

Central Bedfordshire Council

FULL COUNCIL - 26 February 2015

Council Tax Resolution

Report of Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources (maurice.jones@centralbedfordshire.gov.uk)

Advising Officers: Charles Warboys, Chief Finance Officer
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1. The report presents the Formal Council Tax Resolution arising from the Budget proposals presented to Council for approval.

RECOMMENDATIONS:

The Council is asked to:

1. Approve the Council Tax Resolution set out in Appendix A (i).
2. Approve the substitute Council Tax Resolution set out in Appendix A (ii), in the event of a NO vote by the local electorate in the Council Tax Referendum on 7 May 2015, in respect of the Police and Crime Commissioner's precept.

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 2015/16. The Council is required to approve a statutory Council Tax Resolution in the form shown in Appendix A (i). The formal resolution is based on figures contained in the Medium Term Financial Plan for 2015/16 to 2018/19 recommended by the Executive on 10 February 2015, 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

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

Financial Implications

6. Based on the revenue budget proposals, approving the formal Council Tax Resolution as set out in Appendix A (i) would result in an average Band D Council Tax for Central Bedfordshire Council's element of £1,308.33.

Equalities Implications

7. Refer to full Budget / MTFP report – equality impacts are assessed as required.

Conclusion and next Steps

8. Central Bedfordshire, in keeping with all local authorities faces significant financial challenges in responding to the Coalition Government's commitment to reduce the national budget deficit, together with a raft of new policy directives. The budget proposes to freeze Central Bedfordshire Council's element of Council Tax for 2015/16 and savings proposals have been developed in line with the strategic direction for the Council.
9. The Police & Crime Commissioner for Bedfordshire agreed the precept at an increase of 15.84%, which is in excess of the 2% threshold set by the Secretary of State. The proposed Council Tax will be implemented on 1st April 2015, but this will trigger a referendum to be held on the 7th May 2015. However if the referendum results in a NO vote then the Substitute budget will be implemented immediately afterward.

Background

10. The Executive at its meeting on 10th February 2015 considered a detailed report on the Medium Term Financial Plan for 2015/16 to 2018/19. Members are asked to refer to that report for a detailed explanation of the background to this report.
11. 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.

12. Existing Council Tax Freeze Grants will be continued as part of the baseline formula grant. An additional grant equivalent to 1% is available in 2015/16 & 2016/17 for Councils freezing Council Tax in 2015/16. For Central Bedfordshire, these grants will total approximately £7.1m for 2015/16
13. The precepts and Band D Council Tax levels of all precepting bodies have been notified. These are detailed in Appendix C.

Town & Parish Councils/Meetings

14. The Town and Parish Council/Meetings Precepts for 2015/16 as detailed in Appendix B total £10,154,075. The increase in the average Band D Council Tax for Town and Parish Councils/Meetings is 1.35% and results in an average Band D Council Tax figure of £108.73 for 2015/16, compared to £107.28 for 2014/15.

The Police and Crime Commissioner for Bedfordshire

15. Bedfordshire's Police and Crime Commissioner determined the precept for police purposes on 5th February 2015 which represents an increase of 15.84%. This increase triggers a referendum to secure the agreement of the public, which will be held alongside the General Election on 7 May. This will be the first council tax referendum locally under the current legislation.
16. If the Referendum results in a majority of voters supporting the precept increase, then the precept will be £16,936,639. This results in a Band D Council Tax of £181.35 for 2015/16, a 15.84% increase on 2014/15. If the Referendum reveals that a majority of voters oppose the increase, then the Police and Crime Commissioner's substitute budget will require a lower precept of £14,911,901 for 2015/16, a 1.99% increase on 2014/15. This equates to a Band D Council Tax of £159.67 for policing purposes.

Bedfordshire and Luton Combined Fire Authority

17. The Bedfordshire and Luton Combined Fire Authority met on 19 February 2015 to set its precept. The approved precept amount is £8,332,434, which results in a Band D Council Tax of £89.22 for 2015/16 for fire and rescue purposes, a 1.99% increase on 2014/15.

Proposals

18. Council is required to approve a resolution in the statutory format and the formal Council Tax Resolution at Appendix A (i) 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 as two appendices: Appendix C (i) is per the Police and Crime Commissioner increase of 15.84%, and Appendix C (ii) is the substitute budget should the referendum deliver a NO vote and the P&CC increase from 2014/15 reverts to 1.99%.
19. If the formal Council Tax Resolution at Appendix A (i) is approved, the total Band D Council Tax will be as follows:

	2014/15	2015/16	Increase / (Decrease)
Central Bedfordshire Council	1,308.33	1,308.33	0.00%
Police and Crime Commissioner	156.55	181.35	15.84%
Bedfordshire and Luton Combined Fire Authority	87.48	89.22	1.99%
Sub-total	1,552.36	1,578.90	1.71%
Town and Parish average	107.28	108.73	1.35%
Total	1,659.64	1,687.63	1.69%

20. If the formal Council Tax Resolution at Appendix A (ii) is approved, following a referendum in which a majority of voters reject the precept increase for policing, the substitute total Band D Council Tax will be as follows:

	2014/15	2015/16	Increase / (Decrease)
Central Bedfordshire Council	1,308.33	1,308.33	0.00%
Police and Crime Commissioner	156.55	159.67	1.99%
Bedfordshire and Luton Combined Fire Authority	87.48	89.22	1.99%
Sub-total	1,552.36	1,557.22	0.31%
Town and Parish average	107.28	108.73	1.35%
Total	1,659.64	1,665.95	0.38%

Appendices

Appendix A (i)	Council Tax Resolution 2015/16 by valuation band
Appendix A (ii)	Substitute Council Tax Resolution 2015/16 by valuation band
Appendix B	Parish Council/Meeting Precepts 2015/16
Appendix C	Parish Council Tax Bands
	App C (i) P&CC increase @ 15.84%
	App C (ii) P&CC increase @ 1.99% (substitute)

Background Papers

Town & Parish Council/Meeting Precept Submissions
Executive Report 10 February 2015