

Report subject	2021/22 Council Tax Resolution
Meeting date	23 February 2021
Status	Public Report
Executive summary	<p>Under the Local Government Finance Act 1992 the council as the billing authority must calculate a council tax requirement and basic amount of council tax for the following year.</p> <p>If the formal council tax resolution at Appendix A is approved the BCP Council Band D council tax will be £1,556.76 and harmonised across the predecessor areas of Bournemouth, Christchurch and Poole from 1 April 2021.</p> <p>The council tax resolution set out in Appendix A supports recommendation (i) of the 2021/22 Budget and Medium Term Financial Plan report, approved by Cabinet at their meeting of 10 February 2021, by providing a schedule setting out the rate of council tax for each category of dwelling prior to the Council meeting on the 23 February 2021.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>a) The BCP Council approves the council tax resolution as set out in Appendix A;</p>
Reason for recommendations	To enable the council to calculate and approve the council tax requirement and amounts billed by BCP Council in 2021/22, and to make the determination of excessiveness required by legislation.

Portfolio Holder(s):	Cllr Drew Mellor – Leader and Portfolio Holder for Finance and Transformation
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Wards	Council-wide
Classification	For Decision

Background

1. This report reflects the Local Government Finance Act 1992 (as amended by the Localism Act 2011 and modified by Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008), which requires billing authorities to calculate the council tax requirement and amounts to be charged from tax payers for the coming year.
2. The council tax resolution set out in Appendix A supports recommendation (i) of the 2021/22 Budget and Medium Term Financial Plan report approved by Cabinet at their meeting of 10 February 2021. It provides a schedule setting out the rate of council tax for each category of dwelling based on the council tax requirement for BCP Council and the precepts to be levied by other major and local preceptors prior to the Council meeting on the 23 February 2021.

Council tax equalisation and referendum principles

3. Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008 modifies the 1992 Act to permit an authority undergoing restructuring to calculate different basic amounts of council tax for its predecessor areas for up to seven years as part of a process of equalisation. The latest date for the harmonisation of BCP Council basic amounts of council tax is by the start of the 2026/27 financial year.
4. Alternatively the council is permitted to equalise using the average council tax in any year prior to 2026/27.
5. The regulations also permit BCP Council to apply the annual referendum principles in any year before harmonisation to either the average council tax across the whole area, or to the council tax in each predecessor area.
6. If the formal council tax resolution at Appendix A is approved the BCP Council Band D council tax will be £1,556.76 and harmonised across the predecessor areas of Bournemouth, Christchurch and Poole from 1 April 2021. Based on the application of referendum principles reflecting the average council tax across the council area this represents a 2.55% increase.
7. Based on the actual amounts levied in 2020/21 across individual predecessor areas, the council tax resolution as set out in Appendix A would represent the following increases: Bournemouth 1.75%, Christchurch 0.99% and Poole 4.01%.

8. These increases can be compared to the 4.99% maximum permitted increase for 2021/22.

Police and fire preceptors

9. The information from the police and fire precepting bodies is as follows:
 - a. On 4 February 2021 the Dorset Police and Crime Commissioner set its precept at £35,249,375, adjusted by a Collection Fund deficit of £319,821. This results in a Band D council tax of £255.58.
 - b. On 12 February 2021 the Dorset and Wiltshire Fire and Rescue Authority set its precept at £9,914,193, adjusted by a Collection Fund deficit of £924,406. This results in a Band D council tax of £77.88.

Charter trustee, town and parish precepts

10. The charter trustee, town and parish precepts are detailed in Appendix C and total £985,544.34.

Council tax bands

11. If the formal council tax resolution at Appendix A is approved the total Band D council tax charges are shown overleaf.

Options appraisal

12. The 2021/22 Budget and Medium Term Financial Plan report submitted to the 10 February 2021 Cabinet meeting considered alternative options for the harmonisation of council tax.

Summary of financial implications

13. The council tax resolution as presented in the report will generate council tax of £216,655,067.58 for BCP Council.

Summary of legal implications

14. The council is required to set its council tax in accordance with the Local Government Finance Act 1992 and the Local Government (Structural Changes) (Finance) Regulations 2008. The formal council tax resolution at Appendix A complies with these requirements.

Summary of human resources implications

15. There are no direct human resource implications of this report. However, the 2021/22 budget and medium term financial plan will have a direct impact on the level of services delivered by the council, the mechanisms by which those services are delivered and the associated staffing establishment.

Summary of sustainability impact

16. Consideration has been given as part of the budget for 2021/22 of ways in which BCP Council could be made more environmentally-friendly and how it could act as an environmental ambassador towards others.

Summary of public health implications

17. None specifically related to this report.

Summary of equality implications

18. A full equality impact assessment was carried out as part of the budget process for 2021/22 and submitted to the 10 February 2021 Cabinet meeting.

Summary of risk assessment

19. The council tax resolution presented in this report will provide for the level of council tax income required for the 2021/22 budget.
20. Key risks to this budget include uncertainty around the government's financial planning framework where the core funding made available to local authorities reduces while at the same time the demand for, and cost of, services continues to rise. Changes to base budget assumptions are also possible due to changes in demand or cost factors or the ongoing effects of the national pandemic.

Background papers

21. The 2021/22 Budget and Medium-Term Financial Plan report presented to the 10 February 2021 Cabinet meeting.

Appendices

Appendix A – Council tax resolution 2021/22

Appendix B – Basic council tax

Appendix C – Charter trustee, town and parish precepts

Council Tax Bands

Ctax 2020/21 £	Ctax 2021/22 £	Increase 2021/22 %
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Christchurch Area

BCP Unitary Charge	£1,541.57	£1,556.76	0.99%
Dorset Police and Crime Commissioner	£240.58	£255.58	6.23%
Dorset and Wiltshire Fire and Rescue Authority	£76.36	£77.88	1.99%
Christchurch Total	£1,858.51	£1,890.22	1.71%

Christchurch Town Council	£42.22	£43.06	1.99%
Burton Parish	£13.11	£14.09	7.48%
Hurn Parish	£29.30	£29.30	0.00%
Highcliffe and Walkford	£25.86	£25.99	0.50%

Bournemouth Area

BCP Unitary Charge	£1,530.00	£1,556.76	1.75%
Dorset Police and Crime Commissioner	£240.58	£255.58	6.23%
Dorset and Wiltshire Fire and Rescue Authority	£76.36	£77.88	1.99%
Bournemouth Total	£1,846.94	£1,890.22	2.34%

Bournemouth Charter Trustee	£2.15	£2.39	11.16%
Throop and Holdenhurst		£34.93	

Poole Area

BCP Unitary Charge	£1,496.81	£1,556.76	4.01%
Dorset Police and Crime Commissioner	£240.58	£255.58	6.23%
Dorset and Wiltshire Fire and Rescue Authority	£76.36	£77.88	1.99%
Poole Total	£1,813.75	£1,890.22	4.22%

Poole Charter Trustee	£2.14	£2.14	0.00%
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Appendix A

The BCP Council is recommended to resolve as follows:

1. It be noted that on 13 January 2021 the BCP Cabinet recommended to council the council tax base 2021/22:
 - a. For the BCP Council is split for the year 2021/22 as Bournemouth **62,176.7**, Christchurch **20,021.9** and Poole **56,971.9** with a total BCP Council tax base of **139,170.5** (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the “Act”); and
 - b. For dwellings in those parts of its area to which a parish precept relates as in the attached Appendix C.
2. Calculate that the council tax requirement for the council’s own purposes for 2021/22 (excluding charter trustee, parish and town precepts) as **£216,655,067.58**.
3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act:
 - a. **£847,120,288.07** being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils.
 - b. **£629,479,676.15** being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act.
 - c. **£217,640,611.92** 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. **£1,563.84** being the amount at 3(c) above (Item R), all divided by the Item T (1(a) above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of council tax for the year (including parish precepts). Appendix B details basic council tax by council area.
 - e. **£7.08** being the aggregate amount of all special items (charter trustee, parish, and town council precepts) referred to in Section 34(1) of the Act (**£985,544.34** as per the attached Appendix C) divided by the tax base **139,170.5** calculated as Item T in the formula in section 31B of the Local Government Finance Act 1992.
 - f. **£1,556.76** being the amount at 3(d) above less the amount at 3(e) above, calculated by the council, in accordance with Section 34(s) 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.

4. To note that the Dorset Police and Crime Commissioner and the Dorset and Wiltshire Fire and Rescue Authority have issued precepts to the council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the council's area as indicated in the table below.
5. That the council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of council tax for 2021/22 for each part of its area and for each of the categories of dwellings.

Precepts issued by major precepting authorities:

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Dorset Police and Crime Commissioner	170.39	198.78	227.18	255.58	312.38	369.17	425.97	511.16
Dorset and Wiltshire Fire and Rescue Authority	51.92	60.57	69.23	77.88	95.19	112.49	129.80	155.76
BCP Council	939.43	1,096.01	1,252.58	1,409.16	1,722.29	2,035.44	2,348.58	2,818.30
Adult Social Care Precept	98.40	114.80	131.20	147.60	180.40	213.20	246.00	295.20
Total BCP Council Charge	1,037.83	1,210.81	1,383.78	1,556.76	1,902.69	2,248.64	2,594.58	3,113.50

Aggregate amounts of council tax:

Location	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Bournemouth	1,261.74	1,472.03	1,682.32	1,892.61	2,313.19	2,733.77	3,154.35	3,785.22
Bournemouth - Throop and Holdenhurst	1,283.43	1,497.34	1,711.24	1,925.15	2,352.96	2,780.77	3,208.58	3,850.30
Christchurch Town	1,288.85	1,503.66	1,718.47	1,933.28	2,362.90	2,792.52	3,222.13	3,866.56
Burton Parish	1,269.54	1,481.13	1,692.72	1,904.31	2,327.49	2,750.67	3,173.85	3,808.62
Hurn Parish	1,279.68	1,492.96	1,706.24	1,919.52	2,346.08	2,772.64	3,199.20	3,839.04
Highcliffe and Walkford	1,277.47	1,490.39	1,703.30	1,916.21	2,342.03	2,767.86	3,193.68	3,832.42
Christchurch Unparished Area	1,260.15	1,470.17	1,680.20	1,890.22	2,310.27	2,730.32	3,150.37	3,780.44
Poole	1,261.57	1,471.84	1,682.10	1,892.36	2,312.88	2,733.41	3,153.93	3,784.72

Determination of Excessiveness

6. BCP Council must determine whether its 2021/22 council tax is excessive by reference to the referendum principles set by the Secretary of State and approved by the House of Commons. The measure of excessiveness is the 'relevant basic amount of council tax' (essentially the Band D figure excluding local precepts). The Secretary of State may prescribe Alternative Notional Amounts (ANA) of relevant basic amounts to be used in respect of the preceding year where there has been a change of local authority functions but this is not applicable to BCP Council for 2021/22.

In accordance with the Local Government (Structural Changes) (Finance) Regulations 2008, BCP Council is applying the referendum principles for 2021/22 to the increase in the average amount charged across all predecessor areas.

As such the authority's relevant basic amount of council tax for 2021/22 is excessive if the amount mentioned in section 52ZC(3C)(a)(a) of the 1992 Act is 5% (comprising 3% for

expenditure on adult social care and 2% for other expenditure), or more than 5%, greater than the amount mentioned in section 52ZC(3C)(b) of that Act.

The value of the increase for BCP Council is calculated as 2.55% and therefore the council has determined that there is no excessive increase.

Appendix B

Basic council tax

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Christchurch Town Council	1,066.54	1,244.30	1,422.06	1,599.82	1,955.32	2,310.84	2,666.35	3,199.62
Burton Parish	1,047.22	1,221.77	1,396.30	1,570.85	1,919.91	2,268.99	2,618.06	3,141.68
Hurn Parish	1,057.36	1,233.60	1,409.82	1,586.06	1,938.50	2,290.96	2,643.41	3,172.10
Highcliffe and Walkford	1,055.16	1,231.02	1,406.88	1,582.75	1,934.46	2,286.18	2,637.90	3,165.48
Christchurch Unparished	1,037.83	1,210.81	1,383.78	1,556.76	1,902.69	2,248.64	2,594.58	3,113.50
Throop and Holdenhurst	1,061.12	1,237.98	1,414.83	1,591.69	1,945.38	2,299.09	2,652.80	3,183.36
Bournemouth Area	1,039.42	1,212.67	1,385.90	1,559.15	1,905.61	2,252.09	2,598.56	3,118.28
Poole Area	1,039.26	1,212.47	1,385.68	1,558.90	1,905.31	2,251.73	2,598.15	3,117.78

Appendix C

Charter trustee, town and parish precepts

	2020/21			2021/22		
	Precept £	Tax Base	Band D £	Precept £	Tax Base	Band D £
Christchurch Town	£514,417	12,184	£42.22	£513,577	11,927	£43.06
Burton Parish	£21,011	1,603	£13.11	£22,061	1,566	£14.09
Hurn Parish	£6,651	227	£29.30	£6,751	230	£29.30
Highcliffe and Walkford	£164,650	6,368	£25.86	£163,160	6,279	£25.99
Throop and Holdenhurst				£10,120	290	£34.93
Bournemouth Charter Trustee	£137,250	63,942	£2.15	£147,956	61,887	£2.39
Poole Charter Trustee	£125,222	58,609	£2.14	£121,920	56,972	£2.14
Total	£969,201	142,933		£985,544	139,150	

By council tax bands

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Christchurch Town Council	28.71	33.49	38.28	43.06	52.63	62.20	71.77	86.12
Burton Parish	9.39	10.96	12.52	14.09	17.22	20.35	23.48	28.18
Hurn Parish	19.53	22.79	26.04	29.30	35.81	42.32	48.83	58.60
Highcliffe and Walkford Neighbourhood Council	17.33	20.21	23.10	25.99	31.77	37.54	43.32	51.98
Throop and Holdenhurst	23.29	27.17	31.05	34.93	42.69	50.45	58.22	69.86
Bournemouth Charter Trustee	1.59	1.86	2.12	2.39	2.92	3.45	3.98	4.78
Poole Charter Trustee	1.43	1.66	1.90	2.14	2.62	3.09	3.57	4.28