

Meeting:	Council
Meeting date:	9 March 2018
Title of report:	Council tax setting
Report by:	Cabinet member finance, housing and corporate services

Classification

Open

Decision type

Budget and policy framework

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

The purpose is to set the council tax and precepts for 2018/19.

At its meeting on 26 January 2018, Council approved the net budget requirement for Herefordshire Council of £144.1m and a council tax requirement of £98.4m on a tax base of 68,177.57 band D equivalents.

As the billing authority, this report seeks approval 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 2018/19.

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 2018/19 in accordance with sections 31 to 36 of the Local Government Finance Act 1992, Regulation 6 (as amended by the Localism Act 2011):

- | | |
|----------------------|---|
| (i) £329,365,327 | 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; |
| (ii) £226,656,000 | 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) £102,709,327 | 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) £1,506.50 | 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) £4,264,327 | being the aggregate amount of all special items (parish precepts) referred to in section 34(1) of the act; |
| (vi) £1,443.95 | 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 of 68,177.57 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) used for setting the budget requirement for 2018/19;

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

Alternative options

1. There are no alternative options to setting a council tax. As the billing authority, the council is required to set the overall council tax for the following financial year and Council approved the net tax base on which the precept is in part based at its meeting on 26

January; the remaining precept elements are set by other authorities and the council acts as the collecting agent for those precepted sums.

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

3. The Local Government Finance Act 1992 (as amended by the Localism Act 2011) sets out the specific amounts to be calculated and approved. This report enables the council to meet its legislative duty and set 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 4.9% (inclusive of the 2% adult care precept) over 2017/18 at its meeting on 26 January 2018. The council's band D council tax for 2018/19 would be set at £1,443.95.
5. The parish precepts for 2018/19 total £4,264,327 amounting to an average band D council tax charge of £62.55 (an average increase of 10.5% over 2017/18) and are detailed in appendix 1.
6. The precepts for the Office of the Police and Crime Commissioner for West Mercia, an increase of 3.94%, and Hereford and Worcester Fire Authority, an increase of 2.98%, 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	325,101,000	4,264,327	329,365,327
LESS estimated income	(178,659,000)	Not applicable	(178,659,000)
Net budget requirement	146,442,000	4,264,327	150,706,327
LESS retained business rates	(22,005,000)	Not applicable	(22,005,000)
LESS business rates top up grant and s.31 grant	(12,363,000)	Not applicable	(12,363,000)
LESS revenue support grant	(5,373,000)	Not applicable	(5,373,000)
LESS rural sparsity delivery	(5,101,000)	Not	(5,101,000)

grant		applicable	
LESS new homes bonus	(2,577,000)	Not applicable	(2,577,000)
LESS adult social care support grant	(550,000)	Not applicable	(550,000)
LESS collection fund surplus	(28,000)	Not applicable	(28,000)
Council tax requirement	98,445,000	4,264,327	102,709,327
Divided by council net tax base (band D equivalent)	68,177.57	68,177.57	68,177.57
Council tax at band D	£1,443.95	£62.55	£1,506.50

8. The amounts above reflect the final local government financial settlement for 2018/19. This includes the following changes from the draft financial settlement:-
- £1,008k additional rural services delivery grant allocation,
 - £720k S31 compensation grant for under-indexing the business rates multiplier, and
 - £550k adult social care support grant funding.

These changes represent one off grant funding and therefore do not affect the net tax base or council tax requirement as approved by Council in January.

9. These necessary changes to the budget have been accommodated via general reserves as authorised in the recommendation to Council on 26 January 2018. Any use of reserves will be subject to the appropriate governance process.

Council tax amounts

- 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.
- Herefordshire Council's band D council tax for 2018/19 is £1,443.95, which is an increase of £67.45 (4.9%) compared to 2017/18.
- As part of the process we are required to include precepts from other bodies that will be included on council tax bills.
- The parish precepts for 2018/19 total £4,264,327 amounting to an average band D council tax charge of £62.55. This represents an average increase of 10.5% over 2017/18. 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.

14. The Office of the Police and Crime Commissioner for West Mercia precept is set out in appendix 3 (£197.07 at band D).
15. The Hereford and Worcester Fire Authority precept is set out in appendix 4 (£81.90 at band D).
16. Appendix 5 provides the impact of all precepts on the council tax bill by detailing the total amount of council tax payable in each parish by property band.

Community impact

17. 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 payment options, personal budgeting support, the council tax reduction scheme and financial hardship policy.

Equality duty

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
18. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.
 19. Where a decision is likely to result in detrimental impact on any group with a protected characteristic it must be justified objectively. This means that attempts to mitigate the harm need to be explored. If the harm cannot be avoided, the decision maker must balance this detrimental impact against the strength of legitimate public need to pursue the service change.
 20. We will carry out service specific equality impact assessments for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified. There may be an increase in the level of non-payment and requests for debt advice as a result of the increases proposed in this report. This is mitigated through

assistance in meeting payments, personal budgeting support service and financial hardship scheme.

Resource implications

21. The resources required for billing purposes are contained within existing budgets. As in prior years information relating to council tax, including how the money is spent, will be available online and a weblink will be included on issued bills.

Legal implications

22. 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.
23. 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.
24. Section 106 of the Local Government Finance Act 1992 precludes a councillor from voting on this decision as a relevant matter, if he or she has an outstanding council tax debt of over two months. If a councillor is present at this meeting he or she must disclose that section 106 applies and may not vote. Failure to comply is a criminal offence.

Risk management

25. That an incorrect precept is applied, this would result in differences between the amount collected and the amount required. Every effort is made to ensure the correct data is gathered and applied to minimise this risk.

Consultees

26. The council consulted with the public on the proposed budget for 2018/19. The council tax charge is determined by the budget requirement as agreed by full Council on 26 January following review of the outcome of the budget consultation.
27. The council has undertaken no consultation on the precepts of other authorities, this is not a matter that the council can undertake.

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 – The Office of the Police and Crime Commissioner for West Mercia 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.

Background papers

None identified.