



Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

SIGNED OFF BY	Interim Head of Finance
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TO	Executive Council
DATE	Thursday, 27 January 2022 Thursday, 10 February 2022
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance and Governance

KEY DECISION REQUIRED	Y
WARDS AFFECTED	(All Wards);

SUBJECT	Council Tax 2022/2023
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RECOMMENDATIONS
<p>(i) It be noted that on 2 December 2021 the Council calculated:</p> <p>a) the Council Tax base 2022/23 for the whole Council as 62,274 [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the “Act”)] and,</p> <p>b) for dwellings in those parts of its area to which a Parish precept relates:</p> <ul style="list-style-type: none">• Horley Town Council 10,766• Salfords & Sidlow Parish Council 1,434 <p>The ‘tax base’ is the number of Band D equivalent dwellings in a local authority area.</p> <p>Detailed calculations of the Council Tax are set out in Annexes 1, 2 & 3.</p>
(ii) Calculate that the Council Tax requirements for the Council’s own purposes for 2022/23 (excluding Parish precepts) is £15,099,124
(iii) That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Act:

(vii) Authorise the Chief Finance Officer to make any amendments to the Council Tax demands as might prove necessary as the result of changes to the estimated demands issued by preceptors on the Council's Collection Fund.

REASONS FOR RECOMMENDATIONS

The *Local Government Finance Act 1992* sets out the requirement for local authorities to set a budget for the next financial year. This report provides the information to fulfil that requirement. Under the Constitution the Executive considers a proposed budget and Council Tax, before then making a recommendation on the appropriate level of Council Tax to full Council. Following consideration, Council may then authorise the budget and Council Tax.

EXECUTIVE SUMMARY

This report will enable this Council to collect Council Tax for 2022/23 on behalf of itself and its precepting bodies.

At the time of writing the final precepts from Surrey County Council and Surrey Police and Crime Commissioner are not finalised. They are holding their budget setting meetings in early February. All information relating to the precepts presented in this report is based on the latest available estimates, for illustrative purposes, and may therefore be subject to change.

Recommendations 1-7 are subject to approval by the Council.

STATUTORY POWERS

1. The Local Government Finance Act 1992 (the Act) sets out the requirement for local authorities to set a budget for the next financial year. The full Council of the authority is formally required to approve the budget and for Council Tax to be levied. Under the Council's Constitution the Executive considers a proposed budget and Council Tax, in order to make a recommendation on the appropriate level of Council Tax to the full Council.

BACKGROUND

2. Reigate & Banstead Borough Council, in common with other District and Borough Councils, acts as a Council Tax collection agent for other organisations, known as "preceptors", on the Council's Collection Fund. Reigate & Banstead's preceptors are Surrey County Council, Surrey Police, Horley Town Council and Salfords and Sidlow Parish Council. The majority of Council Tax paid by residents of the borough is collected on behalf of these precepting authorities.

KEY INFORMATION

3. The purpose of this report is to propose the technical recommendations which Council will need in order to comply with the Act and set a legally compliant budget.

4. Annex 1 sets out, in accordance with the legislation, the calculation of the Borough's and the Parish/Town Councils' basic amounts of tax. That is, the taxes for a Band D property.
5. The calculations below have been based on the assumption that the Executive will recommend a budget at that level for acceptance by Council. Any changes by the Executive will, of course, be incorporated into the recommendation to Council in February.
6. Salfords and Sidlow Parish Council set their budget on 13 December 2021 based upon an amount of £29.72 for a Band D dwelling which is the same charge as 2020/21 for a Band D dwelling.
7. Horley Town Council set their budget on 14 December 2021 based upon an amount of £43.17 for a Band D dwelling which is an increase of £1.66 for a Band D dwelling.
8. Reigate and Banstead Borough Council's proposed annual Band D Council Tax rates are as follows:
 - £242.46 (or £4.66 per week) in non-parished areas (i.e. the Borough's Council Tax)
 - £285.63 (or £5.49 per week) in the Horley Town Council area
 - £272.18 (or £5.23 per week) in the Salfords and Sidlow Parish Council area.
9. The Council has previously decided to treat all its expenditure as a general expense on the whole of the Borough and not to designate any special expense areas (for example, for parish/town Council areas) (minute no. 5(i)(5), page 623 1993/94 refers). All residents therefore pay the same basic amount for borough services for a Band D property, subject to statutory exemptions, reliefs and discounts.
10. Surrey County Council is due to set its budget on 8 February 2022. For the purposes of this report a 4.99% increase in their council tax rate has been assumed. This equates to a Band D Council Tax of £1,626.39 The calculations in Tables 1, 2 and 3 are illustrative only, in order to show what the Band D Council Tax might look like. The Executive is recommended to authorise the Chief Finance Officer to make such amendments as are necessary to this report in order to reflect the final demand from the County Council in the report to Council on 10 February 2022.
11. Surrey Police & Crime Commissioner is due to set its budget on 4 February 2022. For the purposes of this report a £10.00 increase in their council tax rate has been assumed. This equates to a Band D Council Tax of £295.57. The calculations in Tables 1, 2 and 3 are illustrative only, in order to show what the Band D Council Tax might look like. The Executive is recommended to authorise the Chief Finance Officer to make such amendments as are necessary to this report in order to reflect the final demand from the Surrey Police in the budget report to Council on 10 February 2022.
12. The 2022/23 Council Tax for each area of the Borough is as detailed in Annexes 1, 2 and 3.

Authority	£000	% share
Surrey County Council	94,767.78	73.59%
Surrey Police and Crime Commissioner	18,406.53	14.29%
Reigate and Banstead BC	15,099.12	11.72%
Horley Town Council	464.79	0.36%
Salfords and Sidlow Parish Council	42.62	0.03%
	128,780.85	100.00%

Authority	2021/22 Band D £	2022/23 Band D £	Increase	
			£	%
Surrey County Council	1,549.08	1,626.39	77.31	4.99%
Surrey Police and Crime Commissioner	285.57	295.57	10.00	3.50%
Reigate and Banstead BC	237.46	242.46	5.00	2.11%
Horley Town Council	41.51	43.17	1.66	4.00%
Salfords and Sidlow Parish Council	29.72	29.72	0.00	0.00%
	2,143.34	2,237.31	93.97	4.20%

Area	Borough and Parish Services £	County and Police Services £	Total Payable at Band D £
Horley Town Council	285.63	1,921.96	2,207.59
Salfords and Sidlow Parish Council	272.18	1,921.96	2,194.14
Rest of Borough	242.46	1,921.96	2,164.42

OPTIONS

13. The 2022/23 budget is based on a recommended Council Tax rise of £5.00 (2.11%) increase. A decision to adopt a different council tax will require revision of the budget proposals. The budget has to be approved by Council by March 2022.

LEGAL IMPLICATIONS

14. The legal implications of this report are fully covered in the statutory powers section.

FINANCIAL IMPLICATIONS

15. The financial implications of this report are set out in the report.

EQUALITIES IMPLICATIONS

16. These are covered in the Budget 2022/23 report elsewhere on the agenda

COMMUNICATION IMPLICATIONS

17. These are covered in the Budget 2022/23 report elsewhere on the agenda

RISK MANAGEMENT CONSIDERATIONS

18. These are covered in the Budget 2022/23 report elsewhere on the agenda

CONSULTATION

19. The approach to consultation is covered in the Budget 2022/23 report elsewhere on the agenda

POLICY FRAMEWORK

20. Approval of the Budget and determination of the Council Tax is a function of full Council under the Council's constitution (Article 4.12)

BACKGROUND PAPERS

Council Tax Base 2022/23, report to Council, 2 December 2021
Budget 2022/23, Executive, 27 January 2022