

Report of the Head of Finance

Council Tax 2016-17

1 Purpose of report

To enable the council to calculate and set the council tax for 2016-17.

2 Executive summary

2.1 The report provides details of the proposed council tax for the Borough Council of Wellingborough as recommended by the Resources Committee for approval and details of the council taxes for the county council, police and parish councils.

2.2 The Resources Committee recommends a flat increase of £5 in council tax for 2016-17.

2.3 Both the county council and the Northamptonshire Police and Crime Commissioner are intending to increase their council tax for 2016-17. Any changes to these intentions will be reflected in amended calculations and the resolution updated accordingly.

3 Appendices

Appendix A 2016-17 Council Tax Resolution.

Appendix B 2016-17 Parish Council Precepts.

Appendix C Medium Term Financial Projections 2016-17 to 2019-20

4 Proposed action:

4.1 The Council is invited to APPROVE the council tax resolution attached at Appendix A.

5 Background

5.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a “council tax requirement” for the year.

5.2 This report sets out the necessary calculations and resolution for the council to set a council tax as recommended by the Resources Committee at its meeting on 3 February 2016.

6 Discussion

6.1 Borough Council

The Resources Committee has considered the budget proposals for 2016-17 to 2019-20 as part of the medium term financial plan (MTFP) and its recommendation is to increase the borough council element of council tax in 2016-17 by £5 to £100.71. The committee also recommends increasing the council tax in 2017-18, 2018-19 and 2019-20 by either £5 or 1.99%, whichever is the greater, subject to meeting the referendum criteria.

Following the publication of the 2016-17 final local government settlement on 8 February 2016, the Medium Term Financial Plan has been updated to reflect an annual increase in council tax of £5, detailed in appendix 3. This reflects the government's decision to allow all shire districts the opportunity, not just those in the lower quartile, to increase their council tax by £5 or 2%, whichever is the greater.

6.2 Wellingborough town special expense area

The borough council recovers an element of its council tax via a special expense area. These charges are applicable in the area referred to as "Wellingborough town". Special expenses in the main are charges for the upkeep of parks and the maintenance of "open space assets".

The special expense charge applies in this area because the council owns and maintains open space assets in this area. In other areas of the borough open space assets are owned and maintained by parish councils who will charge residents accordingly for these services, via their parish precept.

This means that only the actual expenses for costs incurred can be recovered and not just be an increase of a fixed percentage. After reviewing the budget for this area and comparing it with the tax base, the resultant band D charge will remain at £59.24 in 2016-17 (£59.24 in 2015-16).

6.3 Parish councils

The parish council precepts for 2016-17 are detailed in Appendix B and total £482,903. Some parishes have increased their charge and some have reduced. The average council tax for the borough including parish precepts and special expenses is £156.66 (£150.99 in 2015-16).

6.4 Northamptonshire County Council

Northamptonshire County Council's cabinet met on 18 February 2016 and recommended a tax increase of 3.95%, which included 2.0% for a social care precept. This would result in a band D council tax of £1,111.25 (£1,069.02 in 2015-16), which will be considered at Northamptonshire County Council's council meeting on 29 February.

6.5 Northamptonshire Police and Crime Commissioner

The Northamptonshire Police and Crime Commissioner consulted on his proposed precept level with the Police and Crime Panel on 2 February 2016. The panel resolved to support the commissioner's proposal to increase the precept by 1.99%, which would result in a band D council tax of £204.96 (£200.96 in 2015-16).

7 Legal powers

Local Government Finance Act 1992 (as amended).

8 Financial and value for money implications

None arising specifically from the report.

9 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
Failure to set the council tax fully in accordance with law	Council tax bills may not be issued and could be unenforceable if issued	Low	Committee consideration and responsible professional officer supervision

10 Implications for resources, communities and equalities

None arising specifically from the report.

11 Author and contact officer

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12 Consultees

John Campbell, Chief Executive
Liz Elliott, Head of Finance
Bridget Gamble, Head of Resources
Julie Thomas, Head of Planning and Local Development

13 Background papers

Revenue Budget 2016-17 and the Medium Term Financial Strategy Projections.

2016-17 Council Tax Resolution

Recommendation

1. That the recommendations of the Resources Committee relating to the Revenue Estimates 2016-17 be approved.

2. (a) That it be noted that at its meeting on the 19 January 2016, the council calculated the amount of 23,480 as its council tax base for the year 2016-17, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, made under Section 33(5) of the Local Government Finance Act 1992.

- (b) That the following amounts are calculated by the council, in accordance with regulation 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as the amounts of council tax base for the year 2016-17 for dwellings in those parts of its area to which one or more special items relate (*Tax base for parishes and Wellingborough special expenses*)

Parish of	Tax Base
Bozeat	754
Great Doddington	489
Earls Barton	1,838
Easton Maudit	41
Ecton	229
Finedon	1,404
Grendon	242
Hardwick	44
Great Harrowden	43
Little Harrowden	329
Irchester	1,497
Isham	311
Mears Ashby	221
Orlingbury	229
Strixton	15
Sywell	361
Wilby	216
Wollaston	1,194
Wellingborough	14,023
Total	23,480

- That the following amounts be now calculated by the council for the year 2016-17 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- 3.
- (a) £46,056,247 being the aggregate of the amounts 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.
 - (b) £42,377,951 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £3,678,296 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) 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).
 - (d) £156.66 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), 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).
 - (e) £1,313,626 being the aggregate amount of all special items referred to in Section 34(1) of the Act (as per the attached Appendix B).
 - (f) £100.71 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), 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.

(g) Part of the council's area

Parish of	£
Bozeat	40.92
Great Doddington	51.12
Earls Barton	54.40
Easton Maudit	23.78
Ecton	53.40
Finedon	38.64
Grendon	59.32
Hardwick	36.36
Great Harrowden	27.44
Little Harrowden	61.99
Irchester	54.61
Isham	72.35
Mears Ashby	40.72
Orlingbury	32.95
Strixton	93.33
Sywell	60.94
Wilby	43.98
Wollaston	57.26
Wellingborough	59.24

The amounts stated in column 5 of the Schedule 1 (attached) given by adding to the amount at 3(f) above the amounts of the special item or items relating to dwellings in those parts of the council's area specified in column 1 of Schedule 1 divided in each case by the amount at 1(a) above, calculated by the council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area set out in column 1 of Schedule 1 (attached) to which one or more special items relate. (*Council tax at band D for those parishes that have issued a precept and Wellingborough special expenses added to this council's council tax.*)

(h) Valuation Bands

being the amounts given by multiplying the amount at 3(f) and 3(g) above by the number, which in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands. *(This council and each parish council's combined council tax for each council tax band and which will appear on the council tax bill).*

	A £	B £	C £	D £	E £	F £	G £	H £
Bozeat	94.42	110.16	125.89	141.63	173.10	204.58	236.05	283.26
Gt Doddington	101.22	118.09	134.96	151.83	185.57	219.31	253.05	303.66
Earls Barton	103.41	120.64	137.88	155.11	189.58	224.05	258.52	310.22
Easton Maudit	82.99	96.83	110.66	124.49	152.15	179.82	207.48	248.98
Ecton	102.74	119.86	136.99	154.11	188.36	222.60	256.85	308.22
Finedon	92.90	108.38	123.87	139.35	170.32	201.28	232.25	278.70
Grendon	106.69	124.47	142.25	160.03	195.59	231.15	266.72	320.06
Hardwick	91.38	106.61	121.84	137.07	167.53	197.99	228.45	274.14
Gt Harrowden	85.43	99.67	113.91	128.15	156.63	185.11	213.58	256.30
Lt Harrowden	108.47	126.54	144.62	162.70	198.86	235.01	271.17	325.40
Irchester	103.55	120.80	138.06	155.32	189.84	224.35	258.87	310.64
Isham	115.37	134.60	153.83	173.06	211.52	249.98	288.43	346.12
Mears Ashby	94.29	110.00	125.72	141.43	172.86	204.29	235.72	282.86
Orlinary	89.11	103.96	118.81	133.66	163.36	193.06	222.77	267.32
Strixton	129.36	150.92	172.48	194.04	237.16	280.28	323.40	388.08
Sywell	107.77	125.73	143.69	161.65	197.57	233.49	269.42	323.30
Wilby	96.46	112.54	128.61	144.69	176.84	209.00	241.15	289.38
Wollaston	105.31	122.87	140.42	157.97	193.07	228.18	263.28	315.94
Wellingborough	106.63	124.41	142.18	159.95	195.49	231.04	266.58	319.90

4. That it be noted that for the year 2015/16 the major precepting authorities have stated the following amounts in precepts issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below :-

Valuation Bands

	A £	B £	C £	D £	E £	F £	G £	H £
Northants County Council	740.83	864.31	987.78	1,111.25	1,358.19	1,605.14	1,852.08	2,222.50
Northants PCC	136.64	159.41	182.19	204.96	250.51	296.05	341.60	409.92

5. That, having calculated the aggregate in each case of the amounts at 3(h) and 4 above, the council, in accordance with Section 30(2) of the Local Government Finance 1992, hereby sets the following amounts as the amounts of council tax for the year 2015/16 for each of the categories of dwellings shown below:- *total council tTax in each band for each parish*)

Valuation Bands

	A £	B £	C £	D £	E £	F £	G £	H £
Bozeat	971.89	1,133.88	1,295.86	1,457.84	1,781.80	2,105.77	2,429.73	2,915.68
Gt Doddington	978.69	1,141.81	1,304.93	1,468.04	1,794.27	2,120.50	2,446.73	2,936.08
Earls Barton	980.88	1,144.36	1,307.85	1,471.32	1,798.28	2,125.24	2,452.20	2,942.64
Easton Maudit	960.46	1,120.55	1,280.63	1,440.70	1,760.85	2,081.01	2,401.16	2,881.40
Ecton	980.21	1,143.58	1,306.96	1,470.32	1,797.06	2,123.79	2,450.53	2,940.64
Finedon	970.37	1,132.10	1,293.84	1,455.56	1,779.02	2,102.47	2,425.93	2,911.12
Grendon	984.16	1,148.19	1,312.22	1,476.24	1,804.29	2,132.34	2,460.40	2,952.48
Hardwick	968.85	1,130.33	1,291.81	1,453.28	1,776.23	2,099.18	2,422.13	2,906.56
Gt Harrowden	962.90	1,123.39	1,283.88	1,444.36	1,765.33	2,086.30	2,407.26	2,888.72
Lt Harrowden	985.94	1,150.26	1,314.59	1,478.91	1,807.56	2,136.20	2,464.85	2,957.82
Irchester	981.02	1,144.52	1,308.03	1,471.53	1,798.54	2,125.54	2,452.55	2,943.06
Isham	992.84	1,158.32	1,323.80	1,489.27	1,820.22	2,151.17	2,482.11	2,978.54
Mears Ashby	971.76	1,133.72	1,295.69	1,457.64	1,781.56	2,105.48	2,429.40	2,915.28
Orlingbury	966.58	1,127.68	1,288.78	1,449.87	1,772.06	2,094.25	2,416.45	2,899.74
Strixton	1,006.83	1,174.64	1,342.45	1,510.25	1,845.86	2,181.47	2,517.08	3,020.50
Sywell	985.24	1,149.45	1,313.66	1,477.86	1,806.27	2,134.68	2,463.10	2,955.72
Wilby	973.93	1,136.26	1,298.58	1,460.90	1,785.54	2,110.19	2,434.83	2,921.80
Wollaston	982.78	1,146.59	1,310.39	1,474.18	1,801.77	2,129.37	2,456.96	2,948.36
Wellingborough	984.10	1,148.13	1,312.15	1,476.16	1,804.19	2,132.23	2,460.26	2,952.32

6. The council has determined that its relevant basic amount of council tax for 2016-17 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

Wellingborough Council, as the billing authority, has **not** been notified by a major precepting authority that its relevant basic amount of council tax for 2016-17 is excessive. Therefore the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

2015-16 Parish Council Precepts

Appendix B

Parish/Town Council	2015-16			2016-17			Council Tax Change
	Tax Base	Precepts £	Council Tax Band D £	Tax Base	Precepts £	Council Tax Band D £	
Bozeat	730	29,900	40.96	754	30,850	40.92	-0.10%
Great Doddington	473	22,000	46.51	489	25,000	51.12	9.91%
Earls Barton	1,836	96,995	52.83	1,838	99,996	54.40	2.97%
Easton Maudit	39	975	25.00	41	975	23.78	-4.88%
Ecton	223	11,908	53.40	229	12,229	53.40	0.00%
Finedon	1,388	51,218	36.90	1,404	54,255	38.64	4.72%
Grendon	236	14,000	59.32	242	14,355	59.32	0.00%
Hardwick	43	1,600	37.21	44	1,600	36.36	-2.28%
Great Harrowden	42	1,180	28.10	43	1,180	27.44	-2.35%
Little Harrowden	329	20,394	61.99	329	20,394	61.99	0.00%
Irchester	1,453	77,755	53.51	1,497	81,755	54.61	2.06%
Isham	306	19,557	63.91	311	22,500	72.35	13.21%
Mears Ashby	216	9,000	41.67	221	9,000	40.72	-2.28%
Orlingbury	226	7,446	32.95	229	7,546	32.95	0.00%
Strixton	15	1,000	66.67	15	1,400	93.33	39.99%
Sywell	348	18,000	51.72	361	22,000	60.94	17.83%
Wilby	214	9,900	46.26	216	9,500	43.98	-4.93%
Wollaston	1,172	65,797	56.14	1,194	68,368	57.26	2.00%
Total Parishes	9,289	458,625	49.37	9,457	482,903	51.06	3.42%
Wellingborough Town	13,901	823,495	59.24	14,023	830,723	59.24	0.00%
TOTAL	23,190	1,282,120		23,480	1,313,626		

Appendix C

Medium Term Financial Projections 2016-17 to 2019-20

	2015/16	2016/17	2017/18	2018/19	2019/20
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Current spending levels B/F	10,922	10,046	9,936	9,575	9,631
Net Changes - Standstill Budget	- 50	-17			
Revised spending levels	10,872	10,029	9,936	9,575	9,631
Inescapable pressures - Operational:					
Pay Inflation	-	-	50	50	50
Additional Contributions to offset Pension Strain	70	70	70	70	70
Insurance premiums	-30				
NI pressures from national contracting out changes		-			
Local Plan pressures	87	126	-213		
Planning Appeals		100	-100		
Borough Elections	100	-100			120
Partnership/Contract Savings:					
Norse Partnership fee changes	-205	-	-40	-40	-40
Castle Contact Savings - 15% Annual	-38	-33	-28	-24	-21
Contract & Procurement savings	-300				
Service Transformation					
Shared Services	-175				
Asset Management & Service Review:					
Glamis Hall	-185				
Statutory/National Changes:					
Changes in welfare reform demand pressures	-150	-100			
Invest to Save:					
Crematorium Operating net income		-100	-100		
Investment property income		-56			
Total Changes to Base spending levels	-826	-93	-361	56	179
Revised spending levels C/F	10,046	9,936	9,575	9,631	9,810
Financed by:					
Previous use of reserves or savings to be identified:	-564	-625	-619	-604	-891
Central Government Funding	-1,663	-1,239	-806	-531	-223
Efficiency Support Grant (one off)	-74	-	-	-	-
Council Tax Freeze Grant	-32	-	-	-	-
Business Rates Retention Scheme - Baseline	-2,197	-2,215	-2,259	-2,325	-2,400
Business Rates Retention Scheme - Growth	-786	-587	-599	-617	-636
Business Rates Retention Scheme - Pooling Benefit	-190	-294	-299	-308	-318
Section 31 Grant	-501	-479	-	-	-
Business Rates Collection Fund (-surplus/deficit)	699	679	-	-	-
Total Business Rates Income	-2,975	-2,896	-3,157	-3,250	-3,354
Council Tax - Baseline	-3,501	-3,533	-3,662	-3,807	-3,954
Council Tax - Growth (1.5%)	-	-28	-64	-106	-151
Council Tax - Band D Increase (£5 & 1.99%)	-	-117	-136	-138	-141
Council Tax Collection Fund (-surplus/deficit)	-130	-3	-	-	-
Total Council Tax Income	-3,631	-3,681	-3,862	-4,051	-4,246
New Homes Bonus additional income above current budget	-1,001	-1,457	-1,146	-908	-905
Planned use of Ear Marked Reserves	-95	-44	-	-	-
Total On going Funding available	-9,471	-9,317	-8,971	-8,740	-8,728
Total Funding including the one off use of reserves from previous years	-10,035	-9,942	-9,590	-9,344	-9,619
Additional savings needed to balance budget/additional use of reserves (+) or reduced need for reserves (-)	11	-6	-15	287	191
Original Cumulative Total Savings needed:	575	619	604	891	1,082
Changes as a result of in year Budget Monitoring	50	-	-	-	-
Revised Cumulative Total Savings needed:	625	619	604	891	1,082
General Fund Reserves as at 1st April	-3,984	-4,524	-3,921	-3,317	-2,426
Less used to fund annual base shortfalls	625	619	604	891	1,082
Use of Budget Implementation reserve	-625	-16			
Business Rates Equalisation Reserve					
Contribution -to/from GF Reserves	-540				
Total revised General Fund Balance	-4,524	-3,921	-3,317	-2,426	-1,344

Medium Term Financial Projections 2016-17 to 2019-20