1,426.90	1,630.74	1,834.58	2,242.26	2,649.95	3,057.63	3,669.16
East Donyland	1,249.11	1,457.30	1,665.48	1,873.67	2,290.04	2,706.41	3,122.78	3,747.34
East Mersea	1,234.81	1,440.62	1,646.42	1,852.22	2,263.82	2,675.43	3,087.03	3,704.44
Eight Ash Green	1,227.52	1,432.11	1,636.69	1,841.28	2,250.45	2,659.63	3,068.80	3,682.56
Fingringhoe	1,216.04	1,418.71	1,621.39	1,824.06	2,229.41	2,634.75	3,040.10	3,648.12
Fordham	1,252.77	1,461.56	1,670.36	1,879.15	2,296.74	2,714.33	3,131.92	3,758.30
Great Horkesley	1,215.09	1,417.60	1,620.12	1,822.63	2,227.66	2,632.69	3,037.72	3,645.26
Great Tey	1,226.11	1,430.47	1,634.82	1,839.17	2,247.87	2,656.58	3,065.28	3,678.34
Langham	1,219.65	1,422.92	1,626.20	1,829.47	2,236.02	2,642.57	3,049.12	3,658.94
Layer Breton	1,192.80	1,391.60	1,590.40	1,789.20	2,186.80	2,584.40	2,982.00	3,578.40
Layer de la Haye	1,208.28	1,409.66	1,611.04	1,812.42	2,215.18	2,617.94	3,020.70	3,624.84
Layer Marney	1,192.80	1,391.60	1,590.40	1,789.20	2,186.80	2,584.40	2,982.00	3,578.40
Little Horkesley	1,223.08	1,426.93	1,630.77	1,834.62	2,242.31	2,650.01	3,057.70	3,669.24
Marks Tey	1,234.55	1,440.30	1,646.06	1,851.82	2,263.34	2,674.85	3,086.37	3,703.64
Messing cum Inworth	1,239.07	1,445.58	1,652.09	1,858.60	2,271.62	2,684.64	3,097.67	3,717.20
Mount Bures	1,211.21	1,413.07	1,614.94	1,816.81	2,220.55	2,624.28	3,028.02	3,633.62
Myland	1,208.46	1,409.87	1,611.28	1,812.69	2,215.51	2,618.33	3,021.15	3,625.38
Stanway	1,237.12	1,443.31	1,649.49	1,855.68	2,268.05	2,680.43	3,092.80	3,711.36
Tiptree	1,263.13	1,473.65	1,684.17	1,894.69	2,315.73	2,736.77	3,157.82	3,789.38
Wakes Colne	1,229.47	1,434.38	1,639.29	1,844.20	2,254.02	2,663.84	3,073.67	3,688.40
West Bergholt	1,243.72	1,451.01	1,658.29	1,865.58	2,280.15	2,694.73	3,109.30	3,731.16

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
West Mersea	1,261.77	1,472.06	1,682.36	1,892.65	2,313.24	2,733.83	3,154.42	3,785.30
Winstred Hundred	1,210.41	1,412.14	1,613.88	1,815.61	2,219.08	2,622.55	3,026.02	3,631.22
Wivenhoe	1,272.19	1,484.22	1,696.25	1,908.28	2,332.34	2,756.40	3,180.47	3,816.56
Wormingford	1,225.66	1,429.94	1,634.21	1,838.49	2,247.04	2,655.60	3,064.15	3,676.98
All other parts of Council's area	1,192.80	1,391.60	1,590.40	1,789.20	2,186.80	2,584.40	2,982.00	3,578.40

# Parish Council Precepts 2020/21

Parish	Precept 2019/20	Precept 2020/21	Increase/ (Reduction)	Increase/ (Reduction)	
	£	£	£	%	
Abberton & Langenhoe	14,619	15,181	562	3.84	
Aldham	11,084	13,084	2,000	18.04	
Birch	9,000	11,000	2,000	22.22	
Boxted	49,272	51,418	2,146	4.36	
Chappel	17,034	17,034	0	0.00	
Copford	37,197	40,494	3,297	8.86	
Dedham	42,033	42,068	35	0.08	
East Donyland	63,302	69,282	5,980	9.45	
East Mersea	7,814	7,814	0	0.00	
Eight Ash Green	32,224	33,829	1,605	4.98	
Fingringhoe	11,675	11,751	76	0.65	
Fordham	29,450	29,333	(117)	(0.40)	
Great Horkesley	19,854	35,075	15,221	76.67	
Great Tey	18,427	18,927	500	2.71	
Langham	19,193	19,690	497	2.59	
Layer Breton	0	0	0	n/a	
Layer de la Haye	15,891	16,735	844	5.31	
Layer Marney	0	0	0	n/a	
Little Horkesley	3,631	4,120	489	13.47	
Marks Tey	55,603	59,550	3,947	7.10	
Messing cum Inworth	11,267	12,235	968	8.59	
Mount Bures	3,385	2,938	(447)	(13.21)	
Myland	136,220	137,470	1,250	0.92	
Stanway	172,675	270,000	97,325	56.36	
Tiptree	358,678	370,059	11,381	3.17	
Wakes Colne	13,122	13,122	0	0.00	
West Bergholt	92,577	102,367	9,790	10.57	
West Mersea	304,041	327,317	23,276	7.66	
Winstred Hundred	12,884	12,884	0	0.00	
Wivenhoe	324,829	339,500	14,671	4.52	
Wormingford	9,439	9,552	113	1.20	
Totals	1,896,420	2,093,829	197,409	10.41	