

<b>Meeting:</b>	<b>Council</b>
<b>Meeting date:</b>	<b>3 March 2017</b>
<b>Title of report:</b>	<b>Council tax setting</b>
<b>Report by:</b>	<b>Interim director of resources</b>

## Classification

Open

## Key decision

This is not an executive decision.

## Wards affected

County-wide

## Purpose

At its meeting on 3 February 2017, Council approved the net budget requirement for the council of £145,025,000 and a council tax requirement of £93,049,000 on a gross tax base of 67,937.91 band D equivalents.

As the billing authority, approval is required for the council tax amounts for each category of dwelling in Herefordshire including precepts from West Mercia Police, Hereford and Worcester Fire Authority and Herefordshire parishes for the financial year 2017/18.

## Recommendation(s)

**THAT:**

**(a) the precepting authority details incorporated in appendices 1 to 5, relating to parishes, West Mercia Police and Hereford and Worcester Fire Authority be approved in accordance with sections 30(2), 34(3), 36(1) and section 40 of the Local Government Finance Act 1992 (as amended) and that the following amounts be approved for the year 2017/18 in accordance with sections 31 to 36 of the Local Government Finance Act 1992, Regulation 6 (as amended by the Localism Act 2011) :**

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|-------------------------|--|
| <b>(i) £354,264,513</b> | <b>being the estimated aggregate expenditure of the council in accordance with section 31A (2) of the act, including all precepts issued to it by parish councils;</b> |
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- (ii) £257,389,000 being the estimated aggregate income of the council for the items set out in section 31A (3) of the act (including revenue support grant);
- (iii) £96,875,513 being the amount by which the aggregate at (a)(i) above exceeds the aggregate at (a)(ii) calculated by the council in accordance with section 31A(4) of the act, as its council tax requirement for the year (including parish precepts);
- (iv) £1,433.11 being the amount at (a)(iii) above divided by the amount of the council tax base calculated by the council, in accordance with section 31B of the act, as the basic amount of its council tax for the year (including parish precepts)
- (v) £3,826,513 being the aggregate amount of all special items (parish precepts) referred to in section 34(1) of the act;
- (vi) £1,376.50 being the amount at (iv) above less the result given by dividing the amount at (v) above by the amount of the council tax base calculated by the council, in accordance with section 34(2) of the act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no parish precept relates (Herefordshire Council band D council tax, excluding parishes)

(b) it is agreed that the net tax base (being the gross tax base adjusted for an assumed collection rate) used for setting the budget requirement for 2017/18:

- (i) for the whole council area is calculated as 67,598.21 band D equivalent properties;
- (ii) is allocated to band D equivalent dwellings per precept area as shown in appendix 1; and
- (iii) the individual council tax allocations per valuation band of dwelling by parish (including fire and police precepts) are as set out in appendix 5.

## Alternative options

- 1 There are no alternative options. As the billing authority the council is required to set the overall council tax for the following financial year.

## Reasons for recommendations

- 2 Local government legislation requires the council to set council tax each financial year. It also requires that certain categories of income and expenditure and other financial information are provided in accordance with Local Government Finance Act 1992 (as amended by the Localism Act 2011).

## Key considerations

### Summary

- 3 The Local Government Finance Act 1992 (as amended by the Localism Act 2011) sets out the specific amounts to be calculated and approved. The report enables the council to meet its legislative duty and sets the council tax for each category of dwelling, including the council tax requirement of the authority.
- 4 Herefordshire Council approved a council tax increase of 3.9% (inclusive of the 2% adult care precept) over 2016/17 at its meeting on 3 February 2017 and noted that the council's band D council tax for 2017/18 would be set at £1,376.50.
- 5 The parish precepts for 2017/18 total £3,826,513 amounting to an average band D council tax charge of £56.61 (an average increase of 8.1% over 2016/17) are detailed in appendix 1.
- 6 The precepts for West Mercia Police, an increase of 0%, and Hereford and Worcester Fire Authority, an increase of 1.96%, are shown in appendices 3 and 4.

### Council tax calculations

- 7 The calculation of council tax involves several stages and the Local Government Finance Act 1992 requires figures to be calculated including and excluding parish precepts. The following table demonstrates this requirement is met:

	Herefordshire Council £	Parish precepts £	Herefordshire incl. parishes (average) £
Estimated gross expenditure	350,438,000	3,826,513	354,264,513
<b>LESS</b> estimated income	(205,413,000)	Not applicable	(205,413,000)
<b>Net budget requirement</b>	<b>145,025,000</b>	<b>3,826,513</b>	<b>148,851,513</b>
<b>LESS</b> retained business rates	(22,415,000)	Not applicable	(22,415,000)
<b>LESS</b> <i>business rates top up grant and s.31 grant</i>	(10,197,000)	Not applicable	(10,197,000)
<b>LESS</b> revenue support grant	(10,090,000)	Not applicable	(10,090,000)

<b>LESS</b> rural sparsity delivery grant <i>(including transitional grant)</i>	(4,669,000)	Not applicable	(4,669,000)
<b>LESS</b> new homes bonus	(3,585,000)	Not applicable	(3,585,000)
<b>LESS</b> adult social care support grant	(885,000)	Not applicable	(885,000)
<b>LESS</b> reserve funding	(135,000)	Not applicable	(135,000)
<b>Council tax requirement</b>	<b>93,049,000</b>	<b>3,826,513</b>	<b>96,875,513</b>
Divided by council net tax base (band D equivalent)	67,598.21	67,598.21	67,598.21
<b>Council tax at band D</b>	<b>£1,376.50</b>	<b>£56.61</b>	<b>£1,433.11</b>

### Council tax amounts

- 8 Appendices 1 to 5 to this report contain the individual council tax amounts for each category of dwelling as required by the Local Government Finance Act 1992 and associated regulations.
- 9 Herefordshire Council's band D council tax for 2017/18 is £1,376.50, which is an increase of £51.67 (3.9%) over 2016/17.
- 10 As part of the process we are required to include precepts from other bodies that will be included on council tax bills.
- 11 The parish precepts for 2017/18 total £3,826,513 amounting to an average band D council tax charge of £56.61. This represents an average increase of 8.1% over 2016/17. This is set out in detail in appendix 1 providing the parish precept requirement and the band D council tax charge for each parish. The charge by each property band, inclusive of the Herefordshire Council charge, is set out in appendix 2.
- 12 The West Mercia Police precept is set out in appendix 3 (£189.60 at band D).
- 13 The Hereford and Worcester Fire Authority precept is set out in appendix 4 (£79.53 at band D).
- 14 Appendix 5 provides the impact of all precepts on the council tax bill.

### Community impact

- 15 The council tax is levied to enable the council to resource service delivery in accordance with the corporate plan priorities established by full Council. The proposed increase could result in increasing individuals financial difficulties, this is mitigated by providing options and support including the council tax reduction scheme and hardship policy.

## **Equality duty**

- 16 Equality impact assessments were undertaken as part of the budget process, as set out in appendix 6. A detailed cumulative equality impact assessment was published demonstrating that the council has paid due regard that in making its decisions it has considered the general equality duty as required under the Equality Act 2010.
- 17 There may be an increase in the level of non-payment and requests for debt advice as a result of the increases proposed. This is mitigated through assistance in meeting payments and the hardship scheme.

## **Financial implications**

- 18 These are set out in the report.

## **Legal implications**

- 19 S30 of the Local Government Act 1992 places a duty on this council, as a billing authority, to set an amount of council tax for the different categories of dwellings, according to the band in which the dwelling falls before 11 March.
- 20 A notice of the amount set must be published in at least one newspaper circulating in the authority's area within 21 days of the decision.

## **Risk management**

- 21 These were set out in the budget report considered by full Council at its meeting on 3 February 2017.

## **Consultees**

- 22 The council consulted with the public on the proposed budget for 2017/18. The council tax charge is determined by the budget requirement as agreed by full Council on 3 February following review of the outcome of the budget consultation.
- 23 The council has undertaken no consultation on the precepts of other authorities, these are matters of fact determined by precepting authorities

## **Appendices**

Appendix 1 - Herefordshire Council requirement by parish, including band D equivalent.

Appendix 2 - Council tax for each valuation band, by parish, without the police and fire precepts.

Appendix 3 - West Mercia Police precept requirement for each valuation band.

Appendix 4 - Hereford and Worcester Fire Authority precept requirement for each valuation band.

Appendix 5 - Council tax for each valuation band by parish, including the police and fire precepts.

Appendix 6 - Cumulative Equality Impact Assessment of Budget 2017/18

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Further information on the subject of this report is available from  
Mark Taylor, interim director of resources on Tel (01432) 383519

## **Background papers**

- None identified.