

To: Council
Date: 17 February 2021
Report of: Head of Financial Services
Title of Report: Council Tax 2021/22

Summary and recommendations	
Purpose of report:	To set out the necessary calculations to enable Council to set the 2021/22 Council Tax for Oxford City.
Key decision:	No
Cabinet Member with responsibility:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	n/a.
Policy Framework:	n/a.
Recommendations: That Council resolves to approve for the financial year 2021/22 recommendations 1 to 5 and to note points 6 to 8 below:	
1.	The City Council's precept and Council Tax requirement of £14,911,465 including Parish precepts and £14,633,631 excluding Parish precepts.
2.	The average Band D Council Tax figure (excluding Parish Precepts) of £320.17 a 1.99% increase on the 2020/2021 figure of £313.92. Including Parish Precepts the figure is £326.25, a 2.0% increase (see paragraphs 2 to 6).
3.	A contribution of £10,000 to Old Marston Parish Council in recognition of the additional expenditure that the Parish incurs as a consequence of maintaining the cemetery (see paragraphs 9 and 10).
4.	The amount of £632,859 to be treated as Special Expenses (see paragraph 13).
5.	The Band D Council Taxes for the various areas of the City (excluding the Police and County Council's precepts) as follows:
	Littlemore £364.84
	Old Marston £354.03
	Risinghurst and Sandhills £343.15
	Blackbird Leys £325.38

Unparished Area £322.86

These figures include Parish Precepts and special expensing amounts as appropriate; in addition to the City-wide Council Tax of £306.33.

The Council is also asked to note:

6. Oxfordshire County Council's precept and Band D Council Tax as set out in paragraph 17 below
7. The Police and Crime Commissioner for the Thames Valley's precept and Band D Council Tax as set out in paragraph 18 below, and
8. The overall average Band D equivalent Council Tax of £2,130.64 including Parish Precepts (subject to confirmation of the Band D figures for the County Council and Police and Crime Commissioner).

Appendices

Appendix 1	Statutory Calculations Required for Setting of the Council Tax
Appendix 2	Council Tax Amounts per Band 2021/22
Appendix 3	Risk Implications

Introduction and background

1. The Localism Act, 2011 requires local authorities to calculate the amount of income to be collected from Council Tax based on the Band D charge multiplied by the Council's Tax Base. The City Council's calculation of this figure, the Council Tax Requirement, including the Parish Precepts is £14,911,465. The Council Tax Requirement for the Council's own purposes is £14,633,631. The detailed calculation is shown in Appendix 1.

Calculation of basic amount of Council Tax

2. The tax bases for the various parts of the City were approved by the Audit and Governance Committee on 14 January 2021 and totalled 45,705.6. This allows 2% for non-collection.
3. On 4th February the Secretary of State for the Ministry for Housing, Communities and Local Government published the Final Finance Settlement, confirming much of what was published in the consultation document on 17th December 2020. As previously announced in the Spending Review 2020 (SR20), the council tax referendum limit will be 2%. Social Care authorities are in addition allowed a 3% social care precept. The provisional settlement confirmed districts will be allowed to apply the higher of the referendum limit or £5.
4. The Basic Amount of Tax is calculated in accordance with Section 31B of the Local Government Finance Act 1992. Details are shown in Appendix 1 and summarised in Table 1 below.

Table 1 Basic amount of Band D Council Tax 2021/22

Requirement from Council Tax	£14,633,631
<i>(including Parishes)</i>	£14,911,465
Tax Base	45,705.6
Basic Amount of Council Tax Band D	£320.17
<i>(including Parishes)</i>	£326.25

- The Basic Amount of Council Tax (excluding Parish precepts) represents a 1.99% increase on the 2020/21 figure of £313.92 and an annual increase of £6.25 or approximately 12p per week.
- The Basic Amount of Council Tax is calculated by dividing the Council Tax Requirement by the Tax Base. This amount of tax is calculated purely to comply with statutory requirements.

Calculation of actual amounts of Council Tax

- The calculation of the City Wide Tax is set out in Table 2 below. The City Wide Tax is payable by all dwellings throughout the authority's area.

Table 2 City Wide Band D Council Tax 2021/22

Council Tax Requirement	£14,911,465
Less Parish Precepts	(-) £277,834
Less Special Expenses (see para 13)	(-) £632,859
City Wide Requirement	£14,000,772
Divided by Tax Base	45,705.6
City Wide Council Tax at Band D	£306.33

- The Parishes have issued the City Council with their precepts. These, and the associated special expensing requirement for other areas of the City, are as shown in Table 3 below.

Table 3 Band D Parish Precept & Special Expenses Addition 2021/22

	Parish Precept (net of funding)	Unparished Area Special Expenses net of Cemeteries	Special Expense for Cemeteries	Total	Tax Base Numbers	Average Band D
	£		£	£		£
Littlemore	106,076.00	n/a	822.51	106,898.51	1,827.1	58.51
Old Marston	60,969.00	n/a	n/a	60,969.00	1,278.3	47.70
Risinghurst and Sandhills	56,400.00	n/a	698.08	57,098.08	1,550.7	36.82
Blackbird Leys	54,389.00	n/a	1,316.67	55,705.67	2,924.8	19.05
Unparished Area	n/a	612,859.25	17,162.74	630,021.99	38,124.7	16.53
TOTAL	277,834.00	612,859.25	20,000.00	910,693.25	45,705.6	

Old Marston Parish

9. The May 2002 Guidance Note issued by Central Government (Dept. of Transport, Local Government and the Regions) on Financial Arrangements with Parish and Town Councils outlined principles that should be followed in financial arrangements between District and Parish Councils. These include:
- Fairness in the provision of services (and access to them) by the principal authority between different parts of their area
 - Democratic control and accountability – to let local councils support additional services with additional expenditure
10. Old Marston Parish Council subsequently made a successful case to the Council for a contribution to the Parish in recognition of the additional expenditure that the Parish incurs in relation to maintaining the cemetery within the Parish. The use of the cemetery is not restricted to residents of that Parish; hence a contribution has been made to reduce the parish precept in recognition of this fact since 2008/09. For 2021/22 the Old Marston Parish Precept has been calculated as £70,969.00 and a recommendation is made to Council to reduce this by £10,000 to £60,969.00.

Unparished areas of the city

11. Only part of the city area is parished. In the Unparished Area the City Council itself undertakes the parish functions. Section 35 (2) of the Local Government Finance Act 1992, states that ‘special expenses’ should be calculated when there are “any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area bya parish”.

12. Within the city area the services shown in the table below are currently provided by at least one Parish Council. To avoid double charging for the cost of providing these services, a special expense - equivalent to the cost of providing these services elsewhere in the City - is levied on those areas not providing them.
13. Table 4 below sets out the Special Expenses Account:

Table 4 Special Expenses Estimate 2021-22

	Total Special Expenses 2021-22	Total Special Expenses 2020-21
Community Recreation	322,894.00	313,430.00
Parks Management	7,404.00	9,348.00
Grounds	77,390.25	79,040.00
Allotments	37,171.00	20,392.00
Ditches and Streams	63,000.00	68,879.00
Cemeteries	20,000.00	21,966.00
Street Furniture	105,000.00	110,250.00
Total	632,859.25	623,305.00

14. The calculation of Special Expenses is based on an assessment of the types of work undertaken in parishes as a whole. The services are provided in at least one if not all the Parishes. However, in the case of cemeteries there is only one cemetery in the parished areas, located in Old Marston. As outlined in paragraph 10, Old Marston have put forward a successful case to the Council that the cemetery is available for use by people living outside of the Parish - particularly in respect of interment of ashes. The Council has previously accepted this case and approved a contribution to the Old Marston Precept. The total expenditure on the three remaining cemeteries has been charged across all areas except for the Old Marston Parish.
15. Further details of the calculations, as required by the Act are shown at Appendix 1.
16. Taxes by area and by Band are shown at Appendix 2.

Oxfordshire County Council

17. The County Council's likely precept figure for 2021/22 is £71,899,957.26 giving a Band D Council Tax of £1,573.11 a 2.99% increase on the 2020/21 figure of £1,527.44. The figures are due to be finalised on 9 February 2021. That percentage increase includes an Adult Social Care precept of 1%. The Provisional Local Government Finance settlement for 2021/22, announced on 17 December 2020, allowed Authorities with Adult Social Care responsibilities to raise an ASC precept of up to 3%. This was in addition to the normal referendum limit of 2%.

Police and Crime Commissioner for Thames Valley

18. The precept figure for 2021/22 is £10,570,791 giving a Band D Council Tax of £231.28 a 6.9% increase on the 2020/21 figure of £216.28. The Home Secretary announced on 17 December 2020 that he proposed to empower Police and Crime Commissioners to increase their Band D precept by up to £15 in 2021/22 without the need to call for a local referendum. The precept figure was confirmed by the Police and Crime Panel at its meeting on 29th January 2021.

Financial implications

19. These are all included within the main body of the report.

Legal issues

20. The Local Government Finance Acts, 1988 and 1992, as amended by The Localism Act 2011 prescribe the calculations in this report. The Billing Authority is required under section 30 of the Local Government Finance Act 1992 to set the Council Tax before the 11 March in the preceding financial year.

Level of risk and implications

21. Due to the increases explained in the paragraphs above Oxford residents will face an overall rise in their Council Tax liability for 2020/21 of up to 3.3%. The average Band D Council Tax paid in Oxford in 2020/21 was £2,063.56. This will increase by £67.08 to £2,130.64 in 2021/22.
22. A risk assessment has been undertaken and a risk register is attached at Appendix 3. This includes a risk relating to the potential reputational impact on the City Council as Billing Authority for the area and a risk relating to the increased challenge of maintaining the collection rate.

Equalities impact

23. It is difficult to estimate the dimensions of equality risks around Council Tax increases. The Council has put in place proportionate mitigating actions such as the Council Tax Support Scheme and the work of the Welfare Reform Team to protect the most vulnerable and economically challenged households across the City.

Report author	Adrian Wood
Job title	Technical Officer,
Service area or department	Financial Services
Telephone	01865 252619
e-mail	awood@oxford.gov.uk