

# NORTHUMBERLAND

Northumberland County Council

## COUNTY COUNCIL

22 FEBRUARY 2017

---

### COUNCIL TAX 2017-2018

Report of the Chief Executive

Cabinet Member Grant Davey, Leader of the County Council and

Councillor Dave Ledger, Deputy Leader of the County Council

---

#### **Purpose of Report**

Each financial year, by virtue of the provisions of the Local Government Finance Act 1992, the Council is required to set a Council Tax for each Valuation Band in its area.

This report provides information in relation to the Council Tax increases and outlines the position that the Council wishes to take for the 2017-2018 financial year.

This paper requires the County Council to have approved the paper on the Medium Term Financial Plan 2017-2020 and Budget 2017-2018.

The Police and Crime Panel have recommended a precept of £9,945,853 to the Police and Crime Commissioner. The figures in this report are based on this figure.

The Local Government Finance Act 1992 and subsequent amendments require the County Council to set its Council Tax before 11 March 2017.

The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the County Council as 'billing authority' to calculate its 'Council Tax' requirement for the year.

In setting the Council Tax, the County Council is required to make certain calculations and to approve a number of resolutions in accordance with the Act.

The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 which came into force on 30 November 2012 contains the rules which require the Council to calculate the Council Tax Base. The Council Tax Base must be set between 1 December and 31 January in the preceding year to which it has effect.

At its meeting on 6 December 2016 the Cabinet set the Council Tax Base as 101,147.70 for Band D equivalent properties (Item T in the formula in Section 31B of

the Local Government Finance Act 1992, as amended (the "Act"). This is based on a collection rate of 98.8%.

## **Recommendations**

The County Council is requested to approve the statutory resolutions required to set the Council Tax for 2017-2018, as detailed below.

### **1. The County Council is recommended to resolve as follows:**

- (a) That the Council Tax Requirement for the Council's own purposes for 2017-2018 (excluding parish precepts) is £157,598,283.
- (b) That the following amounts be calculated for 2017-2018 in accordance with Sections 31 to 36 of the Act:
  - i) Being the aggregate amount of gross expenditure which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils: £696,164,792
  - ii) Being the aggregate of the gross income which the Council estimates for the items set out in Section 31A(3) of the Act: £530,398,095
  - iii) Being the amount by which the aggregate at (b) i) above exceeds the aggregate at (b) ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act) (including parish precepts): £165,766,697
  - iv) Being the amount at (b) iii) above (Item R), all divided by Item T, above, calculated by the Council, in accordance with Section 31B of the Act as the basic amount of its Council Tax at Band D for the year (including parish precepts): £1,638.86
  - v) Being the aggregate amount of all special items referred to in Section 34 (1) of the Act (total all parish precepts): £8,171,468
  - vi) Being the amount at (b) iv) above less the result given by dividing the amount at (b) v) above by Item T, above, calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax at Band D for the year for dwellings in those parts of its area to which no parish precept relates: £1,558.07
- (c) That the Council Tax for 2017-2018, excluding the Police precept, will be increased by 4.99% (including the Adult Social Care Precept of 3%), equating to a charge per Band D household of £1,558.07 (Band A - £1,038.72), excluding special expenses.

As a result of this increase the Council Tax for Northumberland will be set at £1,558.07 (excluding special expenses) for 2017-2018. The relevant valuation bands are as follows:

Valuation Band	Northumberland County Council £ : p	Adult Social Care Precept £ : p	Total £ : p
A	989.99	48.73	1,038.72
B	1,154.98	56.85	1,211.83
C	1,319.98	64.97	1,384.95
D	1,484.98	73.09	1,558.07
E	1,814.98	89.33	1,904.31
F	2,144.97	105.57	2,250.54
G	2,474.97	121.82	2,596.79
H	2,969.96	146.18	3,116.14

- (d) Under Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2017-2018 is not excessive in accordance with principles approved under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax increase for 2017-2018 means that the Council does not need to hold a referendum on its proposed Council Tax. The regulations set out in Section 52ZC of the Act requires all billing authorities (council and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic Council Tax each year if they exceed government guidelines which are set out annually. For 2017-2018 the guideline increase is 5% (including the Adult Social Care Precept).

As the Council is proposing a Council Tax increase of 4.99% (including Adult Social Care and special expenses) for 2017-2018 then the above regulations have no impact for 2017-2018.

**2. The County Council is recommended to approve:**

- (a) That the matters listed in section 7 of this report are identified as special expenses and that all other matters which might otherwise be considered to be special expenses under the prevailing legislation are deemed to be general expenses.
- (b) That the Council Tax Leaflet continues be made available via the Council's website, rather than enclosed with Council Tax bills, and that the final document be delegated to and finalised by the Chief Executive.

**3. It is recommended that the County Council notes:**

- (a) The Northumberland Police Authority precept of £9,945,853 represents an increase of 5.36%, equating to an additional £5.00 on a Band D property. The Police and Crime Commissioner has agreed the recommended level of precept of £9,945,853 for 2017-2018; the resulting valuation bands will be as follows:

Valuation Band	Northumbria Police
	Authority
	£: p
A	65.55
B	76.48
C	87.40
D	98.33
E	120.18
F	142.03
G	163.88
H	196.66

- (b) The total amount of parish precepts requested is £8,168,414 as referred to in paragraph 6 and detailed in Appendix 1. This represents an increase of £345,221 when compared to 2016-2017.
- (c) The total amount of special expenses (shown in section 7 below) equating to £3,054 compared to £3,024 in 2016-2017. The increase represents an inflationary uplift for one parish.

**4. Key Issues**

- (a) The Council currently derives £157.6 million of its annual income from Council Tax. The table below shows how the Council compared in 2016-2017, both regionally and nationally, in terms of the level of its Council Tax charges:

	Average for a Band D property 2016-2017	Average Council Tax across all properties 2016-2017
England	£1,530	£1,128
North East	£1,638	£956
Northumberland	£1,564	£1,114

**(Note – figures above include Parish Precepts).**

- (b) In order to deal with pressures in Adult Social Care services the Government has given local authorities the option to add an additional 3% flexibility on their current Council Tax referendum threshold to be used entirely for Adult Social Care. The Council proposes to increase Council



**Appendices:**

- |            |   |
|------------|---|
| Appendix 1 | Summary of Precepts by Parish   |
| Appendix 2 | Summary of Council Tax by Parish (excluding Northumbria Police Precept) |
| Appendix 3 | Summary of Total Council Tax by Parish                                  |