

COUNTY COUNCIL

21 FEBRUARY 2018

COUNCIL TAX 2018-19

Report of Alison Elsdon, Director of Finance

Cabinet Member: Councillor Nicholas Oliver – Cabinet Secretary and Portfolio Holder for Corporate Services

Purpose of Report

To provide Council Members with the financial information to enable the Council to calculate and set the Council Tax for 2018-19.

Context

Each financial year, by virtue of the provisions of the Local Government Finance Act 1992, and subsequent amendments, 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 2018-19 financial year.

The Council currently derives £167.7 million of its annual income from Council Tax.

This paper requires the Council to have approved the paper on the Medium Term Financial Plan 2018-22 and Budget 2018-19.

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 Tax by 2% for this purpose, raising an additional £3.3 million in 2018-19.

The Police and Crime Panel has recommended a precept of £11,327,437 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 2018.

The Localism Act 2011 and the Local Audit and Accountability Act 2014 have made significant changes to the Local Government Finance Act 1992, and now require the Council as 'billing authority' to calculate its 'Council Tax' requirement for the year.

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

Council Tax Calculations

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 12 December 2017 the Cabinet set the Council Tax Base as 102,668.69 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 Council is requested to approve the statutory resolutions required to set the Council Tax for 2018-19, as detailed below.

1. The Council is recommended to resolve as follows:

- (a) That the Council Tax Requirement for the Council's own purposes for 2018-19 (excluding parish precepts) is £167,726,122.
- (b) That the following amounts be calculated for 2018-19 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 31 A (2) of the Act taking into account all precepts issued to it by parish councils: £711,020,253.
 - ii) Being the aggregate of the gross income which the Council estimates for the items set out in Section 31 A (3) of the Act: £534,732,022.
 - 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 31 A (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): £176,288,231.
 - 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): £1,717.06.
 - v) Being the aggregate amount of all special items referred to in Section 34 (1) of the Act (total all parish precepts): £8,565,163.
 - 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: £1,633.63

- (c) That the Council Tax for 2018-19, excluding the Police precept, will be increased by 4.9% (including the Adult Social Care Precept of 2%), equating to a charge per Band D household of £1,633.63 (excluding special expenses). For other bands different proportions will apply. For example, Band A properties will be charged 6/9 (two thirds) of a Band D property and Band H properties will be charged 18/9 (double) of a Band D property.

The relevant valuation bands are as follows:

Valuation Band	Northumberland County Council £ : p	Adult Social Care Precept £ : p	Total £ : p
A	1,019.59	69.50	1,089.09
B	1,189.52	81.08	1,270.60
C	1,359.45	92.67	1,452.12
D	1,529.38	104.25	1,633.63
E	1,869.24	127.42	1,996.66
F	2,209.10	150.58	2,359.68
G	2,548.97	173.75	2,722.72
H	3,058.76	208.50	3,267.26

- (d) Under Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2018-19 is not excessive in accordance with principles approved under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax increase for 2018-19 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 2018-19 the guideline increase is 6% (including the Adult Social Care Precept).

As the Council is proposing a Council Tax increase of 4.9% (including Adult Social Care and special expenses) for 2018-19 then the above regulations have no impact for 2018-19.

2. The County Council is recommended to approve:

- (a) That the matters listed in section 3 (c) 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 Section 151 Officer.

3. It is recommended that the Council notes:

- (a) The Police and Crime Commissioner has agreed the recommended level of precept of £11,327,437 for 2018-19. This represents an increase of 12.2%, equating to an additional £12.00 on a Band D property; the resulting valuation bands will be as follows:

Valuation Band	Northumbria Police Authority
	£: p
A	73.55
B	85.81
C	98.07
D	110.33
E	134.85
F	159.37
G	183.88
H	220.66

- (b) The Aggregate of Council Tax requirements, including that of Northumbria Police Authority, the Council's own requirement and that for Adult Social Care purposes (excluding Parish Precepts), are as follows:

Valuation Band	Northumberland County Council	Adult Social Care Precept	Northumbria Police Authority	Total
	£ : p	£ : p	£ : p	£ : p
A	1,019.59	69.50	73.55	1,162.64
B	1,189.52	81.08	85.81	1,356.41
C	1,359.45	92.67	98.07	1,550.19
D	1,529.38	104.25	110.33	1,743.96
E	1,869.24	127.42	134.85	2,131.51
F	2,209.10	150.58	159.37	2,519.05
G	2,548.97	173.75	183.88	2,906.60
H	3,058.76	208.50	220.66	3,487.92

- (c) The total amount of parish precepts requested is £8,562,109 and is detailed in Appendix 1. This represents an increase of £393,695 when compared to 2017-18.

Changes in total Council Tax range from an increase of 4.6% in Hartleyburn to an increase of 10.4% in Kirkwhelpington

- (d) Special expenses of £3,054 are applied to North Sunderland Parish only in relation to play area inspection and maintenance. This has remained the same as 2017-18.

4. The Council

- (a) The basic Council Tax valuation bands are shown in paragraph 3 (b).
- (b) The detailed Council Tax calculations are set out in Appendices 2 and 3. Analysis of the Council Tax by parish is provided at Appendix 2 excluding Northumbria Police precept. Appendix 3 shows the total Council Tax charge by parish (including the Council only element and Adult Social Care Precept, Northumbria Police Precept, Special Expenses and Parish Precepts).

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Appendices:

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| 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 |