

16 Nov 2020

Contact: Joanne Watson  
Direct Tel: 03000 266240  
email: [joanne.watson3@durham.gov.uk](mailto:joanne.watson3@durham.gov.uk)  
Our ref: PD / JW T&PC 21/22



Mr A Bailey  
Great Aycliffe Town Council  
Council Offices  
School Aycliffe Lane  
Newton Aycliffe  
County Durham  
DL5 6QF

11 November 2020

Dear Parish / Town Clerk

**Notification of Tax Base, Local Council Tax Reduction Scheme Grant Allocation and Request for Precept 2021/22**

We wrote to you in August of this year to provide you with your indicative tax base and an estimate of Local Council Tax Reduction Scheme (LCTRS) grant to be paid to you for 2021/22, for budget planning purposes. These figures were based on a number of assumptions and data available at that time.

On 18 November 2020 Cabinet will formally set the tax base for 2021/22 and in doing so also resolve to continue to pass on the Town and Parish element of its formula grant in 2021/22, at the same level received in 2020/21 which was £1.333m. This is a significant commitment and these payments are made in the spirit of partnership working with local town and parish councils as the council is not statutorily bound to make these payments and in many other areas this funding is not provided.

The council's LCTRS has also been reviewed and Cabinet will also consider recommendations that it continues to provide up to 100% support to our most vulnerable households, including working aged households in receipt of low incomes next year. The scheme will therefore remain unchanged next year, subject to Council subsequently agreeing those recommendations at its meeting in December.

The LCTRS grant payable to individual Town and Parish Councils has again been allocated proportionate to the impact of their tax raising capacity, including the incidence of LCTRS in each locality, which is the established method of distribution we have used since 2013/14.

**Resources**

Durham County Council, County Hall, Durham DH1 5UE

Main Telephone 03000 26 0000

Text messaging service: 07786027280 – please start your message with the word INFO

## Tax Base 2021/22

The council has updated its tax base modelling and calculated your tax base (to be approved by Cabinet on 18 November 2020) taking into account the impact of the council's decision to extend the current LCTRS into next year, the increase in LCTRS claims that has been experienced, an updated prudent position in terms of assumptions for new build and incidence of other discounts and exemptions impacting on the tax base calculation. The tax base continues to include the impact of the council's policy (initially approved by Cabinet on 12 July 2017) to exempt care leavers from council tax up to the age of 25, in line with best practice and responsibilities as a corporate parent.

The following table shows the position for your council:

<b>Great Aycliffe Town Council</b>	
Current Tax Base (2020/21) [A]	6,867.8
<b>Tax Base for 2021/22 [B]</b>	<b>6,788.0</b>
Tax Base Increase/(Decrease) from 2020/21 [C] = [B] - [A]	<b>(79.8)</b>
Current Band D Council Tax (2020/21) [D]	£250.08
Increase/(Decrease) in Council Tax Yield [E] ([C] x [D])	(£19,956.38)
Removal of 2020/21 LCTRS Grant [F]	(£165,036.00)
LCTRS Grant Payable to Your Council 2021/22 [G]	£180,305.00
<b>*Net Position [E] - [F] + [G]*</b>	<b>(£4,687.38)</b>

\*This is the amount you would have to increase or decrease your precept by to give you a standstill position in terms of resource availability (in cash terms).

Based on the above information please could you arrange for your council to determine its precept requirement for 2021/22. To allow me to take your precept for 2021/22 into account in setting the council tax for 2021/22 I have enclosed the relevant Parish Precept Form and would be grateful if you could **complete and return this form by Friday 22 January 2021 at the latest**.

Please note that the LCTRS grant quoted above will be paid to you **in addition** to your agreed precept and should be taken into account when determining your precept requirement.

I would also like to draw your attention to the fact the Government has previously issued a challenge to Town and Parish Councils to demonstrate restraint when setting precept increases, that are not a direct result of taking on additional responsibilities, and to make precept decisions more transparent to local taxpayers.

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The Government expects Town and Parish Councils, in setting their precepts, to consider all available options to mitigate the need for council tax increases. For a number of years the Government has threatened to implement a cap on council tax increases implemented by Town and Parish Councils. There is no indication at this stage that a cap will be implemented for 2021/22, however any Government proposals to do so would be set out at the time of the provisional local government finance settlement which is due in December 2020.

Precept payments and your share of the LCTRS grant will be paid directly into your bank account in accordance with the instalment profiles that applied in 2020/21. **Please ensure that all relevant bank account details are supplied on the attached form. Please also supply your current email address for remittance notification.**

If your precept is greater than £140,000 you must also comply with the requirements of the Council Tax Regulations 2003, which require additional information to be published as follows:

- Gross expenditure breakdown by class of service provided
- Income broken down by class of service provided
- Net expenditure broken down by class of service provided
- A statement of the effect of the aggregate gross expenditure and net budget requirement upon the level of precept issued

I look forward to receiving your completed forms. Should you require any further information with regards to this letter, please do not hesitate to contact Joanne Watson, Principal Accountant on 03000 266240 or email [joanne.watson3@durham.gov.uk](mailto:joanne.watson3@durham.gov.uk). Further information is available in the November Cabinet report, which is available on the Durham County Council website.

Yours sincerely

*John Hewitt*

John Hewitt  
Corporate Director of Resources

**DURHAM COUNTY COUNCIL**  
**OFFICIAL PRECEPT REQUEST - Great Aycliffe Town Council**  
**OFFICIAL PRECEPT REQUEST 2021/22**

Please return a completed, signed electronic request via email to Joanne Smart at [joanne.smart@durham.gov.uk](mailto:joanne.smart@durham.gov.uk), but you must keep the original on file.

Great Aycliffe Town Council requests a precept for 2021/22 of £ \_\_\_\_\_

CHECK: Precept divided by tax base gives a band D charge of £ \_\_\_\_\_

In addition, an LCTRS grant (see letter) will be payable of £ \_\_\_\_\_

Giving a total payment by Durham County Council for 2021/22 of £ \_\_\_\_\_

Authorised at a meeting of the Parish/Town Council held on the \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

Signed: \_\_\_\_\_ (Chairman)

\_\_\_\_\_ (Clerk)

Date: \_\_\_\_\_

**Bank details for payment:**

Name and address of bank: \_\_\_\_\_

\_\_\_\_\_

Sort code: \_\_\_\_\_

Account number: \_\_\_\_\_

Email address for remittance advice: \_\_\_\_\_

**It is essential that all of the above information is provided. Failure to do so may result in a delay in your precept/grant being paid.**