

BRECKLAND DISTRICT COUNCIL

Report of: Cllr Pablo Dimoglou, Executive Member Finance

To: Full Council: 23 February 2017

(Author: Christine Marshall, Executive Director Commercialisation)

Subject: Council Tax 2017-18

Purpose: To set the amounts of Council Tax applicable for 2017-18 for each valuation band and in each part of the district

Recommendation(s):

- 1) That Full Council approves the special expenses for 2017-18 (at paragraph 1.3.1) based on a 1.95% council tax rise; OR
- 2) That Full Council approves the special expenses for 2017-18 (at paragraph 1.3.2) based on a £4.95 council tax rise
- 3) That Full Council approves the formal council tax resolutions for 2017-18 (at paragraph 1.4.1 to 1.4.5) based on a 1.95% council tax rise; OR
- 4) That Full Council approves the formal council tax resolutions for 2017-18 (at paragraph 1.4.6 to 1.4.10) based on a £4.95 council tax rise;

1.0 BACKGROUND

- 1.1 This report covers the formal resolutions required to set the Council Tax in accordance with the Local Government Finance Act 1992 as amended. The Norfolk Police & Crime Panel met on 2 February 2017 to set its precept for 2017-18. Whilst the Norfolk County Council meets on 20 February 2017 to set its precept for 2017-18. The figures in this report are based on the proposed Norfolk County Council figures and if there are any changes at their 20 February meeting, Members will be updated at this meeting on 23 February.

The County Council is proposing to raise its Council Tax by 4.8%, 3% for adult social care and 1.8% general rise. The Norfolk Police & Crime Commissioner (NPCC) is increasing its Council Tax by 1.9865%.

The Localism Act 2011 makes provision for Council Tax referendums to be held if an authority increases its basic amount of Council Tax in excess of principles determined by the Secretary of State. These excessiveness principles are set each year. At the time of writing this report the final Settlement has not been received, but based on the draft Settlement for 2017-18 a referendum would be triggered if the basic amount of Council Tax increases by:

- A core principle of 2% for all principle local authorities and Police and Crime Commissioners (except Police and Crime Commissioners whose Band D precept is in the lower quartile of that category).
- Increased flexibility for local authorities with responsibility for adult social care, who are able to increase by up to an additional 3% in 2017-18 or 2018-19 but cannot exceed 6% in total over the three year period 2016-2019.
- Police and Crime Commissioners in the lower quartile of band D council tax levels are allowed increases of less than 2% or up to and including £5, whichever is higher

- Increases of less than 2% or up to and including £5, whichever is higher, for shire districts. Breckland Council fit in this category.
- Local precepting authorities (i.e. Parish Councils) are not subject to Council Tax referendums in 2017-18 (however this could be applied to larger towns and parishes in future years as it formed part of the Government consultation in summer 2016)

None of the precepting authorities are setting a Council Tax level that would require a referendum.

Budget

- 1.2 The budget was presented to Cabinet on 7 February 2017 with a recommendation to Full Council on 23 February 2017, setting the band D Council Tax at:
- £75.42 for the year, a 1.95% increase on a Band D property compared to 2016-17; or
 - £78.93 for the year, a £4.95 increase on a Band D property compared to 2016-17; or
 - An alternative value

The Council Tax resolutions below are based on the Breckland budget figures plus the amounts requested by other precepting authorities.

Special Expenses

- 1.3 It is proposed that the amounts to be charged as a Special Expense for the provision of the public footway lighting service are as follows:

- 1.3.1 Either:

At a Council Tax Rise of 1.95%		
	Total	Band D
Dereham	£9,074.85	£1.65
Thetford	£41,533.47	£6.65
Watton	£14,444.29	£5.87

- 1.3.2 Or:

At a Council Tax Rise of £4.95		
	Total	Band D
Dereham	£8,824.98	£1.60
Thetford	£41,234.98	£6.61
Watton	£14,186.43	£5.77

The costs of the public footway lighting services applicable to Attleborough and Swaffham are charged directly to the respective town councils and other parishes take direct responsibility for their public lighting arrangements.

Council Tax Resolutions

At a 1.95% council tax rise:

- 1.4.1 It is to be noted that on 23 February 2017 the Council has calculated: -
- a) the Council Tax Base 2017-18 for the whole Council area as 41,991.1 (item T in the regulations made under Section 33(5) of the Local Government Finance Act 1992, as amended) and
 - b) for dwellings in those parts of its area to which a Parish precept relates as in the attached **Appendix A**.

- 1.4.2 Calculate that the Council Tax requirement for the Council's own purposes for 2017-18 (excluding Parish precepts) is £3,232,136
- 1.4.3 That the following amounts be calculated by the Council for the year 2017-18 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended (the Act):-
- a) £75,686,518 being the aggregate of the amounts which the Council estimates for the expenditure items set out in Section 31A(2) of the Act;
 - b) £68,929,975 being the aggregate of the amounts which the Council estimates for the income items set out in Section 31A(3) of the Act;
 - c) £6,756,543 being the amount by which the aggregate at 1.4.3(a) above exceeds the aggregate at 1.4.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;
 - d) £160.90 being the amount at 1.4.3(c) above, divided by the amount at 1.4.1(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);
 - e) £3,589,459 being the aggregate amount of all special items (including Parish precepts) referred to in Section 34(1) of the Act (as per the attached **Appendix A**);
 - f) £75.42 being the amount at 1.4.3(d) above less the result given by dividing the amount at 1.4.3(e) above by the amount at 1.4.1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its areas to which no special item relates;
 - g) The figures shown in **Appendix B1**, being the amounts given by adding to the amount at 1.4.3(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1.4.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;
 - h) The figures shown in **Appendix C1**, being the amounts given by multiplying the amounts at 1.4.3(f) and 1.4.3(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
- 1.4.4 That it be noted that for the year 2017-18 the Norfolk County Council and Norfolk Police & Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

	Band							
	A	B	C	D	E	F	G	H
NCC	£831.96	£970.62	£1,109.28	£1,247.94	£1,525.26	£1,802.58	£2,079.90	£2,495.88
NPCC	£144.78	£168.91	£193.04	£217.17	£265.43	£313.69	£361.95	£434.34

1.4.5 That having calculated the aggregate in each case the amounts at 1.4.3(h) and 1.4.4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown in **Appendix D1** as the amount of Council Tax for 2017-18 of the categories of dwellings shown.

At a £4.95 council tax rise:

- 1.4.6 It is to be noted that on 23 February 2017 the Council has calculated: -
- a) the Council Tax Base 2017-18 for the whole Council area as 41,991.1 (item T in the regulations made under Section 33(5) of the Local Government Finance Act 1992, as amended) and
 - b) for dwellings in those parts of its area to which a Parish precept relates as in the attached **Appendix A**.
- 1.4.7 Calculate that the Council Tax requirement for the Council's own purposes for 2017-18 (excluding Parish precepts) is £3,378,604
- 1.4.8 That the following amounts be calculated by the Council for the year 2017-18 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended (the Act):-
- a) £75,686,518 being the aggregate of the amounts which the Council estimates for the expenditure items set out in Section 31A(2) of the Act;
 - b) £68,783,507 being the aggregate of the amounts which the Council estimates for the income items set out in Section 31A(3) of the Act;
 - c) £6,903,011 being the amount by which the aggregate at 1.4.8(a) above exceeds the aggregate at 1.4.8(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year;
 - d) £164.39 being the amount at 1.4.8(c) above, divided by the amount at 1.4.6(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);
 - e) £3,588,653 being the aggregate amount of all special items (including Parish precepts) referred to in Section 34(1) of the Act (as per the attached **Appendix A**);
 - f) £78.93 being the amount at 1.4.8(d) above less the result given by dividing the amount at 1.4.8(e) above by the amount at 1.4.6(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its areas to which no special item relates;
 - g) The figures shown in **Appendix B2**, being the amounts given by adding to the amount at 1.4.8(f) above the amounts of the special item or items relating to

dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1.4.6(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;

- h) The figures shown in **Appendix C2**, being the amounts given by multiplying the amounts at 1.4.8(f) and 1.4.8(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 1.4.9 That it be noted that for the year 2017-18 the Norfolk County Council and Norfolk Police & Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
NCC	£831.96	£970.62	£1,109.28	£1,247.94	£1,525.26	£1,802.58	£2,079.90	£2,495.88
NPCC	£144.78	£168.91	£193.04	£217.17	£265.43	£313.69	£361.95	£434.34

- 1.4.10 That having calculated the aggregate in each case the amounts at 1.4.8(h) and 1.4.9 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts shown in **Appendix D2** as the amount of Council Tax for 2017-18 of the categories of dwellings shown.

Appendix E provides some definitions for the formal Council Tax resolution above.

Excessiveness Determination

- 1.5 The Council's basic amount of Council Tax (including special expenses) as calculated for 2017-18 is either 1.95% or £4.95 higher than that calculated for 2016-17 and therefore within the limit above which a referendum would be required.

Accordingly it can be determined that the Council's basic amount of Council Tax is not excessive for 2017-18 in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992 (as amended).

2.0 OPTIONS

- 2.1 Approve recommendations 1 and 3 of this report; or
- 2.2 Approve recommendations 2 and 4 of this report; or
- 2.3 Make changes before approving either recommendations 1 and 3 of this report or recommendations 2 and 4 of this report.

3.0 REASONS FOR RECOMMENDATION(S)

- 3.1 As the billing authority, Breckland is required by the Local Government Finance Act 1992 to set the council tax by 11th March each year.

4.0 EXPECTED BENEFITS

4.1 To set the council tax for 2017-18.

5.0 **IMPLICATIONS**

5.1 **Constitution & Legal**

5.1.1 This report complies with the Local Government Finance Act 1992.

5.2 **Financial**

5.2.1 This report is financial in nature and finances are shown in the report.

5.3 **Risk Management**

5.3.1 Risks relating to the budget are detailed in the budget setting report 2017-18.

5.4 **Stakeholders / Consultation / Timescales**

5.4.1 Consultation has taken place with Overview & Scrutiny Committee, Cabinet, Business Ratepayers and Residents (via the web site).

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 All wards.

7.0 **ACRONYMS**

7.1 NCC = Norfolk county Council

7.2 NPCC = Norfolk Police & Crime Commissioner

Background papers:- None

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Key Decision: Yes

Exempt Decision: No

This report refers to a Mandatory & Discretionary Services

Appendices attached to this report:

Appendix A Parish/Ward Council Tax base report
Appendix B1 & B2 Breckland Council plus parishes band D Council Tax
Appendix C1 & C2 Breckland Council plus parishes Council Tax – all valuation bands
Appendix D1 & D2 Council Tax rates including County and Police – all valuation bands
Appendix E Council Tax resolution – definitions