

South Lakeland District Council
Council
Tuesday, 22 February 2022
Calculating and Setting the 2022/23 Council Tax

Portfolio: Finance and Resources Portfolio Holder

Report from: Section 151 Officer

Report Author: Claire Read – Finance Specialist

Wards: (All Wards);

Forward Plan: Not Applicable

Links to Council Plan Priorities: This is the mathematical calculation of the Council Tax levels, based on the budget which contributes to sound corporate governance and ensuring that financial resources are available to deliver all Council's corporate priorities.

1.0 Expected Outcome and Measures of Success

- 1.1 This report is presented to enable the Council to calculate and set the Council tax for 2022/23. The precepts from Cumbria County Council and the Cumbria Police and Crime Commissioner are due to be confirmed on the 10th February and 16th February respectively. Cumbria County Council are expected to approve an increase in the Adult Social Care precept of 2% and to freeze the main Council tax. The Cumbria Police and Crime Commissioner propose to issue a precept with an increase of 3.67%.
- 1.2 If the recommendation is approved then Council tax bills will be issued to each household in South Lakeland during March 2022 in accordance with the amounts set, subject to any reductions for discounts, exemptions or reliefs.

2.0 Recommendation

- 2.1 It is recommended that Council approve the suggested Council tax resolution at Appendix 1.**

3.0 Background and Proposals

- 3.1 The Localism Act 2011 made significant changes to the Local Government Finance Act 1992 and requires the billing authority to calculate a Council tax requirement for the year.
- 3.2 The Council is required to undertake a series of calculations in order to determine the Council tax to be set for each parish within the District, as detailed in the appendices. Although the process itself is relatively straightforward, the detail of the Act means that the resolution made by the Council must conform to a set format and contain a great degree of detail. Appendix 1 of this report consists of a recommendation resolution which meets these requirements. It is divided into the following sections:
- a) Council tax base;
 - b) Council tax requirement and basic amount of tax;

- c) Calculation of tax for different valuation bands;
- d) Precepts of Major Precepting Authorities;
- e) Setting of Council tax; and
- f) Non excessive level of increase in basic amounts of tax.

3.3 If the formal Council tax resolution at Appendix 1 is approved the total B and D Council tax will be as follows:

	2021/22 £	2021/22 £	Annual Increase	
			£	%
SOUTH LAKELAND DISTRICT COUNCIL	£ 204.54	£ 207.61	£ 3.07	1.50%
CUMBRIA COUNTY COUNCIL				
Main Precept	£1,340.93	£1,340.93	£ -	0.00%
Adult Social Care Element	£ 157.11	£ 187.07	£ 29.96	19.07%
TOTAL CUMBRIA COUNTY COUNCIL	£1,498.04	£1,528.00	£ 29.96	2.00%
POLICE AND CRIME COMMISSIONER	£ 272.16	£ 282.15	£ 9.99	3.67%
SUB TOTAL	£1,974.74	£2,017.76	£ 43.02	2.18%
AVERAGE TOWN/PARISH COUNCIL	£39.94	£42.90	£ 2.96	7.42%
TOTAL	£2,014.68	£2,060.66	£ 45.98	2.28%

3.4 Town and Parish Councils

The Town and Parish council precepts for 2022/23 are detailed in Appendix 2 and total £1,981,289. The increase in the average Band D Council tax for Town and Parish councils is 7.42% and this results in an average Band D Council tax figure of £42.90.

Details of this year's parish precepts mirror information included with Customers' Council tax bills, details of the joined parishes are detailed in the attached appendices.

3.5 Cumbria County Council

Cumbria County Council is due to meet on 10th February 2022 to set its precept. It has been assumed this will be at £70,570,940. This would result in a Band D Council tax of £1,528.00.

An additional precept for Adult Social Care was first introduced in the Chancellor of the Exchequer's autumn statement of 2015.

This increase is within the guidelines set out in The Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23. This set the maximum increases of up to 2% for Council tax in addition to the permitted increase for Adult Social Care; the County Council precept includes a 0% increase for Council tax and a 2% increase for Adult Social Care.

3.6 Cumbria Police and Crime Commissioner

The Cumbria Police and Crime Commissioner is due to agree his precept on 16th February 2022. It has been assumed this will be at £13,031,146. This would result in a Band D Council tax of £282.15.

This is an increase of £9.99 which is below the maximum increase of £10.00 set out in The Referendums Relating to Council Tax Increases (Principles)(England) Report 2022-23.

4.0 Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Recommended resolution to set the Council tax levels for 2022/23
2	Town and Parish Precepts

5.0 Consultation

5.1 Consultation exercises have been undertaken by all major precepting authorities in relation to budgets but the purpose of this report is to enable the Council tax to be set based on the precepts issued.

6.0 Alternative Options

6.1 There is no alternative option as the Council tax recommended for each parish is based on the precepts issued by all the preceptors and the tax base which the Council has previously calculated. The process of setting the Council tax involves no discretion on the part of the Council.

7.0 Implications

Financial, Resources and Procurement

7.1 South Lakeland is classified as a billing authority which raises Council tax bills on behalf of major preceptors (Cumbria County Council and the Cumbria Police and Crime Commissioner) and parish and town Councils. All income from Council tax goes through the Collection Fund which is managed by the billing authority. The billing authority then pays precepts during the year. If South Lakeland collects more Council tax than expected it will create a surplus on the Collection Fund; a deficit will arise if the Council collects less than expected. Any surplus or deficit is shared with the major precepts in future years.

7.2 South Lakeland's expenditure, plus the parish and town council precepts, net of Government grants and any adjustments for surplus or deficit from the Council tax collection funds for previous years makes up South Lakeland's net requirement from the Council tax collection fund.

Human Resources

7.3 Not applicable

Legal

7.4 The recommendations have been formulated taking into account the requirements of the Local Government Finance Act 1992 (as amended).

7.5 The decision on this item is one to which the Local Authority (Standing Orders) (England) (Amendment) Regulations 2004 and rule 15.6 of Part 4 of the Council's Constitution: Rules of Procedure apply and accordingly there must be a recorded vote.

7.6 Section 106 of the Local Government Finance Act 1992 makes it an offence for a Councillor in Council tax arrears (with at least two months unpaid bills) to vote at a meeting of the council, a committee or of the council's executive where financial matters relating to Council tax are being considered. It is also an offence if any such

councillor present, who is aware of the arrears, fails to disclose that they are in arrears of Council tax.

Health and Sustainability Impact Assessment

- 7.7 Have you completed a Health and Sustainability Impact Assessment? No
- 7.8 If you have not completed an Impact Assessment, please explain your reasons: This report is a mathematical calculation of Council tax levels. Impact assessments have been carried out on the level of South Lakeland's expenditure and income as part of the budget setting process.

Equality and Diversity

- 7.9 Have you completed an Equality Impact Analysis? No
- 7.10 If you have not completed an Impact Analysis, please explain your reasons: This report is a mathematical calculation of Council tax levels. Impact assessments have been carried out on the level of South Lakeland's expenditure and income as part of the budget setting process.

Risk Management	Consequence	Controls required
An error occurs in the Council tax setting calculations	Council tax setting will not comply with legislation and amounts due may not be recoverable. This will have a major impact on the Council's finances	The report and resolution have been prepared in accordance with guidance from professional bodies. The Council tax figures have been carefully prepared and manual checks made against at least 25% of the figures including all the larger parishes.

Contact Officers

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Background Documents Available

Name of Background document	Where it is available
The Referendums Relating to Council Tax Increases (Principles)(England) Report 2022/23	https://www.gov.uk/government/publications/final-council-tax-report-2022-to-2023

Tracking Information

Signed off by	Date sent	Date Signed off
Section 151 Officer	Report from S151 Officer	09/02/2022
Monitoring Officer	10/02/2022	10/02/2022
CMT	N/A	N/A

Circulated to	Date sent
Lead Specialist	N/A
Human Resources Lead Specialist	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	N/A
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	22/02/2022