

<b>Report To:</b>	CABINET	<b>Date:</b>	27 FEBRUARY 2017
<b>Heading:</b>	COUNCIL TAX 2017/18		
<b>Portfolio Holder:</b>	CLLR JACKIE JAMES – CORPORATE SERVICES		
<b>Ward/s:</b>	ALL		
<b>Key Decision:</b>	YES		
<b>Subject To Call-In:</b>	NO		

### **Purpose Of Report**

To agree and recommend the Council Tax level for 2017/18 to Council

### **Recommendation(s)**

That a 2017/18 Band D Council Tax level of £180.46 for Ashfield District Council is recommended to Council.

### **Reasons For Recommendation(s)**

In order to set a balanced budget for 2017/18 in the context of the Council's Medium Term Financial Strategy.

### **Alternative Options Considered (With Reasons Why Not Adopted)**

The Council Tax level for 2017/18 can be set at any level up to and including a £5 increase at Band D. Any proposed increase above this level would be subject to a referendum. Section 2 of the Detailed Information gives details.

## **Detailed Information**

### **1. Background**

The Council's detailed Revenue Budget for 2016/17 (Revised) and 2017/18 was agreed by Cabinet on 20 February 2017. The purpose of this report is to recommend a Council Tax level for 2017/18 to Council.

The recommended Council Tax at Band D, £180.46, is estimated to generate income to the Council of £5.873 million. This figure was used as an example in the budget which has already been recommended to Council (20 February) and consequently there are no changes proposed to the detailed budget arising from this report.

The Government announced the final Local Government Financial Settlement on 20 February 2017. There were no changes for Ashfield, so the details set out in the Cabinet report of 20 February, based on the Provisional Settlement, are still relevant and accurate.

The Government has announced that it will review the support given to businesses which have been affected by the recent revaluation of properties by the Valuation Office Agency, and that an announcement will be made as part of March's budget. If there are any implications for local authorities, this will be addressed in a future budget report.

### **2. Council Tax Options**

On 20 February 2017, the Secretary of State for Communities and Local Government confirmed the "Referendum Principles" for 2017/18. For district councils such as Ashfield, this followed the set of rules which was set out in 2016/17. A district council is permitted to increase their Council Tax by a maximum of £5 at Band D (2.85% in the case of Ashfield), without the need for a referendum of its residents. Any greater proposed increase would be subject to a referendum.

It is considered, in the light of the Council's recently agreed MTFs, which recommended further savings of £1 million in 2018/19, that an increase in Council Tax by the maximum permitted is the only realistic option. The requirement for savings assumes Council Tax increases of £5 at Band D in each year, 2017/18 to 2019/20.

**Without these increases in Council Tax, the target for savings would have to be higher.**

If this proposal is agreed as recommended to Council, the increase in the actual amount of Council Tax collected by the Council would be comprised of two elements:

- An increase in the Council Tax Base from 31,936.3 to 32,546.2, generating £107k of additional income, and
- An increase in the Council Tax level, from £175.46 to £180.46 at Band D, generating a further £163k of additional income

The overall increase, from £5.603 million to £5.873 million (£270k) is shown in the budget report agreed at Cabinet on 20 February 2017.

Residents living in a Band D property will pay £5 extra Council Tax over the financial year 2017/18. For those living in a Band A property (around 54% of the district's housing stock is Band A), the annual increase is £3.34.

This is the equivalent of a 6 pence per week increase to those residents.

### 3. Preceptors' Council Tax levels

These tables give details of the Council Tax levels to be charged by the various other public bodies, or "preceptors" whose charges form part of the Council Tax bills for Ashfield residents.

#### (a) Ashfield District Council

The following is proposed for Ashfield District Council for 2017/18, as explained in Section 2 above:

	2017/18	2016/17 for comparison	Notes
Council Tax Base	<b>32,546.2</b>	31,936.3	The Council Tax Base has increased. This mainly reflects new development in the District, but also reflects changes to the numbers of residents supported by the Council's Local Council Tax Support Scheme, and any changes to discounts and exemptions (e.g. Single Person's Discount)
Council Tax Requirement	<b>£5,873,287</b>	£5,603,543	The Council is raising an additional £270k for the ongoing funding of its services (see Section 2)
Council Tax at Band D	<b>£180.46</b>	£175.46	A proposed increase of 2.85%. This will be considered at the meeting of Council which follows this meeting.

The relevant bands of Council Tax for Ashfield would be as follows. These represent a 2.85% increase over 2016/17.

	A	B	C	D	E	F	G	H
<i>Proportion of Band D</i>	6/9	7/9	8/9	<b>9/9</b>	11/9	13/9	15/9	18/9
Amount of Council Tax (ADC element)	£120.31	£140.36	£160.41	<b>£180.46</b>	£220.56	£260.66	£300.77	£360.92

**(b) Annesley and Felley Parish Council**

Annesley and Felley Parish Council has declared the following for 2017/18:

	<b>2017/18</b>	2016/17 for comparison	Notes
Council Tax Base	<b>533.3</b>	499.0	The Council Tax Base has increased. This mainly reflects new development in the Parish, but also reflects changes to the numbers of residents supported by the Council's Local Council Tax Support Scheme, and any changes to discounts and exemptions (e.g. Single Person's Discount)
Precept requirement	<b>£54,002</b>	£49,521	The Parish Council is raising an additional £4.5k to fund its parish services.
Precept at Band D	<b>£101.26</b>	£99.24	An increase of 2.04%. This increase has been formally notified to the Council.

**(c) Selston Parish Council**

Selston Parish Council has declared the following for 2017/18:

	<b>2017/18</b>	2016/17 for comparison	Notes
Council Tax Base	<b>3,661.5</b>	3,585.6	The Council Tax Base has increased. This mainly reflects new development in the Parish, but also reflects changes to the numbers of residents supported by the Council's Local Council Tax Support Scheme, and any changes to discounts and exemptions (e.g. Single Person's Discount)
Precept requirement	<b>£230,748</b>	£225,965	The Parish Council is raising an additional £4.8k to fund its parish services.
Precept at Band D	<b>£63.02</b>	£63.02	The Council Tax level has been frozen. This decision has been formally notified to the Council.

### **(d) Nottinghamshire County Council**

Nottinghamshire County Council has declared the following for 2017/18. This table shows the whole amount of the Council Tax Precept issued by the County Council, and the whole amount paid at Band D. See also the following tables.

	<b>2017/18</b>	2016/17 for comparison	Notes
Council Tax Base	<b>32,546.2</b>	31,936.3	The Council Tax Base has increased. See table at (a) above.
Precept requirement	<b>£44,001,486</b>	£41,218,905	The County Council is raising an additional £2.783 million from the Ashfield area to fund its services.
Precept at Band D	<b>£1,351.97</b>	£1,290.66	An increase of £61.31 or 4.75%. This increase has been formally notified to the Council.

Councils providing social care functions are allowed to set an additional element of their precept to provide additional funding towards social care services. These increases are governed by a separate set of rules to those set out in paragraph 2 above and are set out in detail in the County's own budget report. The next two tables show the increases that have been applied to the two elements of their Council Tax. When added together, they equal the summary table above.

#### **(d) (i) Nottinghamshire County Council "Main" Precept**

	<b>2017/18</b>	2016/17 for comparison	Notes
Council Tax Base	<b>32,546.2</b>	31,936.3	
Precept requirement	<b>£41,933,500</b>	£40,426,246	
Precept at Band D	<b>£1,288.43</b>	£1,265.84	The increase, £22.59, is a 1.75% increase on the 2016/17 full precept, £1,290.66

#### **(d) (ii) Nottinghamshire County Council Social Care Precept**

	<b>2017/18</b>	2016/17 for comparison	Notes
Council Tax Base	<b>32,546.2</b>	31,936.3	
Precept requirement	<b>£2,067,986</b>	£792,659	
Precept at Band D	<b>£63.54</b>	£24.82	The Social Care precept increase of £38.72 is a 3% increase on the 2016/17 total amount of £1,290.66

**(e) Nottinghamshire Police and Crime Commissioner**

The Nottinghamshire Police and Crime Commissioner has declared the following for 2017/18:

	<b>2017/18</b>	2016/17 for comparison	Notes
Council Tax Base	<b>32,546.2</b>	31,936.3	The Council Tax Base has increased. See table at (a) above.
Precept requirement	<b>£5,969,624</b>	£5,745,660	The Police and Crime Commissioner is raising an additional £224k from the Ashfield area to fund Police services.
Precept at Band D	<b>£183.42</b>	£179.91	An increase of 1.95%. This increase has been formally notified to the Council.

**(f) Nottinghamshire Fire and Rescue Authority**

The Nottinghamshire Fire and Rescue Authority has declared the following for 2017/18:

	<b>2017/18</b>	2016/17 for comparison	Notes
Council Tax Base	<b>32,546.2</b>	31,936.3	The Council Tax Base has increased. See table at (a) above.
Precept requirement	<b>£2,450,403</b>	£2,358,496	The Fire And Rescue Authority is raising an additional £92k from the Ashfield area to fund their services.
Precept at Band D	<b>£75.29</b>	£73.85	An increase of 1.95%. This increase has been formally notified to the Council.

## g) Summary of Council Tax demands by band

### For residents of the Annesley and Felley Parish area:

Council Tax Band	A	B	C	D	E	F	G	H
Annesley and Felley Parish Precept	£67.51	£78.76	£90.01	<b>£101.26</b>	£123.76	£146.26	£168.77	£202.52
Ashfield DC Council Tax	£120.31	£140.36	£160.41	<b>£180.46</b>	£220.56	£260.66	£300.77	£360.92
Nottinghamshire County Council Precept	£901.31	£1,051.53	£1,201.75	<b>£1,351.97</b>	£1,652.41	£1,952.85	£2,253.28	£2,703.94
Nottinghamshire Police and Crime Commissioner Precept	£122.28	£142.66	£163.04	<b>£183.42</b>	£224.18	£264.94	£305.70	£366.84
Nottinghamshire Fire and Rescue Authority Precept	£50.19	£58.56	£66.92	<b>£75.29</b>	£92.02	£108.75	£125.48	£150.58
<b>TOTAL COUNCIL TAX</b>	<b>£1,261.60</b>	<b>£1,471.87</b>	<b>£1,682.13</b>	<b>£1,892.40</b>	<b>£2,312.93</b>	<b>£2,733.46</b>	<b>£3,154.00</b>	<b>£3,784.80</b>

This total Council Tax is a 4.03% increase on 2016/17

### For residents of the Selston Parish area:

Council Tax Band	A	B	C	D	E	F	G	H
Selston Parish Precept	£42.01	£49.02	£56.02	<b>£63.02</b>	£77.02	£91.03	£105.03	£126.04
Ashfield DC Council Tax	£120.31	£140.36	£160.41	<b>£180.46</b>	£220.56	£260.66	£300.77	£360.92
Nottinghamshire County Council Precept	£901.31	£1,051.53	£1,201.75	<b>£1,351.97</b>	£1,652.41	£1,952.85	£2,253.28	£2,703.94
Nottinghamshire Police and Crime Commissioner Precept	£122.28	£142.66	£163.04	<b>£183.42</b>	£224.18	£264.94	£305.70	£366.84
Nottinghamshire Fire and Rescue Authority Precept	£50.19	£58.56	£66.92	<b>£75.29</b>	£92.02	£108.75	£125.48	£150.58
<b>TOTAL COUNCIL TAX</b>	<b>£1,236.10</b>	<b>£1,442.13</b>	<b>£1,648.14</b>	<b>£1,854.16</b>	<b>£2,266.19</b>	<b>£2,678.23</b>	<b>£3,090.26</b>	<b>£3,708.32</b>

This total Council Tax is a 4.00% increase on 2016/17

**For residents of all other parts of the Ashfield District Council area:**

Council Tax Band	A	B	C	D	E	F	G	H
Ashfield DC Council Tax	£120.31	£140.36	£160.41	<b>£180.46</b>	£220.56	£260.66	£300.77	£360.92
Nottinghamshire County Council Precept	£901.31	£1,051.53	£1,201.75	<b>£1,351.97</b>	£1,652.41	£1,952.85	£2,253.28	£2,703.94
Nottinghamshire Police and Crime Commissioner Precept	£122.28	£142.66	£163.04	<b>£183.42</b>	£224.18	£264.94	£305.70	£366.84
Nottinghamshire Fire and Rescue Authority Precept	£50.19	£58.56	£66.92	<b>£75.29</b>	£92.02	£108.75	£125.48	£150.58
<b>TOTAL COUNCIL TAX</b>	<b>£1,194.09</b>	<b>£1,393.11</b>	<b>£1,592.12</b>	<b>£1,791.14</b>	<b>£2,189.17</b>	<b>£2,587.20</b>	<b>£2,985.23</b>	<b>£3,582.28</b>

This total Council Tax is a 4.14% increase on 2016/17

**Implications**

**Corporate Plan:**

The Council's General Fund Budget underpins all of the priorities of the Corporate Plan

**Legal:**

The Council must set a legal budget by 11 March 2017.

**Finance:**

This report is effective from 1/4/2017 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	Setting the Council Tax is the final stage of budget preparation for 2017/18. The impact of this proposal is to increase the Council Tax collected by £163k, which when added to the impact of an increased Council Tax Base (£107k), gives a budgeted Council Tax amount of £5.873 million.
General Fund – Capital Programme	None relevant to this report



Housing Revenue Account – Revenue Budget	None relevant to this report
Housing Revenue Account – Capital Programme	None relevant to this report

### **Human Resources / Equality and Diversity:**

None directly relevant to this report

### **Other Implications:**

None

### **Reason(s) for Urgency (if applicable):**

None

### **Background Papers**

Details of the Provisional Local Government Financial Settlement, from the Government web site.

The Council Tax Base for 2017/18 was set in an Officer Decision Record (13 January 2017), which is available on the Council's web site.

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