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TO	Executive
DATE	Thursday, 30 January 2020
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance

KEY DECISION REQUIRED	Y
WARDS AFFECTED	(All Wards);

SUBJECT	Council Tax Setting 2020/21
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RECOMMENDATIONS				
<p>1. It be noted that on 16 January 2020 the Council calculated:</p> <p>(a) the Council Tax base 2020/21 for the whole Council as 61,128.8</p> <p>[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> <table style="margin-left: 40px;"> <tr> <td>Horley Town Council</td> <td style="text-align: right;">10,191.7</td> </tr> <tr> <td>Salfords & Sidlow Parish Council</td> <td style="text-align: right;">1,416.5</td> </tr> </table> <p>The 'tax base' is the number of Band D equivalent dwellings in a local authority area. Detailed calculations of the Council Tax are set out in Annex 1, 2 & 3.</p> <p>2. Calculate that the Council Tax requirements for the Council's own purposes for 2020/21 (excluding Parish precepts) is £14,210,001</p> <p>3. That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Act:</p> <p style="margin-left: 40px;">a. £85,196,176 – being the amounts which the Council estimates for the items</p>	Horley Town Council	10,191.7	Salfords & Sidlow Parish Council	1,416.5
Horley Town Council	10,191.7			
Salfords & Sidlow Parish Council	1,416.5			

set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils

b. **£70,543,000** – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.

c. **£14,653,176** – being the amount which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 32(4) of the Act).

d. **£239.71** – 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 33(1) of the Act, as the basic amount of its Council Tax for the year (including Parish

e. **£443,176** - being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix).

f. **£232.46** - 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. Horley Town Council **£272.17**

Salfords & Sidlow Parish Council **£259.64**

Being the amounts given by adding to the amount at 3(f) above the amounts of the special 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 basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

4. It be noted that the figures in the attached Appendix being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportions 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 dwellings listed in different valuation bands.

5. It be noted that for the year 2020/21 Surrey County Council and Surrey Police have stated amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown in Appendix 2.

6. Having calculated the aggregate in each case of the amounts 1 to 5, above, the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts of

Council Tax for the year 2020/21 for each of the categories of dwellings shown in Appendix 3.

7. 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 2020/21 on behalf of itself and its precepting bodies.

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.
2. Reigate & Banstead 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.
3. At the time of writing the final precepts from Surrey County Council and the Surrey Police are not known. 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.

KEY INFORMATION

4. 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.

5. 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.
6. 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.
7. **Salfords and Sidlow Parish Council** set their budget on 9 December 2019 based upon an amount of £27.18 for a Band D dwelling which is an increase of £5.00 for a Band D dwelling.
8. **Horley Town Council** set their budget on 10 December 2019 based upon an amount of £39.71 for a Band D dwelling which is an increase of £1.84 from 2019/20
9. **Reigate and Banstead Borough Council's** proposed annual Band D Council Tax rates are as follows:
 - £232.46 (or £4.46 per week) in non-parished areas (i.e. the Borough's Council Tax)
 - £272.17 (or £5.22 per week) in the Horley Town Council area
 - £259.64 (or £4.98 per week) in the Salfords and Sidlow Parish Council area.
10. 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.
11. **Surrey County Council** is due to set its budget on 4 February 2020. For the purposes of this report a 3.99% increase in their council tax rate has been assumed. This equates to a Band D Council Tax of £1,511.46. The calculations shown in Tables 1, 2 and 3 are therefore illustrative only, in order to show what the Band D Council Tax for the average Council Taxpayer 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 13 February 2020.
12. **Surrey Police & Crime Commissioner** is due to set its budget on 7 February 2020 with a proposed increase of £5.19 in their council tax rate. Again, the calculations in Tables 1, 2 and 3 are illustrative only, in order to show what the Band D Council Tax for the average Council Taxpayer 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 13 February 2020.

13. The 2020/21 Council Tax for each area of the Borough is as detailed in Annexes 2, 3 and 4. In summary, the total to be collected in 2020/21 is shown in Table 1 below.

Table 1: Analysis of Council Tax by Preceptor

Authority	£000	% share
Surrey County Council	92,393.7	74.94%
Surrey Police & Crime Commissioner	16,245.6	13.18%
Reigate & Banstead BC	14,210.0	11.53%
Horley Town Council	404.7	0.33%
Salfords & Sidlow Parish Council	38.5	0.02%
	123,292.5	100%

14. An analysis of the individual Council Tax elements is set out in Table 2 below.

Table 2: Analysis of Council Tax Changes by Preceptor

Authority	2020/21	2019/20	Increase	
			£	%
Surrey County Council	1,511.46	1,453.50	57.96	3.99%
Surrey Police & Crime Commissioner	265.76	260.57	5.19	1.99%
Reigate & Banstead Borough Council	232.46	227.46	5.00	2.20%
Horley Town Council	39.71	37.87	1.84	4.85%
Salfords & Sidlow Parish Council	27.18	22.18	5.00	22.54%
	2,076.57	2,001.58	74.99	3.75%

15. The total figures above are for statutory reporting purposes only. The actual levels of Council Tax to be paid, given the assumptions about the precepts are shown in Table 3 below.

Table 3: Total Payable at Band D

Area	Borough & Parish Services £	County & Police Services £	Total Payable at Band D £
Horley Town Council	272.17	1,777.22	2,049.39
Salfords & Sidlow Parish Council	259.64	1,777.22	2,036.86
Rest of the Borough	232.46	1,777.22	2,009.68

OPTIONS

16. The budget is based on a recommended Council Tax rise of £5.00 (2.20%) increase in 2020/21.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

EQUALITIES IMPLICATIONS

19. These are explored in the Budget 2020/21 report elsewhere on the agenda.

CONSULTATION & COMMUNICATION IMPLICATIONS

20. The budget proposals were circulated to the business community via the monthly Business e-bulletin (which has in excess of 1,500 recipients).

RISK MANAGEMENT CONSIDERATIONS

21. These are explored in the Budget 2020/21 report elsewhere on the agenda.

POLICY FRAMEWORK

22. Approval of the annual General Fund 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 2020/21, report to Council, 16 January 2020

Budget 2020/21, Executive, 30 January 2020