

SUBJECT:	COUNCIL TAX 2016/17	
REPORT OF:	Leader of the Council	Councillor Isobel Darby
RESPONSIBLE OFFICER:	Director of Resources	Jim Burness
REPORT AUTHOR:	Head of Finance	Rodney Fincham
WARD/S AFFECTED:	All	

1. Purpose of Report

- 1.1 This report takes the recommended 2016/17 budget from Cabinet, together with information from the various precepting bodies to produce the appropriate recommendations for setting the council tax for the area which the Council is required to agree at this meeting.

RECOMMENDATIONS

1. That it be noted that the following amounts for 2016/17 have been determined under delegated authority and in accordance with regulations made under the local Government Finance Act 1992:
- a) **43,559.86** being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year.
- b) The amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amount of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items (i.e. Parish precepts) relate, are shown below.

Council Tax Base 2016/17	
Amersham	6,614.22
Ashley Green	454.31
Chalfont St Giles	3,093.13
Chalfont St Peter	6,400.30
Chartridge	825.52
Chenies	131.41
Chesham	7,890.87
Chesham Bois	1,636.67
Cholesbury	504.28
Coleshill	343.38
Great Missenden	4,870.60
Latimer & Ley Hill	506.44
Little Chalfont	3,196.52
Little Missenden	3,147.17
Penn	2,329.81
Seer Green	1,213.65
The Lee	401.58
	43,559.86

2. That the Council calculates the following amounts for 2016/17 in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 (as amended by the Localism Act 2011):
- a) **£42,914,222** being the aggregate expenditure which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act (including the General Fund and Parish Precepts).
- b) **£32,857,595** being the aggregate income which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
- c) **£10,056,627** as its council tax requirement for the year including Parish Precepts being the amount by which the aggregate expenditure at 2(a) above exceeds the aggregate income at 2(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act.
- d) **£230.87** as the basic amount of its Council Tax for the year, being the council tax requirement at 2(c), divided by the Council Tax Base for the year (43,559.86) at 1(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act.
- e) **£2,624,444** being the aggregate amount of all special items referred to in Section 34(1) of the Act (i.e. Parish Precepts, there being no other special items).
- f) **£170.62** as the basic amount of its Council Tax for dwellings in its area, excluding Parish Precepts, being the amount at 2(d) above less the result given by dividing the amount at 2(e) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act.
- g) The amounts given by adding to the amount at 2(f) above the amounts of the Parish Precepts for the relevant Parish divided in each case by the Council Tax Base for the Parish at 1(b) 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 each Parish is:

2016/17 BASIC COUNCIL TAX £		
	Parish Amount	CDC + Parish Amount
Amersham	81.52	252.14
Ashley Green	34.93	205.55
Chalfont St Giles	63.01	233.63
Chalfont St Peter	48.63	219.25
Chartridge	12.04	182.66
Chenies	49.30	219.92
Chesham	108.53	279.15
Chesham Bois	34.03	204.65
Cholesbury	19.38	190.00
Coleshill	26.14	196.76
Great Missenden	39.25	209.87
Latimer & Ley Hill	29.53	200.15
Little Chalfont	66.65	237.27

2016/17 BASIC COUNCIL TAX £		
	Parish Amount	CDC + Parish Amount
Little Missenden	28.25	198.87
Penn	22.68	193.30
Seer Green	36.31	206.93
The Lee	27.36	197.98

h) The amounts given by multiplying the basic amounts for each Parish 2(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.

3. That it be noted that for the year 2016/17 the main precepting authorities have stated the following amounts in precepts issued to the Council, in accordance with s40 of the Local Government Finance Act 1992.

Band	Bucks County Council Precept £	Bucks & Milton Keynes Fire Authority Precept £	Police & Crime Commissioner for Thames Valley £	Total Preceptors £
A	773.46	39.80	111.31	924.57
B	902.37	46.43	129.86	1,078.66
C	1,031.28	53.07	148.41	1,232.76
D	1,160.19	59.70	166.96	1,386.85
E	1,418.01	72.97	204.06	1,695.04
F	1,675.83	86.23	241.16	2,003.22
G	1,933.65	99.50	278.27	2,311.42
H	2,320.38	119.40	333.92	2,773.70

4. That, having calculated the aggregate in each case of the amounts of the District's and preceptors requirements, in accordance with s30(2) of the Local Government Finance Act 1992, hereby sets amounts of the council tax for the year 2016/17 for each category of dwelling as follows.

Band	District & Parishes Council Tax £	Total Preceptors £	Total 2016/17 Council Tax £
A	153.91	924.57	1,078.48
B	179.57	1,078.66	1,258.23
C	205.22	1,232.76	1,437.98
D	230.87	1,386.85	1,617.72
E	282.17	1,695.04	1,977.21
F	333.48	2,003.22	2,336.70
G	384.78	2,311.42	2,696.20
H	461.74	2,773.70	3,235.44

The council tax for each category of dwelling by parish is as follows.

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Amersham	1,092.66	1,274.77	1,456.88	1,638.99	2,003.21	2,367.42	2,731.65	3,277.98
Ashley Green	1,061.60	1,238.53	1,415.47	1,592.40	1,946.27	2,300.13	2,654.00	3,184.80
Chalfont St Giles	1,080.32	1,260.37	1,440.43	1,620.48	1,980.59	2,340.69	2,700.80	3,240.96
Chalfont St Peter	1,070.74	1,249.19	1,427.65	1,606.10	1,963.01	2,319.91	2,676.84	3,212.20
Chartridge	1,046.34	1,220.73	1,395.12	1,569.51	1,918.29	2,267.06	2,615.85	3,139.02
Chenies	1,071.18	1,249.71	1,428.24	1,606.77	1,963.83	2,320.88	2,677.95	3,213.54
Chesham	1,110.67	1,295.78	1,480.89	1,666.00	2,036.22	2,406.44	2,776.67	3,332.00
Chesham Bois	1,061.00	1,237.83	1,414.67	1,591.50	1,945.17	2,298.83	2,652.50	3,183.00
Cholesbury	1,051.24	1,226.44	1,401.65	1,576.85	1,927.26	2,277.66	2,628.09	3,153.70
Coleshill	1,055.74	1,231.70	1,407.66	1,583.61	1,935.52	2,287.43	2,639.35	3,167.22
Great Missenden	1,064.48	1,241.89	1,419.31	1,596.72	1,951.55	2,306.37	2,661.20	3,193.44
Latimer & Ley Hill	1,058.00	1,234.33	1,410.67	1,587.00	1,939.67	2,292.33	2,645.00	3,174.00
Little Chalfont	1,082.75	1,263.20	1,443.67	1,624.12	1,985.04	2,345.94	2,706.87	3,248.24
Little Missenden	1,057.15	1,233.34	1,409.53	1,585.72	1,938.10	2,290.48	2,642.87	3,171.44
Penn	1,053.44	1,229.00	1,404.58	1,580.15	1,931.30	2,282.43	2,633.59	3,160.30
Seer Green	1,062.52	1,239.61	1,416.70	1,593.78	1,947.95	2,302.12	2,656.30	3,187.56
The Lee	1,056.56	1,232.64	1,408.74	1,584.83	1,937.02	2,289.19	2,641.39	3,169.66

5. Determine that the Council's basic amount of Council Tax for 2016/17 is not excessive, in accordance with principles approved under Section 52ZB of the Local Government Finance Act 1992, [and thus there is no need to hold a Council Tax referendum].

2. Budget Position

- 2.1 The Cabinet meeting in February considered the financial position of the Authority for 2016/17 and future years, and recommended to this Council meeting the budget for 2016/17. All members of the Council have received a copy of the Cabinet report and the information in that report must be used to underpin any decisions taken at this meeting.
- 2.2 At the meeting additional information was considered relating to the Final Local Government Finance Settlement for 2016/17 published on 8th February 2016, which contained a number of changes for the information published prior to Christmas. The main changes were:
- The additional tariff (Negative RSG) is removed for 2017/18 and 2018/19. It is still intended to be a feature of the 2019/20 funding.
 - A Transition Grant in 2016/17 and 2017/18 to ease the pace of RSG reduction.
 - The ceiling for council tax increases for all districts is raised to £5.

- 2.3 Appendix A summarises the impact of the changes on the Council's finances over the period to 2019/20. The main implications are to improve the financial position in 2016/17 to 2018/19, but the forecast for 2019/20 still shows a deficit. The additional resources available in 2016/17 are used to increase the funding available to the Capital Programme.
- 2.4 Members attention is drawn to Appendix B of the Cabinet report which contains the advice of the Chief Financial Officer¹ in respect of the budget as required under the Local Government Act 2003. Since that meeting information has been received from the major precepting bodies so that the Council is now in the position to agree the total 2016/17 council tax for the area.
- 2.5 The 2016/17 budget for Chiltern DC recommended by the Cabinet is as follows. The budget translates into a district council tax of £170.62 for a Band D property, which represents a 3% increase.
- 2.6 To this figure is added the cost of parish precepts, which average £60.25, and the major preceptors.
- 2.7 The following table consolidates the overall council tax position for 2016/17.

	2015/16		2016/17		Change
	£	£/Band D	£	£/Band D	
Bucks County Council	48,133,964	1,115.67	50,537,714	1,160.19	3.99%
Bucks & MK Fire Authority	2,525,623	58.54	2,600,524	59.70	1.98%
Police & Crime Commissioner	7,062,599	163.70	7,272,753	166.96	1.99%
Chiltern District Council	7,145,435	165.62	7,432,183	170.62	3.02%
Parishes (Average)	2,499,539	57.94	2,624,444	60.25	3.99%
Total Band D Council Tax	67,367,160	1,561.47	70,467,618	1,617.72	3.60%

- 2.8 Members are reminded of s106 of the Local Government and Finance Act 1992, which prohibits any Member who has not paid for at least two months his/her Council Tax when it becomes due, from voting on setting the budget and making of the Council Tax and related calculations.

3. Links to Council Policy Objectives

- 3.1 The setting of the council tax is the conclusion of the process by which the Council aligns its plans to further its corporate aims with the prudent and sustainable use of resources.

Background Papers:	Cabinet Budget Report Feb 16
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¹ For Chiltern DC this officer is the Director of Resources.

APPENDIX A

FINAL LOCAL GOVERNMENT SETTLEMENT 2016/17

The Government published the Final Local Government Settlement 2016/17 on 8th February ahead of the debate in Parliament on 10th February. There have been a number of significant changes from the December Provisional Settlement affecting district councils. There are:

- The additional tariff (Negative RSG) is removed for 2017/18 and 2018/19. It is still intended to be a feature of the 2019/20 funding.
- A Transition Grant in 2016/17 and 2017/18 to ease the pace of RSG reduction.
- The ceiling for council tax increases for all districts is raised to £5.

The implication for Chiltern from the changes in grant funding are as follows.

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Business Rate Baseline	8,216	8,284	8,447	8,690	8,974
Business Rate Tariff	-6,861	-6,918	-7,054	-7,260	-7,494
Baseline Need	1,355	1,366	1,393	1,430	1,480
Revenue Support Grant (RSG)	1,125	407	-	-	-
Settlement Funding Assessment	2,480	1,773	1,393	1,430	1,480
Transition Grant	-	134	100	-	-
Additional Tariff Payment	-	-	-	-	-848
Total	2,480	1,907	1,493	1,430	632
Year on Year Change (£k)	-356	-573	-414	-63	-798
Year on Year Change (%)	-13%	-23%	-22%	-4%	-56%

The impact on the Medium Term Financial Forecast in summary is shown below. This assumes a £5 per annum increase in the council tax in 2016/17 and then 1.99% per annum over the period to 2019/20.

Surplus (-) / Deficit (+)	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Cabinet Report Feb 16	-	-86	472	701
Revised Position	-215	-418	-92	613
Change	-215	-332	-564	-88
Change - Grant/Tariff	-134	-253	-485	-
Change - C/Tax (£5:16/17)	-81	-79	-79	-88

The Secretary of State announced that he would give Councils until 14th October 2016 to respond to the offer of a four year settlement, i.e. grant figures etc fixed at those announced up to 2019/20. No other information on how the four year offer would work were provided within the details of the Final Settlement.

CDC FORECAST

	2015/16	2016/17	2017/18	2018/19	2019/20
RSG	-1,055	-407	0	0	0
Business Rates	-1,355	-1,667	-1,690	-1,730	-2,170
Additional Tariff					848
New Homes Grant	-734	-1,047	-667	-438	-448
Transition Grant		-134	-100		
CT Freeze Grant	-70				
Investment Income	-110	-140	-80	-60	-60
Collection Surplus	-100	-23	-20	-20	-20
Contribution to Parishes	80	29			
Total Income	-3,344	-3,389	-2,557	-2,248	-1,850
Service Expenditure	9,101	9,104	9,312	9,545	10,114
Notional Interest	70	54	30	10	10
Change in Reserves: Election	-76	20			-80
Capital Contribution	394	394	394	394	394
LDF Fund	-306	-163			
Capital Projects	1,307	1,197			
Total Expenditure	10,490	10,606	9,736	9,949	10,438
Precept Required	7,146	7,217	7,179	7,701	8,588
Council Tax Base	43143	43560	43660	43910	44060
Band D	165.62	170.62	174.01	177.47	181.00
C/Tax Incr %		3.0%	2.0%	2.0%	2.0%
Total collected	7,146	7,432	7,597	7,793	7,975
Surplus/Shortfall	0	-215	-418	-92	613