

Central Bedfordshire Council

FULL COUNCIL - 22 February 2018

Council Tax Resolution

Report of Cllr Richard Wenham, Executive Member for Corporate Resources and Deputy Leader (richard.wenham@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Director of Resources & s.151 Officer (charles.warboys@centralbedfordshire.gov.uk)

1. The report presents the formal Council Tax Resolution arising from the Budget proposals presented to Council for approval.

RECOMMENDATION:

The Council is asked to approve the Council Tax Resolution set out in Appendix A.

Overview and Scrutiny Comments

2. Comments from Overview and Scrutiny were taken into account by the Executive in formulating its budget proposals to Council.

Reason for decision

3. To enable the Council to calculate and set the Council Tax for 2018/19. The Council is required to approve a statutory Council Tax Resolution in the form shown in Appendix A. The formal resolution is based on figures contained in the Medium Term Financial Plan for 2018/19 to 2021/22 recommended by the Executive on 6 February 2018, for approval by Council.

Council Priorities

4. The Council's priorities were a central strand of the Medium Term Financial Plan (MTFP) and have been a specific factor in evaluating savings proposals and the resultant Council Tax levels.

Corporate Implications

Legal Implications

The Council Tax Resolution is set in accordance with Section 31A(4) of the Local Government Finance Act 1992.

5. The Council is also required to determine that the Council's basic amount of Council Tax for 2018/19 is not excessive in accordance with principles approved under Section 52ZC of the Local Government Finance Act 1992 and Section 4ZA of the Local Government Finance Act 1992: Referendums relating to Council Tax Increases (as inserted by the Localism Act 2011).
6. Section 72 of the Localism Act 2011 introduces the requirement for referendums to approve or veto Council Tax increases that exceed the limits set out by the Secretary of State (and approved by Parliament), in "principles" defined for the following financial year. For 2018/19, local authorities cannot raise Council Tax by 3% or more, Police and Crime Commissioners cannot exceed £12.00 (Band D), and Fire and Rescue authorities cannot raise Council Tax by 3% or more, without a referendum.
7. The 2015 Spending Review announced that for the remainder of the current Parliament, local authorities responsible for adult social care ("ASC authorities") will be given an additional 2% flexibility on their current Council Tax referendum threshold to be used entirely for adult social care. This was offered in recognition of national demographic changes which have led to significant increases in demand for adult social care services, which has put an unsustainable burden on local authority budgets. The local government finance settlement: England 2017 to 2018 advised that this flexibility was to be extended to allow up to 3% per year up to a maximum of 6% (cumulative) over the next 3 years. The final local government finance settlement: England 2018 to 2019 (released 6 February 2018) confirmed that this was remaining in place for 2018/19.
8. The Secretary of State issued a Notice under Section 52ZY of the Local Government Finance Act 1992, within the Council Tax referendum principles for 2016/17. This Notice required Section 151 officers in ASC authorities to provide information demonstrating that an amount equivalent to the additional Council Tax has been allocated to adult social care. This was titled Annex B and submission was required within 7 days of the authority setting its budget and Council Tax for 2016/17. The 2017-18 local government finance settlement: confirmed the offer to Councils "To ensure that councils are using income from the precept for adult social care, councils will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer (section 151 officer). Councils who wished to use the extra freedom to raise their precept by 3% instead of 2% in 2017-18 were also required to show how they plan to use this extra money to improve social care. The Department will write to adult social care authorities with further details on the conditions of the scheme in the near future".

9. No requirements or notices have been received or referred to in documentation provided for 2018/19.

Financial Implications

10. Based on the revenue budget proposals, approving the formal Council Tax Resolution as set out in Appendix A would result in Band D Council Tax for Central Bedfordshire Council of £1,485.78.

Equalities Implications

11. Refer to the detailed report on the Medium Term Financial Plan for 2018/19 to 2021/22 – equality impacts are assessed as required.

Conclusion and next Steps

12. The Central Bedfordshire Council budget for 2018/19 proposes to increase CBC's element of Council Tax and savings proposals have been developed in line with the strategic direction for the Council. The increase is 1.494% on the 2017/18 Central Bedfordshire Council element, a general increase within the referendum cap of 3%.
13. In addition, a further 3% Council Tax increase for the Social Care Precept will be applied on the Central Bedfordshire Council share in 2018/19. Central Bedfordshire Council had implemented the precept introduced by Government to help fund adult social care in both 2016/17 and in 2017/18. This will be compounded each year and is entirely separate from the general increase of 1.494% set out in paragraph 12 above.

Council Tax per Band D property (CBC element)	2018/19	Increase / (Decrease)
Central Bedfordshire Council element (2017/18 charge)	£1,421.88	
+ general increase	£21.24	1.494%
+ adult social care charge	£42.66	3.000%
Proposed Total of CBC element (for 2018/19)	£1,485.78	4.494%

Background

14. The Executive at its meeting on 6 February 2018 considered a detailed report on the Medium Term Financial Plan for 2018/19 to 2021/22. Members are asked to refer to that report for a detailed explanation of the background to this report.
15. The Council Tax Resolution is set in accordance with Section 31A(4) of the Local Government Finance Act 1992 and is submitted at this stage on the basis of the budget proposals set out in that report.
16. In previous years Government has incentivised councils to freeze Council Tax by awarding grants to partially compensate for this loss of revenue. In a major change of policy direction, these freeze grants no longer exist and Government expects councils to increase Council Tax. No new Council Tax Freeze Grant (CTFG) will be received in 2018/19, whilst previous CTFG are included in the Revenue Support Grant (RSG) baseline from 2015/16, and phased out along with RSG.
17. The precepts and Band D Council Tax levels of all precepting bodies have been notified. These are detailed in Appendix B.

Town and Parish Councils/Meetings

18. The Town and Parish Council/Meetings Precepts for 2018/19 as detailed in Appendix B total £11,670,034. The increase in the average Band D Council Tax for Town and Parish Councils/Meetings is 1.927% and results in an average Band D Council Tax figure of £116.76 for 2018/19, compared to £114.55 for 2017/18 (when it increased by 2.666%).

The Police and Crime Commissioner for Bedfordshire

19. The Bedfordshire Police and Crime Commissioner determined the precept for police purposes at an increase of £12.00 (Band D) following the introduction of the 2018/19 Principles for this category of authority for the purposes of section 52ZC of the 1992 Act. Notification was received on 9 February 2018. The precept for 2018/19 for policing is £17,800,273.59, which results in a Band D Council Tax of £178.09.

Bedfordshire Fire and Rescue Authority

20. The Bedfordshire Fire and Rescue Authority met on 8 February 2018 to set its precept. The approved precept amount is £9,554,316.09 for Fire and Rescue purposes, which results in a Band D Council Tax of £95.59 for 2018/19, a 2.99% increase on 2017/18, in line with the Principles set out by the Secretary of State, for the financial year beginning on 1st April 2018.

Proposals

21. Council is required to approve a resolution in the statutory format and the formal Council Tax Resolution at Appendix A is based on the budget proposals that result in the total Band D Council Tax as shown in the "Valuation Bands". The various levels of Council Tax for each Band for each Town and Parish Council / Meeting are shown at Appendix C.
22. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	2017/18	2017/18	Increase / (Decrease)
Central Bedfordshire Council	1,421.88	1,485.78	4.494%
Police and Crime Commissioner	166.09	178.09	£12.00 / 7.225%
Bedfordshire Fire and Rescue Authority	92.81	95.59	2.990%
Sub-total	1,680.78	1,759.46	4.681%
Town and Parish average	114.55	116.76	1.927%
Total	1,795.33	1,876.22	4.506%

Appendices

Appendix A	Council Tax Resolution 2018/19
Appendix A(i)	Council Tax 2018/19 by valuation band
Appendix B	Parish Council / Meeting Precepts 2018/19
Appendix C	Parish Council Tax Band schedule

Background Papers

Town & Parish Council / Meeting Precept Submissions
Executive Report 6 February 2018