

COUNCIL – 11 FEBRUARY 2021

COUNCIL TAX 2021-22

Executive Summary

The Executive considered the draft service plans and budgets and the overall Council Tax requirement for 2021/22 on 4 February 2021 and has recommended their approval. Minutes 6 to 9 of the Executive meeting refer.

Surrey County Council and the Office of the Surrey Police and Crime Commissioner have determined their requirements and the final precepts have been levied.

The precept levied by Surrey County Council is a 2.5% increase compared to 2020/21, including an increase to the Adult Social Care (ASC) precept. The Surrey Police and Crime Commissioner has increased the precept by £15, the maximum allowed for 2021/22.

The total of the precepts from Surrey County Council, Surrey Police and Crime Commissioner, and the budget required for the Borough's purposes result in a Band D Council Tax of £2,085.11 in 2021/22.

The draft formal resolution is attached at Appendix 3.

There is a statutory requirement for the Council Tax for 2021/22 to be set before 11th March 2021.

Recommendations

The Council is requested to:

RESOLVE in accordance with the recommendations of the Executive and the draft Council Tax resolution set out at Appendix 3 to the report.

The Council has the authority to determine the recommendation(s) set out above.

Background Papers:	None.
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1.0 Introduction

- 1.1 The Executive at its meeting on 4 February 2021 made recommendations in respect of the Budget for 2021/22.
- 1.2 Following the Council's decision in respect of these recommendations, this report sets out the details necessary for the Council to determine the Council Tax level for 2021/22.

2.0 External Finance 2021/22

- 2.1 The Government published the Final Local Government Finance Settlement for 2021/22 on 4 February 2021 this confirmed the provisional figures which were included in the Executive report.

3.0 General Fund Budget 2021/22

- 3.1 The General Fund Summary, the variations across the People, Place and Us Programme requirements, together with the Housing Revenue Account Summary, are attached at Appendix 1. A summary of the Revenue Reserves is attached at Appendix 2.
- 3.2 The total amount, the Council Tax requirement, to be met from local taxation in 2021/22 for Woking Borough purposes is £10,104,461.

4.0 Budget Variations 2021/22

- 4.1 The year on year change in the precept on the Collection Fund, after taking into account Woking's share of the collection fund surplus is an increase of £101,924. This can be explained as follows:

	£'000
Increased obligations and cost pressures:	
Inflation and increases to service costs	1,795
Reduction in income	2,076
Provision for Covid related losses	6,614
Increased Asset Financing Costs	1,386
Reduction in Collection Fund surplus	54
	11,925
Offset by:	
Increased income	-2,194
Cost reductions	-273
Use of reserves	-9,469
Increase in government funding	-91
	102

5.0 Collection Fund Surplus

- 5.1 The Council's share of the collection fund surplus as at 31 March 2020 in respect of Council Tax is £44,014. The budget includes a forecast deficit for 2020/21 of £68,041 which is a third of the total forecast deficit as government regulations require spreading over 3 years. There is also a surplus relating to retained Business Rates of £200,000 which may be met from reserves if Business Rates income continues to be affected by the Covid-19 pandemic.

6.0 Council Tax Tax Base 2021/22

6.1 It should be noted that the Chief Finance Officer, in accordance with the authority delegated at a meeting of Council on the 6 December 2012 has calculated the Council Tax tax base for 2021/22 for the Borough of Woking to be 40,343.00.

7.0 Borough Council Tax at Band D

7.1 In 2020/21 the Borough element of the Council Tax is £245.46 at Band D.

7.2 For 2021/22 the Borough element of the Council Tax at Band D, is £250.46, representing a 2.04% increase in Council Tax from 2020/21. The 2021/22 Council Tax has been calculated as follows:

	£
Total amount to be met from local taxation and Government Grants for Woking Borough Council	12,305,966
Less External Finance (allocated through B Rates Pilot)	
- Local Retention of Business Rates (NNDR)	-2,134,625
- Revenue Support Grant (RSG)	0
- Lower Tier Services Grant	<u>-90,907</u>
	-2,225,532
Less Council Tax surplus 31 March 2020	-44,014
Plus Forecast Council Tax deficit 2020/21 (after 3 year spreading)	<u>68,041</u>
Net Council Tax requirement for Borough purposes	<u>10,104,461</u>
Council Tax tax base for the Borough	40,343.00
Borough element of Council Tax at Band D	£250.46
(Net Council Tax requirement for Borough purposes divided by the Council Tax tax base for the Borough)	

8.0 Surrey County Council Requirements 2021/22

8.1 Surrey County Council has determined its requirements for 2021/22 at a meeting on 9 February 2021 and has levied a precept of £62,494,534.44 on the Borough. The resultant Band D Council Tax for Surrey County Council purposes is therefore £1,549.08, compared with £1,511.46 for 2020/21.

8.2 This is an overall 2.5% increase compared to 2020/21 on the SCC Council Tax including the Adult Social Care (ASC) precept.

9.0 Surrey Police and Crime Commissioner Requirements 2021/22

9.1 The Surrey Police and Crime Commissioner has determined his requirements for 2021/22 at a meeting on 5 February 2021 and has levied a precept of £11,520,750.51 on the Borough. The resultant Band D Council Tax for the Surrey Police and Crime Commissioners purposes is therefore £285.57 compared with £270.57 for 2020/21. This equals the maximum allowable £15 increase at Band D, equivalent to a 5.5% increase.

10.0 Composite Council Tax 2021/22

10.1 The Band D Council Tax for 2021/22, compared with 2020/21, is set out below:

Purposes of:	2020/21	2021/22	Increase %
	Actual £	Proposed £	
Surrey County Council - Basic	1,409.07	1,410.07	-
Surrey County Council - Adult Social Care	102.39	139.01	-
Surrey County Council - Total	1,511.46	1,549.08	2.5%
Surrey Police and Crime Commissioner	270.57	285.57	5.5%
Woking Borough Council	245.46	250.46	2.0%
Composite Council Tax	2,027.49	2,085.11	2.8%

10.2 The Council Tax for 2021/22, across all bands, may be summarised as follows:

Valuation Band	Surrey County Council Basic £	Adult Social Care £	Total Surrey County Council £	Surrey Police and Crime Commissioner £	Woking Borough Council £	Aggregate of Council Tax Requirements £
A	940.05	92.67	1,032.72	190.38	166.97	1,390.07
B	1,096.72	108.12	1,204.84	222.11	194.80	1,621.75
C	1,253.40	123.56	1,376.96	253.84	222.63	1,853.43
D	1,410.07	139.01	1,549.08	285.57	250.46	2,085.11
E	1,723.42	169.90	1,893.32	349.03	306.12	2,548.47
F	2,036.77	200.79	2,237.56	412.49	361.78	3,011.83
G	2,350.12	231.68	2,581.80	475.95	417.43	3,475.18
H	2,820.14	278.02	3,098.16	571.14	500.92	4,170.22

10.3 The formal resolution to give effect to the Council Tax is set out at Appendix 3.

11.0 Implications

Financial

11.1 The financial implications are explicit in the report.

Human Resource/Training and Development

11.2 There are no human resource or training and development implications arising from the recommendations in this report.

Community Safety

11.3 There are no Community Safety implications arising from this report

Risk Management

- 11.4 The budget includes a risk contingency of £250,000. There are a number of areas of risks which have been reported to the Executive, and these areas will be closely monitored during the year.

Sustainability

- 11.5 There are no Sustainability implications arising from the recommendations in this report.

Equalities

- 11.6 There are no Equalities implications arising from the recommendations in this report.

Safeguarding

- 11.7 There are no Safeguarding implications arising from the recommendations in this report.

12.0 Conclusions

- 12.1 There have been no public consultations.

REPORT ENDS

APPENDICES

- Appendix 1 - General Fund Summary
Summary of Variations
Housing Revenue Account

- Appendix 2 - Investment Strategy Reserves
Revenue Reserves
Capital Reserves and Other Resources

- Appendix 3 - Draft Council Tax Resolution 2021/22

GENERAL FUND SUMMARY

	ESTIMATE 2020/21 £	ESTIMATE 2021/22 £
TOTAL PROGRAMME REQUIREMENTS	-2,802,978	3,649,603
Provision for lost income due to Covid-19		6,614,016
MTFS savings requirement	-100,000	-100,000
PROGRAMME REQUIREMENTS AND SAVINGS TARGETS	-2,902,978	10,163,619
Management of Change	250,000	250,000
Risk Contingency	250,000	250,000
New Homes Bonus	-676,239	-280,504
Business Rates Surrey Pool	-200,000	-200,000
PFI Unitary Charge and management	175,000	175,000
Investment Programme items funded from revenue	340,000	134,000
NET COST OF SERVICES	-2,764,217	10,492,115
INTEREST AND OTHER ITEMS		
- Interest costs	52,301,099	52,082,842
- Interest and Investment Income	-33,231,503	-36,712,374
NET OPERATING EXPENDITURE	16,305,379	25,862,583
USE OF RESERVES/BALANCES		
- Contribution to Investment Strategy Reserve	1,318,694	1,318,694
- Use of Reserves to cover Covid Provision		-6,614,016
- Use of MTFS and Other Revenue Reserves	-288,501	-2,948,214
- New Homes Bonus transferred to Reserve	276,239	80,504
- Contribution from Wolsey Place reserve	-1,003,347	-1,003,347
- Contribution from Capital Reserves	-3,647,946	-4,006,238
- Contribution from Reserves - Management of Change	-250,000	-250,000
- Contribution from Reserves - IP items funded from revenue	-340,000	-134,000
AMOUNTS TO BE MET FROM LOCAL TAXATION AND GOVERNMENT GRANTS	12,370,518	12,305,966
EXTERNAL FINANCE - SETTLEMENT FUNDING ASSESSMENT	-2,134,625	-2,134,625
- Lower Tier Services Grant	0	-90,907
PRECEPT ON COLLECTION FUND	10,235,893	10,080,434
FORECAST COUNCIL TAX LEVEL		
Precept on Collection Fund (from above)	10,235,893	10,080,434
Working share of Collection Fund Surplus(-)/Deficit 31 March 2020	-29,508	-44,014
Working share of Forecast Collection Fund Deficit 2020/21		68,041
	10,206,385	10,104,461
Council Tax Taxbase	41,580	40,343.00
Council Tax Requirement (£)	£245.46	£250.46
Year on year increase (£)	£5.00	£5.00
Year on year increase (%)	2.08%	2.04%

SUMMARY OF VARIATIONS

	People £	Place £	Us £	Total £
Original Estimate 2020/21	10,309,442	-19,455,644	6,343,224	-2,802,978
<u>General Budget Pressures</u>				
Changes in Management and Administration costs	140,815	-256,351	99,882	-15,654
Changes in Capital Charges	-57,123	415,415	0	358,292
Contractual Inflation	0	609,562	0	609,562
Business Rates Changes	5,174	793,013	0	798,187
Changes in Insurance	4,436	32,283	818	37,537
Changes in Fees and Charges	43,217	-80	-30,640	12,497
Other Minor Variations	-35,533	3,514	-2,000	-34,019
<u>Specific Service Issues</u>				
Loss of Rent at Moorcroft	20,000			20,000
Grounds Maintenance Costs	10,572			10,572
Net rental Income from 121 Chertsey Road (excl borrowing costs)	-113,547			-113,547
Homelessness & Rough Sleeper Funding	-45,901			-45,901
Removal of Housing Standards Financial Penalties	37,631			37,631
Addition of Hale End Court	70,188			70,188
Net Increase in Meals Service income	-20,360			-20,360
Recharges for additional Handymen works (net of materials)	-14,026			-14,026
Environmental Maintenance Contract Oak Processionary Moth		50,000		50,000
Income from new leases and new Strategic Properties		-1,489,854		-1,489,854
Reduction in rents due to voids		1,189,139		1,189,139
Adjustments to existing leases		-510,298		-510,298
Reduction in rents due to redevelopments		421,327		421,327
Delay in acquisitions		5,085,583		5,085,583
Increase in management costs due to new assets		208,421		208,421
Saving on expired lease		-81,436		-81,436
Removal of estimated HG Wells budgets due to closure		123,240		123,240
Accredited Groups use of HG Wells	-195,000			-195,000
Corporate Management Hire of HG Wells			-104,000	-104,000
Corporate Management Audit Commission Fee			44,500	44,500
Original Estimate 2021/22	10,159,985	-12,862,166	6,351,784	3,649,603

HOUSING REVENUE ACCOUNT

<u>EXPENDITURE</u>	ORIGINAL ESTIMATE 2020/21 £	ORIGINAL ESTIMATE 2021/22 £
SUPERVISION & MANAGEMENT		
Estate Management	5,101,038	5,209,526
Rent Accounting/Collection	-41,265	-41,265
Home Support Service	749,944	683,294
Tenant Participation	12,598	24,599
Repairs Admin	59,387	60,131
Democratic Process	1,531,741	1,583,714
	<u>7,413,443</u>	<u>7,519,999</u>
DEPRECIATION	3,892,898	3,700,000
MAINTENANCE		
Day to Day Repairs	462,362	462,362
Revenue Voids	688,131	688,131
Planned Maintenance	1,111,102	1,104,979
	<u>2,261,595</u>	<u>2,255,472</u>
Subsidy Limitation	0	0
Debt Management Expenses	36,000	36,000
TOTAL EXPENDITURE	<u>13,603,936</u>	<u>13,511,471</u>
<u>INCOME</u>		
GROSS RENTS & SERVICE CHARGES	18,599,315	18,137,062
Additional Bad Debt Provision For Covid Impact		-200,000
INTEREST COUNCIL HOUSE MORTGAGES	1,149	1,149
TOTAL INCOME	<u>18,600,465</u>	<u>17,938,211</u>
NET (COST)/SURPLUS OF SERVICES	4,996,529	4,426,740
Interest Payable and Similar Charges	5,237,927	5,216,852
Amortisation of Premiums and Discounts	29,817	29,817
Revenue Contribution to Capital Outlay	0	0
Surplus (Deficit) for Year	<u>-271,215</u>	<u>-819,929</u>
<u>WORKING BALANCE STATEMENT</u>		
Surplus (Deficit) brought forward	500,288	332,271
Surplus (Deficit) for Year	-271,215	-819,929
Interest on Working Balances	198	0
Surplus (Deficit) carried forward	<u>229,271</u>	<u>-487,659</u>
TRANSFER TO (FROM) RESERVES (HIP Reserve)	-103,000	-827,000
Surplus (Deficit) carried forward	<u>332,271</u>	<u>339,341</u>
No. of Dwellings @ 31 March	3,353	3,399
WORKING BALANCE PER PROPERTY	100	100

Council Tax 2021-22

INVESTMENT STRATEGY RESERVE

	2020/21 Original £'000	2020/21 Revised £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Balance Brought Forward	2,505	2,511	2,401	2,577	2,787
<u>Source of Funds</u>					
Planned contribution from General Fund	1,319	1,319	1,319	1,319	1,319
New Homes Bonus	276	276	81	0	0
Transfer from Town Centre Management Reserve	150	150	150	150	150
Total Available Funds	4,250	4,256	3,951	4,046	4,256
<u>Use of Funds</u>					
Management of Change (GF only)	-250	-250	-250	-250	-250
Use of Selective Licensing Surplus					
Financing IP Revenue Items	-340	-460	-174	-140	-140
Celebrate Woking	-150	0	0	0	0
Flood Prevention schemes	-900	0	0		
Best Bar None	-14	0			
Sheerwater Social Support	-125	-125	-125	-125	-125
Countryside Management	-115	0	0	0	0
Sheerwater Football Club/Woking Football Club Ground Sharing	-100	0			
Queen Elizabeth Gardens Drainage, Landscaping & Lighting					
Total Use of Funds	-1,994	-835	-549	-515	-515
<u>Transfer to Other Revenue Reserves</u>					
Transfer to Wolsey Place reserve	-300	-300	-300	-300	-300
Transfer to New Homes Bonus Reserve	-276	-276	-81	0	
Transfer to Equipment reserve	-50	-50	-50	-50	-50
Transfer to Town Centre Management Account Reserve	-92	-92	-92	-92	-92
Transfer of On-street Parking to Surrey	-116	-116	-116	-116	-116
Transfer to Community Fund	-176	-176	-176	-176	-176
Transfer to Provision for Flexibility	-10	-10	-10	-10	-10
Total Transfer to Other Revenue Reserves	-1,020	-1,020	-825	-744	-744
Balance Carried Forward	1,236	2,401	2,577	2,787	2,997
Forecast use of reserves due to COVID		-7,329	-9,562		

Council Tax 2021-22

AT 31 MARCH	2020	2021	2022	2023	2024	2025
	£'000	£'000	£'000	£'000	£'000	£'000
REVENUE RESERVES						
Investment Strategy Reserve	2,511	2,401	2,577	2,787	2,997	3,207
Forecast use of reserves due to COVID		-7,329	-16,891	16,891	16,891	16,891
Housing Investment Programme Reserve	4,835	3,956	2,698	1,430	610	-
Medium Term Financial Strategy Reserve	4,999	4,710	4,710	4,710	4,710	4,710
Provision for Flexibility Reserve	130	130	130	130	130	130
Leased Car Relief Vehicle Reserve	-	-	-	-	-	-
Freda Ebel Bequest	5	5	5	5	5	5
Community Fund	421	421	421	421	421	421
Insurance Fund	186	186	186	186	186	186
Parking Reserve	-	-	-	-	-	-
Environmental (CO2) Reserve	35	35	35	35	35	35
Wolsey Place Reserve	3,198	1,104	227	-676	-1,579	-2,782
New Homes Bonus Reserve	1,113	1,114	907	632	357	82
Group Company Reserve	750	750	750	750	750	750
Woking Palace Reserve	35	35	35	35	35	35
Equipment Reserve	430	451	431	481	531	531
Peer grant Reserve	38	38	38	38	38	38
Business Rates Equalisation Reserve	4,025	4,025	4,025	4,025	4,025	4,025
Local Council Tax Support Scheme Hardship Fund	48	48	48	48	48	48
Westfield Common Reserve	82	82	82	82	82	82
PFI Reserve	2,739	2,739	2,739	2,739	2,739	2,739
Town Centre Management Agreement Reserve	470	412	354	296	238	88
Victoria Square Reserve	1,985	3,632	4,470	4,470	4,470	4,470
Sheerwater Reserve	71	-314	-700	-1,085	-1,470	-1,470
Off Street Parking Reserve	2,000	2,000	2,000	2,000	2,000	2,000
Syrian Refugee Reserve	535	535	535	535	535	535
Homelessness Support Reserve	264	264	264	264	264	264
Dukes Court Reserve	3,273	3,273	3,273	3,273	3,273	3,273
	34,178	24,703	13,349	10,720	8,539	6,511
CAPITAL RESERVES & OTHER RESOURCES						
Usable Capital Receipts	5,249	1,862	2,859	1,051	-2,304	0
Set Aside Capital Receipts	52,697	54,567	56,646	58,747	60,972	63,197
Major Repairs Reserve	0	8	8	8	8	8
Development Contribution Reserve	11,415	1,427	377	377	377	377
	69,361	57,864	59,890	60,183	59,053	63,582
WORKING BALANCES						
GF Working Balance	1,500	1,500	1,500	1,500	1,500	1,500
HRA Working Balance	500	500	500	500	500	500
	2,000	2,000	2,000	2,000	2,000	2,000
TOTAL RESERVES	105,539	84,567	75,240	72,903	69,592	72,093

DRAFT COUNCIL TAX RESOLUTION – 2021/22

1. That the revenue estimates for 2021/22, as submitted, be approved.
2. That it be noted that the Chief Financial Officer, in accordance with the terms of his delegated authority, has calculated the following amount for the year 2021/22 in accordance with regulations made under Section 31B (3) of the Local Government Finance Act 1992 as amended (the Act) as:-
 - a) 40,343.00 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year;
3. The Council calculates that the Council Tax requirement for the Council's own purposes for 2021/22 is £10,104,461.
4. That the following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 31 to 36 of the Act:-
 - a) £159,616,895 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act;
 - b) £149,512,434 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;
 - c) £10,104,461 being the amount by which the aggregate at 4 a) above exceeds the aggregate at 4 b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;
 - d) £250.46 being the amount at 4 c) above divided by the amount at 2 a) above, calculated by the Council, in accordance with section 31 B of the Act, as the basic amount of its Council Tax for the year;
5. That it be noted for the year 2021/22 Surrey County Council and Surrey Police and Crime Commissioner have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown in the table below.

6. That the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of council tax for the year 2021/22 for its area and for each of the categories of dwellings :-

Valuation Band	Surrey County Council Basic £	Adult Social Care £	Total Surrey County Council £	Surrey Police and Crime Commissioner £	Woking Borough Council £	Aggregate of Council Tax Requirements £
A	940.05	92.67	1,032.72	190.38	166.97	1,390.07
B	1,096.72	108.12	1,204.84	222.11	194.80	1,621.75
C	1,253.40	123.56	1,376.96	253.84	222.63	1,853.43
D	1,410.07	139.01	1,549.08	285.57	250.46	2,085.11
E	1,723.42	169.90	1,893.32	349.03	306.12	2,548.47
F	2,036.77	200.79	2,237.56	412.49	361.78	3,011.83
G	2,350.12	231.68	2,581.80	475.95	417.43	3,475.18
H	2,820.14	278.02	3,098.16	571.14	500.92	4,170.22

7. That the Council's basic amount of Council Tax for 2021/22 is not excessive in accordance with the principles approved under Section 52 ZB of the Local Government Finance Act 1992 as amended.