

FC46. Revenue Budget 2021/22 – Council Tax

Council considered a report by the Chief Executive and the Director of Corporate and Housing Services which invited the Council to set a Council Tax for 2021/22.

Councils were legally required to approve an annual balanced budget and set a council tax by 11 March in the preceding financial year. Normally the budget and Council tax were set at the same meeting of Council. However in light of the uncertainties caused by the deferred Westminster Budget, the potential to harness Fiscal Flexibilities and the impacts of COVID-19 Council was asked to set its Council Tax today with a further meeting being held on Thursday 11 March to set the Budget.

In its Local Government Finance Settlement for 2021/22 the Scottish Government had allocated an additional £90 million to compensate councils who chose to freeze their council tax at 2020-21 levels. This additional allocation would provide compensation to support services and equated to an increase in council tax of around 3%. There remained, however an issue on the baselining of the related grant into future Settlements. The Scottish Government had advised that this would be considered as part of the negotiations for the 2022/23 Settlement. The earlier, nine year council tax freeze had previously been integrated into Settlements.

In 2020/21 Falkirk had a band D Council Tax charge of £1,225.58 which was £82.42 below the Scottish Average of £1,308 and the 5th lowest in mainland Scotland.

Low income households, already in receipt of Council Tax Reduction, would be protected from any increase that Council applied. In addition, from 1 April 2021, Scottish Water had enhanced their 'Water Reduction' scheme. This meant that the lowest income households, who were in receipt of full Council Tax Reduction, would automatically pay 10% less water and wastewater charges.

Councillor Meiklejohn, seconded by Councillor Bouse, moved that Council agrees to:-

- (1) accept the proposal from the Scottish Government to freeze the council tax for 2021/22 as set out in the Grant letter, and
- (2) write to the Cabinet Secretary for Finance asking that she gives assurance that this year's council tax freeze, the equivalent of a 3% increase, be baselined for 2022/23 recognising that there would be longer term impacts as a result of the pandemic thus giving an element of certainty at a time when public finances were under severe pressure.

Council then adjourned at 10.30am to allow members of the opposition groups to consider the terms of the motion and reconvened at 10.40am with all members present as per the sederunt.

Decision

Council agreed the motion.