

### Council Tax Requirement

1. In January 2022, the District and Borough Councils informed Surrey County Council of the Council Tax base for 2022/23. The tax base provided is presented as the number of Band D equivalent properties. The total tax base for 2022/23 is 510,921.8; an increase of 1.8% from 2021/22. This information was received ahead of the legislative deadline of 31 January 2021 and so is subject to final confirmation.
2. At the same time, the District and Borough Councils provided estimates of the Council Tax Collection Fund balance. As a result of pressures associated with the Covid-19 pandemic, a large deficit was incurred on the 2020/21 Collection Fund. The Government has amended legislation to require authorities to spread the estimated deficit on the 2020/21 Collection Fund over three years from 2021/22 to 2023/24. The overall collection fund position remains to be finalised by the District and Borough Councils; however, the 2022/23 budget is based on an assumed surplus of £2.5m (this being the Council Tax element after the requirement to spread over three years).
3. Each year the Council must decide if its proposed Council Tax increase is excessive. If deemed excessive, a referendum must be held. This decision must be made in accordance with a set of principles determined by the Secretary of State (SoS), referred to as the referendum principle.
4. Since 2016/17, authorities with social care responsibilities have been allowed additional flexibility on their core Council Tax referendum principle so long as the additional money raised is used entirely for adult social care services. This is referred to as the Adult Social Care (ASC) precept.
5. In December 2021 the SoS for Levelling Up, Housing and Communities, The Rt Hon Michael Gove, set a core Council Tax referendum principle of up to 2% and set out flexibilities for authorities to set an ASC precept of 1% on top of the core element. In 2021/22 in recognition that local authorities might not want to take up the ASC precept flexibility in full, some or all of a 3% increase could be deferred for use in 2022/23. Surrey County Council chose to use 0.5% in 2021/22 and defer 2.5% for consideration in 2022/23.
6. Increases in the core Council Tax and ASC precept are calculated based on the full Council Tax precept for the preceding year.
7. Council is asked to approve the increase to core Council Tax by 1.99% and the ASC precept by 3.0%; an overall increase of 4.99%, for 2022/23. The Council Tax precept is the Council Tax requirement divided by the tax base.

**Table 1 – Council Tax Requirement – To be finalised when collection fund is confirmed**

(Income)/Expenditure	£
Gross expenditure	1,936,849,167.85
Other income	894,856,901.40
<b>Budgeted revenue expenditure</b>	<b>1,041,992,266.45</b>
Contributions to/(from) reserves and balances	2,206,362.81
Business rates income	(46,548,202.41)
Business rates top-up	(63,088,453.73)
Business rates collection fund	5,348,645.84
Other Government grants	(106,402,949.99)
Council tax collection fund balance	(2,549,530.14)
Council tax requirement	830,958,138.83

8. The tax base is the number of Band D equivalent properties for precepting purposes. The tax base for 2022/23 is as follows, showing an increase of 1.8% from 2021/22:

**Table 2 – 2022/23 Tax base – To be finalised when collection fund is confirmed**

Billing Authority	No. of Band D equivalent properties		
	2022/23	2020/21 equivalent	Change
Elmbridge	65,569.0	64,518.00	1.6%
Epsom & Ewell	33,251.4	33,149.60	0.3%
Guildford	58,335.9	57,159.40	2.1%
Mole Valley	41,308.0	40,759.00	1.3%
Reigate & Banstead	62,274.7	60,720.00	2.6%
Runnymede	34,524.0	33,404.00	3.4%
Spelthorne	39,983.5	39,016.30	2.5%
Surrey Heath	38,976.2	38,810.60	0.4%
Tandridge	38,692.8	38,454.50	0.6%
Waverley	56,487.3	55,612.80	1.6%
Woking	41,519.0	40,343.00	2.9%
Total	510,921.8	501,947.20	1.8%

9. The Council is required to provide separately information on the amount by which Council Tax is raised in order to fund Adult Social Care services. The Band D Council Tax precept for 2022/23 is calculated as follows:

**Table 3 – Band D precept**

Council Tax Precept	CTR ÷ tax base	Level
Core precept	736,192,359.66 ÷ 510,921.8	= £1,440.91
Adult Social Care precept	94,765,779.17 ÷ 510,921.8	= £185.48*
Council tax precept	830,958,138.83 ÷ 510,921.8	= £1,626.39

\*The amount charged for the ASC precept is the sum of the ASC precept increases since 2016/17.

10. The proposed increase is not considered excessive in accordance with the set of principles determined by the SoS.

**Table 4 – Increase in Council Tax**

Band D	A 2021/22	B 2022/23	C Base to measure increase	D Increase (B-A) ÷ C	Referendum Principle
Core precept	£1,410.07	£1,440.91	£1,549.08	1.99%	up to 2%
ASC precept	£139.01	£185.48	£1,549.08	3.00%	3.5% on top of the core principle
Council tax precept	£1,549.08	£1,626.39	£1,549.08	4.99%	up to 5.5%

11. The proposals result in an overall increase of £77.31 per annum, £1.48 per week, for a Band D dwelling.
12. Surrey County Council's level of Council Tax for each category of dwelling in its area will be as follows:

**Table 5 - Council Tax by valuation band**

Valuation band	Core precept	ASC precept	Overall precept
A	£960.61	£123.65	£1,084.26
B	£1,120.71	£144.26	£1,264.97
C	£1,280.81	£164.87	£1,445.68
D	£1,440.91	£185.48	£1,626.39
E	£1,761.11	£226.70	£1,987.81
F	£2,081.31	£267.92	£2,349.23
G	£2,401.52	£309.13	£2,710.65
H	£2,881.82	£370.96	£3,252.78

13. The payment for each billing authority including any surplus or deficit balances on the Collection Fund will be confirmed when District and Borough Councils provide final confirmation of their collection fund balance.
14. The billing authority payments are to be made in ten equal instalments on dates to be confirmed with the District and Borough Councils.

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