

Council

24 February 2021

Item
7(i)

Report of	Assistant Director for Corporate and Improvement Services	Author	Paul Cook ☎ 505861
Title	Precept and Council Tax Levels 2021/22		
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 2021/22. These include the following information:
- A Council Tax Base of 62,776 Band D equivalent properties, together with details of the Council Tax base for individual parishes.
 - A Council Tax requirement for Colchester Borough Council of £12.588 million (excluding parishes).
 - Colchester's element of the Council Tax being £200.52 for Band D properties (excluding parishes). This is an increase of 2.53%.
 - 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 2021/22.
- 1.2 The report should be read alongside the 2021/22 Revenue Budget and the Medium-Term Financial Forecast.

2 Recommended Decision

- 2.1 To approve the statutory resolutions as set out at Appendix A 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 2021/22.

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 At its meeting on 27 January 2021 Cabinet approved and recommended to Council the 2021/22 Revenue Budget Requirement.
- 5.2 The final 2021/22 Local Government Finance Settlement has been received and has changed how we show the collection fund business rates deficit. The 27 January Cabinet report showed this as spread over 3 years, whilst the regulations now require this to be shown in the year and matched by Government grant, as reflected in this report.
- 5.3 The budget proposals are based on additional business rates income above the 2021/22 business rate baseline. The January 2021 business rates 2021/22 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 2020/21 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 2021/22 be agreed at £200.52 for Band D properties, which represents an increase of £4.95 (2.53%).
- 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:

Table 1 – Council Tax Requirement (£k)			
1	Budget Requirement		25,028
2	Use of New Homes Bonus	(2,430)	
3	Use of Reserves and Balances	(14,800)	
4			7,798
5	Parish Councils requirement	2,101	
6			9,899
7	Business Rates Baseline	(4,300)	
8	Business Rates Growth	(1,620)	
9	Government Grant	(2,115)	
10			1,864
11	Deficit on collection fund business rates	12,787	
12	Deficit on collection fund council tax	37	
13	Council Tax Requirement		14,688

5.8 Colchester's Council Tax at Band D for 2021/22 is £200.52 and is set out in Table 2

Table 2 – Colchester Band D Council Tax		
1	Council Tax Requirement (as detailed above)	14,688,473
2	Divided by Council Tax Base	62,776.0
3	Council Tax at Band D (including Parishes)	233.98
4	Deduct Parish Element	(33.46)
5	Council Tax at Band D for Colchester Borough Council	200.52

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 Table 3 sets out the overall position based on information received at the date of writing this report. The Police Fire and Crime Panel approved 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 23 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			
	2020/21 £	2021/22 £	Change £p	Change %
Colchester Borough Council	195.57	200.52	4.95	2.53
Essex County Council	1,321.11	1,340.91	19.80	1.50
Essex Police & Crime Commissioner	198.63	208.53	9.90	4.98
Essex Fire and Rescue Service	73.89	73.89	0.00	0.00
	1,789.20	1,823.85	34.65	1.94

- 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 A. (Details of the individual Parish Precepts are set out in Appendix B).

Table 4 = Overall Council Tax Rates					
Band	Colchester	County	Police	Fire	Total
A	133.68	893.94	139.02	49.26	1,215.90
B	155.96	1,042.93	162.19	57.47	1,418.55
C	178.24	1,191.92	185.36	65.68	1,621.20
D	200.52	1,340.91	208.53	73.89	1,823.85
E	245.08	1,638.89	254.87	90.31	2,229.15
F	289.64	1,936.87	301.21	106.73	2,634.45
G	334.20	2,234.85	347.55	123.15	3,039.75
H	401.04	2,681.82	417.06	147.78	3,647.70

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 A.

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 9 February 2021.

12. Environment and Sustainability Implications

- 12.1. All budget measures are assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

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 A: Resolutions

Appendix B: Parish Council Precepts 2021/22

Background Papers

None

RESOLUTIONS

1. It be noted that the Tax Base has been approved and the following amounts were calculated for the year 2021/22 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 as amended ('the Act'):
 - (a) 62,776.0 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	424.4
Aldham	203.9
Birch	297.2
Boxted	612.2
Chappel	218.6
Copford	676.3
Dedham	908.4
East Donyland	846.6
East Mersea	121.6
Eight Ash Green	637.0
Fingringhoe	330.1
Fordham	319.6
Great Horkesley	1,022.4
Great Tey	367.4
Langham	485.5
Laver Breton	130.5
Laver de la Haye	713.6
Laver Marney	90.0
Little Horkesley	88.8
Marks Tey	926.2
Messing cum Inworth	174.2
Mount Bures	105.0
Myland	5,887.1
Stanway	4,063.5
Tiptree	3,464.7
Wakes Colne	234.5
West Bergholt	1,317.6
West Mersea	3,099.3
Winstred Hundred	481.1
Wivenhoe	2,810.9
Wormingford	185.2

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 2021/22 (excluding parish precepts) is £12,588,000
3. The following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (a) £128,623,873 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) £113,935,400 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) £14,688,473 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) £233.98 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) £2,100,673 Being the aggregate amount of all special items referred to in Section 34(1) of the Act. [Parish Precepts]
 - (f) £200.52 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	38.24
Aldham	67.60
Birch	43.74
Boxted	85.09
Chappel	77.04
Copford	59.88
Dedham	45.38
East Donyland	84.47
East Mersea	64.26
Eight Ash Green	53.04
Fingringhoe	34.86
Fordham	89.85
Great Horkesley	36.11
Great Tey	51.52
Langham	41.00
Layer Breton	0.00
Layer de la Haye	24.44
Layer Marney	0.00
Little Horkesley	53.93
Marks Tey	64.29
Messing cum Inworth	70.24
Mount Bures	31.41
Myland	23.38
Stanway	66.48
Tiptree	106.86
Wakes Colne	55.96
West Bergholt	78.38
West Mersea	103.44
Winstred Hundred	27.35
Wivenhoe	122.06
Wormingford	50.33
All other parts of the Council's area	200.52

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	25.49	29.74	33.99	38.24	46.74	55.24	63.73	76.48
Aldham	45.07	52.58	60.09	67.60	82.62	97.64	112.67	135.20
Birch	29.16	34.02	38.88	43.74	53.46	63.18	72.90	87.48
Boxted	56.73	66.18	75.64	85.09	104.00	122.91	141.82	170.18
Chappel	51.36	59.92	68.48	77.04	94.16	111.28	128.40	154.08
Copford	39.92	46.57	53.23	59.88	73.19	86.49	99.80	119.76
Dedham	30.25	35.30	40.34	45.38	55.46	65.55	75.63	90.76
East Donyland	56.31	65.70	75.08	84.47	103.24	122.01	140.78	168.94
East Mersea	42.84	49.98	57.12	64.26	78.54	92.82	107.10	128.52
Eight Ash Green	35.36	41.25	47.15	53.04	64.83	76.61	88.40	106.08
Fingringhoe	23.24	27.11	30.99	34.86	42.61	50.35	58.10	69.72
Fordham	59.97	69.96	79.96	89.95	109.94	129.93	149.92	179.90
Great Horkesley	24.07	28.09	32.10	36.11	44.13	52.16	60.18	72.22
Great Tey	34.35	40.07	45.80	51.52	62.97	74.42	85.87	103.04
Langham	27.33	31.89	36.44	41.00	50.11	59.22	68.33	82.00
Layer Breton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Layer de la Haye	16.29	19.01	21.72	24.44	29.87	35.30	40.73	48.88
Layer Marney	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Little Horkesley	35.95	41.95	47.94	53.93	65.91	77.90	89.88	107.86
Marks Tey	42.86	50.00	57.15	64.29	78.58	92.86	107.15	128.58
Messing cum Inworth	46.83	54.63	62.44	70.24	85.85	101.46	117.07	140.48
Mount Bures	20.94	24.43	27.92	31.41	38.39	45.37	52.35	62.82
Myland	15.59	18.18	20.78	23.38	28.58	33.77	38.97	46.76
Stanway	44.32	51.71	59.09	66.48	81.25	96.03	110.80	132.96
Tiptree	71.24	83.11	94.99	106.86	130.61	154.35	178.10	213.72
Wakes Colne	37.31	43.52	49.74	55.96	68.40	80.83	93.27	111.92
West Bergholt	52.25	60.96	69.67	78.38	95.80	113.22	130.63	156.76

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Mersea	68.96	80.45	91.95	103.44	126.43	149.41	172.40	206.88
Winstred Hundred	18.23	21.27	24.31	27.35	33.43	39.51	45.58	54.70
Wivenhoe	81.37	94.94	108.50	122.06	149.18	176.31	203.43	244.12
Wormingford	33.55	39.15	44.74	50.33	61.51	72.70	83.88	100.66
All other parts of Council's area	<u>133.68</u>	<u>155.96</u>	<u>178.24</u>	<u>200.52</u>	<u>245.08</u>	<u>289.64</u>	<u>334.20</u>	<u>401.04</u>

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 2021/22 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	893.94	139.02	49.26
B	1,042.93	162.19	57.47
C	1,191.92	185.36	65.68
D	1,340.91	208.53	73.89
E	1,638.89	254.87	90.31
F	1,936.87	301.21	106.73
G	2,234.85	347.55	123.15
H	2,681.82	417.06	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 2021/22 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 2021/22 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 2021/22:
- (i) 2%, or more than 2%, greater than its relevant basic amount of council tax for 2020/21; and
- (ii) more than £5.00 greater than its relevant basic amount of council tax for 2021/22.
- (b) Percentage increase in the Council's basic amount of Council Tax:
- | | |
|----------------------|-----------------|
| 2020/21 amount | £195.57 |
| 2021/22 amount | £200.52 |
| Percentage increase: | £4.95 and 2.53% |

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 2021/22 is **not excessive** and no referendum is required.

8 Discretionary council tax discounts and exemptions for 2021/22 are:

Reference to:	Council position
<i>Second Homes: (Prescribed classes of Dwelling A & B)</i>	No discount applicable to this class
<i>Empty dwellings undergoing major repair (formerly Exempt Dwellings "Class A")</i>	No discount applicable to this class
<i>Vacant dwellings (formerly Exempt Dwellings "Class C")</i>	A 100% discount will be given for a maximum period of 28 days.
<i>Empty Homes Premium</i>	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	1,241.39	1,448.29	1,655.19	1,862.09	2,275.89	2,689.69	3,103.48	3,724.18
Aldham	1,260.97	1,471.13	1,681.29	1,891.45	2,311.77	2,732.09	3,152.42	3,782.90
Birch	1,245.06	1,452.57	1,660.08	1,867.59	2,282.61	2,697.63	3,112.65	3,735.18
Boxted	1,272.63	1,484.73	1,696.84	1,908.94	2,333.15	2,757.36	3,181.57	3,817.88
Chappel	1,267.26	1,478.47	1,689.68	1,900.89	2,323.31	2,745.73	3,168.15	3,801.78
Copford	1,255.82	1,465.12	1,674.43	1,883.73	2,302.34	2,720.94	3,139.55	3,767.46
Dedham	1,246.15	1,453.85	1,661.54	1,869.23	2,284.61	2,700.00	3,115.38	3,738.46
East Donyland	1,272.21	1,484.25	1,696.28	1,908.32	2,332.39	2,756.46	3,180.53	3,816.64
East Mersea	1,258.74	1,468.53	1,678.32	1,888.11	2,307.69	2,727.27	3,146.85	3,776.22
Eight Ash Green	1,251.26	1,459.80	1,668.35	1,876.89	2,293.98	2,711.06	3,128.15	3,753.78
Fingringhoe	1,239.14	1,445.66	1,652.19	1,858.71	2,271.76	2,684.80	3,097.85	3,717.42
Fordham	1,275.87	1,488.51	1,701.16	1,913.80	2,339.09	2,764.38	3,189.67	3,827.60
Great Horkesley	1,239.97	1,446.64	1,653.30	1,859.96	2,273.28	2,686.61	3,099.93	3,719.92
Great Tey	1,250.25	1,458.62	1,667.00	1,875.37	2,292.12	2,708.87	3,125.62	3,750.74
Langham	1,243.23	1,450.44	1,657.64	1,864.85	2,279.26	2,693.67	3,108.08	3,729.70
Layer Breton	1,215.90	1,418.55	1,621.20	1,823.85	2,229.15	2,634.45	3,039.75	3,647.70
Layer de la Haye	1,232.19	1,437.56	1,642.92	1,848.29	2,259.02	2,669.75	3,080.48	3,696.58
Layer Marney	1,215.90	1,418.55	1,621.20	1,823.85	2,229.15	2,634.45	3,039.75	3,647.70
Little Horkesley	1,251.85	1,460.50	1,669.14	1,877.78	2,295.06	2,712.35	3,129.63	3,755.56
Marks Tey	1,258.76	1,468.55	1,678.35	1,888.14	2,307.73	2,727.31	3,146.90	3,776.28
Messing cum Inworth	1,262.73	1,473.18	1,683.64	1,894.09	2,315.00	2,735.91	3,156.82	3,788.18
Mount Bures	1,236.84	1,442.98	1,649.12	1,855.26	2,267.54	2,679.82	3,092.10	3,710.52
Myland	1,231.49	1,436.73	1,641.98	1,847.23	2,257.73	2,668.22	3,078.72	3,694.46
Stanway	1,260.22	1,470.26	1,680.29	1,890.33	2,310.40	2,730.48	3,150.55	3,780.66
Tiptree	1,287.14	1,501.66	1,716.19	1,930.71	2,359.76	2,788.80	3,217.85	3,861.42
Wakes Colne	1,253.21	1,462.07	1,670.94	1,879.81	2,297.55	2,715.28	3,133.02	3,759.62
West Bergholt	1,268.15	1,479.51	1,690.87	1,902.23	2,324.95	2,747.67	3,170.38	3,804.46

Parish	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
West Mersea	1,284.86	1,499.00	1,713.15	1,927.29	2,355.58	2,783.86	3,212.15	3,854.58
Winstred Hundred	1,234.13	1,439.82	1,645.51	1,851.20	2,262.58	2,673.96	3,085.33	3,702.40
Wivenhoe	1,297.27	1,513.49	1,729.70	1,945.91	2,378.33	2,810.76	3,243.18	3,891.82
Wormingford	1,249.45	1,457.70	1,665.94	1,874.18	2,290.66	2,707.15	3,123.63	3,748.36
All other parts of Council's area	1,215.90	1,418.55	1,621.20	1,823.85	2,229.15	2,634.45	3,039.75	3,647.70

Appendix B

Parish Council Precepts 2021/22

Parish	Precept 2020/21	Precept 2021/22	Increase/ (Reduction)	Increase/ (Reduction)
	£	£	£	%
Abberton & Langenhoe	15,181	16,228	1,047	6.90
Aldham	13,084	13,784	700	5.35
Birch	11,000	13,000	2,000	18.18
Boxted	51,418	52,090	672	1.31
Chappel	17,034	16,841	(193)	(1.13)
Copford	40,494	40,494	0	0.00
Dedham	42,068	41,225	(843)	(2.00)
East Donyland	69,282	71,510	2,228	3.22
East Mersea	7,814	7,814	0	0.00
Eight Ash Green	33,829	33,788	(41)	(0.12)
Fingringhoe	11,751	11,507	(244)	(2.08)
Fordham	29,333	28,749	(584)	(1.99)
Great Horkesley	35,075	36,919	1,844	5.26
Great Tey	18,927	18,927	0	0.00
Langham	19,690	19,907	217	1.10
Layer Breton	0	0	0	n/a
Layer de la Haye	16,735	17,441	706	4.22
Layer Marney	0	0	0	n/a
Little Horkesley	4,120	4,789	669	16.24
Marks Tey	59,550	59,550	0	0.00
Messing cum Inworth	12,235	12,235	0	0.00
Mount Bures	2,938	3,298	360	12.25
Myland	137,470	137,632	162	0.12
Stanway	270,000	270,147	147	0.05
Tiptree	370,059	370,238	179	0.05
Wakes Colne	13,122	13,122	0	0.00
West Bergholt	102,367	103,270	903	0.88
West Mersea	327,317	320,585	(6,732)	(2.06)
Winstred Hundred	12,884	13,160	276	2.14
Wivenhoe	339,500	343,102	3,602	1.06
Wormingford	9,552	9,321	(231)	(2.42)
Totals	2,093,829	2,100,673	6,844	0.33