

Central Bedfordshire Council

COUNCIL

21 February 2019

Council Tax Resolution

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

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

Purpose of this report

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.

Background

3. The Executive at its meeting on 5 February 2019 considered a detailed report on the Medium Term Financial Plan for 2019/20 to 2022/23. Members are asked to refer to that report for a detailed explanation of the background to this report.
4. The Council Tax Resolution is set in accordance with the Local Government Finance Act 1992 and is submitted at this stage on the basis of the budget proposals set out in that report.
5. In previous years Government had 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 2019/20, whilst previous CTFG were included in the Revenue Support Grant (RSG) baseline from 2015/16, and phased out along with RSG.
6. 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

7. The Town and Parish Council/Meetings Precepts for 2019/20 as detailed in Appendix B total £12,285,845. The increase in the average Band D Council Tax for Town and Parish Councils/Meetings is 2.79% and results in an average Band D Council Tax figure of £120.02 for 2019/20, compared to £116.76 for 2018/19 (when it increased by 1.93%).

The Police and Crime Commissioner for Bedfordshire

8. The Bedfordshire Police and Crime Commissioner determined the precept for police purposes at an increase of £24.00 (Band D) following the introduction of the 2019/20 Principles for this category of authority for the purposes of section 52ZC of the 1992 Act. Notification was received on 7 February 2019. The precept for 2019/20 for policing is £20,686,337, which results in a Band D Council Tax of £202.09.

Bedfordshire Fire and Rescue Authority

9. The Bedfordshire Fire and Rescue Authority met on 7 February 2019 to set its precept. The approved precept amount is £10,077,538.90 for Fire and Rescue purposes, which results in a Band D Council Tax of £98.45 for 2019/20, a 2.99% increase on 2018/19, in line with the Principles set out by the Secretary of State, for the financial year beginning on 1st April 2019.

Proposals

10. 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.
11. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	2018/19	2019/20	Increase / (Decrease)
Central Bedfordshire Council	1,485.78	1,500.64	1.00%
Police and Crime Commissioner	178.09	202.09	£24.00 / 13.48%
Bedfordshire Fire and Rescue Authority	95.59	98.45	2.99%
Sub-total	1,759.46	1,801.18	2.37%
Town and Parish average	116.76	120.02	2.79%
Total	1,876.22	1,921.20	2.40%

Reason for decision

12. To enable the Council to calculate and set the Council Tax for 2019/20. 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 2019/20 to 2022/23 recommended by the Executive on 5 February 2019, for approval by Council.

Council Priorities

13. 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

14. The Council Tax Resolution is set in accordance with Section 31A(4) of the Local Government Finance Act 1992.
15. The Council is also required to determine that the Council's basic amount of Council Tax for 2019/20 is not excessive in accordance with principles contained in Chapter IVZA 'Referendums relating to Council Tax Increases' of the Local Government Finance Act 1992 (as amended) ('the Act') and in particular Section 52ZC 'Determination of whether increase is excessive'.
16. Chapter IVZA of the Act introduced 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 2019/20, local authorities cannot raise Council Tax by 3% or more, Police and Crime Commissioners cannot exceed £24.00 (Band D), and Fire and Rescue authorities cannot raise Council Tax by 3% or more, without a referendum. The threshold at which a local referendum is triggered will be 5% for Northamptonshire County Council, who will have an additional 2% Council Tax flexibility, to assist with the improvements to council governance and services.
17. 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, and again in the final local government finance settlement: England 2019 to 2020 (released 5 February 2019).

18. 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”.
19. No change in requirements have been received or referred to in documentation provided for 2019/20, including the Referendum Principles set out in the 29 January 2019 Report. Should a further instruction be issued to Local Authorities then the Council and the Section 151 Officer will provide the information required.

Financial Implications

20. 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 £1,500.64.

Equalities Implications

21. Refer to the detailed report on the Medium Term Financial Plan for 2019/20 to 2022/23 – equality impacts are assessed as required.

Conclusion and next Steps

22. The Central Bedfordshire Council budget for 2019/20 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 1.00% on the 2018/19 Central Bedfordshire Council element, a general increase within the referendum cap of 3%.
23. Central Bedfordshire Council has not increased Council Tax for Social Care in 2019/20, having implemented the precept introduced by Government in 2016/17 and the further option of 6% over three years from 2017/18 (CBC chose to apply 3% in both 2017/18 and 2018/19).

Council Tax per Band D property (CBC element)	2019/20	Increase / (Decrease)
Central Bedfordshire Council element (2018/19 charge)	£1,485.78	
+ general increase	£14.86	1.00%
+ adult social care charge	£0.00	0.00%
Proposed Total of CBC element (for 2019/20)	£1,500.64	1.00%

Appendices

Appendix A	Council Tax Resolution 2019/20
Appendix A(i)	Council Tax 2019/20 by valuation band
Appendix B	Parish Council / Meeting Precepts 2019/20
Appendix C	Parish Council Tax Band schedule

Background Papers

Town & Parish Council / Meeting Precept Submissions
Executive Report 5 February 2019

Report author(s): Phil Martin

Finance Manager - Strategy

phil.martin@centralbedfordshire.gov.uk