

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

Author: Cabinet Member for Finance and Corporate Resources
Interim Corporate Director of Resources

Wards: All Wards

Locality Affected: All Locality Areas

Parishes Affected: All Parishes

1. Purpose and Reasons

- 1.1 To enable Members to formally resolve the Borough's Council Tax for 2017-18 recognising that Billing Authorities have a statutory requirement to set the annual Council Tax bills by 11th March.

2. Recommendations

Council is recommended to:

- 2.1 Approve that there will be an average 4.99% increase in the Council Tax levels for the Borough Council element of the 2017-18 bills in accordance with the budget proposed by Cabinet on 8th February 2017;
- 2.2 Determine that the Basic Amount of Council Tax for the Financial Year 2017-18 is not excessive within the statutory definitions set out within part I of the Local Government Finance Act 1992 (as amended by the Localism Act 2011) and that therefore no referendum is required;
- 2.3 Pass the Resolution set out as Annex 2 to this report covering all aspects of the bills.

3. Detail

Council Tax Calculations

- 3.1 The calculations include precept figures from the Police and Crime Commissioner for Wiltshire and Swindon, the Dorset and Wiltshire Fire and Rescue Authority and the Town and Parish Councils within the Borough as well as the Council's own budget requirement including the precept amount specifically to contribute towards the increasing cost of adult social care.
- 3.2 The shadow parish council for Swindon Central South does not meet to set their precept until the evening of 15th February 2017 therefore the precept figure in this report is provisional. If the finalised precept figure is changed a supplementary report will be provided for Full Council.
- 3.3 The provisional 2017-18 Council Tax calculations and the formal Council Tax Resolution are set out as Appendix 1 and Annex 2 respectively. These proposals are based on the budget proposals agreed by Cabinet on 8th February 2017

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

resulting in a net budget for 2017-18 of £136.4m, including the adult social care “precept” of £4.2m. Should the Council’s Budget for 2017-18 be amended at the Council meeting or any proposed changes be made to the level of Council Tax for 2017-18, a revised Resolution and set of Council Tax calculations will be made available at the meeting.

- 3.4 The legal position is set out by the Director of Law and Democratic Services in Annex 1.
- 3.5 Table One sets out the provisional precept and budget figures for each element of the Council Tax bill with a comparison with the previous year.

Table One – Changes in Budgets and Precepts 2017-18

Element of Council Tax Bill	2017-18 £’000	2016-17 £’000	% Change
Amount of SBC Budget met from Council Tax	89,532	82,886	8.0%
Police and Crime Commissioner Precept	12,183	11,621	4.8%
Dorset and Wiltshire Fire and Rescue Authority Precept	5,051	4,813	4.9%
Total Town and Parish Precepts*	7,097	2,223	219.3%
Total	113,863	101,543	
Tax Base	71,551.4	69,545.8	2.9%
Band D Average Council Tax	£1,591.35	£1,460.09	9%

*This is a transition year with a number of new parish councils raising a precept.

Referendum Test

- 3.6 In accordance with Schedule 5 of the Localism Act 2011, the Council has a duty to determine whether its Council Tax increase is considered to be excessive in which case it would be required to hold a referendum. For 2017-18, the Government has set the threshold at 5% (comprising 3% for expenditure on adult social care and 2% for other expenditure).
- 3.7 Section 33 of the Local Government Finance Act 1992 (amended by section 41 of Local Audit and Accountability Act 2014) sets out the calculation of the ‘relevant basic amount’ of council tax.
- 3.8 The ‘relevant basic amount’ of council tax is calculated by the following steps and is set out in table two below:-
- 3.8.1 Calculating the council tax requirement which is the balance of the Council’s budget after taking account of income from RSG, NNDR and adjusting for the Council’s collection fund surplus or deficit.
- 3.8.2 Dividing the council tax requirement by the taxbase.

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

- 3.9 The referendum test is a comparison between the 'relevant basic amount' of council tax set by an authority in the relevant year, and that set in the preceding year.
- 3.10 The proposed changes are within the referendum thresholds and therefore no referendum is necessary.

Table Two – Comparison of Relevant Amount of Council Tax

	2017-18	2016-17
Balance of budget to be met from Council Tax	£89,531,551	£82,886,075
Taxbase	71,551.4	69,545.8
Relevant Basic Amount of Council Tax	£1,251.29	£1,191.82
Increase on 2016-17 (£-p)	£59.47	
Increase on 2016-17 (%)	4.99%	

Impact of cessation of Special expenses

- 3.11 Up until 2017-18 the Borough of Swindon was part parished with Parish Councils providing some services locally and the Council providing the same services across the rest of the borough. To avoid double taxation in the existing parished areas of the borough the Council previously completed a special expenses calculation to charge that element of Council expenditure to the non parished areas only.
- 3.12 From 2017-18 the whole Borough will be parished with Parish Councils providing services previously provided by the Council. Therefore a special expenses calculation will no longer be required. The only differential element on the Council Tax bill in future will be the precept set by each parish council.
- 3.13 During this transitional year households in the currently parished areas will have an increase of 7.28% whilst the formerly unparished areas will have an increase of 3.12%. The differential increase is due to the fact that the parished and unparished areas are starting from a different base in terms of the amount of Council Tax paid in 2016-17 due to the inclusion of special expenses in the Council's budget. From 2017-18 onwards all households will pay the same amount of Council Tax (subject to banding) and the same annual percentage increase in Council Tax (excluding parish precepts).
- 3.14 This does not affect the calculation of the 'Relevant Amount of Council Tax' used to calculate the threshold for a Council Tax referendum as the Council's total budget requirement includes both special expenses and general expenses.

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

3.15 The resulting Council Tax levels and percentage increases for a Band D property are summarised in Table Three.

Table Three – Headline Band D Council Tax Changes 2017-18

	Band D Council Tax 2017-18	Band D Council Tax 2016-17	% Increase
#Swindon Borough Council	£1,251.29	£1,191.82	4.99%
Wiltshire Police and Crime Commissioner	£170.27	£167.10	1.90%
Dorset and Wiltshire Fire and Rescue Authority	£70.59	£69.21	1.99%
*Average headline charge for Parish / Town Councils	£99.20	£31.96	210.33%
Total Bill	£1,591.35	£1,460.45	8.99%

*These figures will differ per parish as set out in Appendices One and Two. Also this is a transition year with new parish precepts being raised.

The figure of £1,251.29 represents the average Council Tax levied by Swindon Borough Council, representing a 4.99% increase compared to 2016-17. The Borough Council's element of the Council Tax bill will appear as two separate lines on the bill as set out in Table Four below, special expenses does not exist from 2017-18.

Table Four – Swindon Borough Council Elements of the Council Tax Bill

	Band D Council Tax 2017-18	Band D Council Tax 2016-17	% Increase
Swindon 'General Expenses'	£1,192.16	£1,143.45	4.3%
##Swindon Special Expenses	£0	£47.05	-100%
**Swindon Increase for Adult Social Care	£59.13	£22.92	3.0%
Total SBC Increase	£1,251.29	£1,191.82	4.99%

##The special expense charge does not apply from 2017-18.

** The increase of 3% on the Adult Social Care Precept is calculated on the Swindon charge of £1,191.82 for 2016-17.

4. Alternative Options

4.1 Not applicable.

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 The starting position for the Council Tax calculations is the Council's budget for 2017-18. The Council Tax figures have been calculated based on the precepts agreed by the precepting bodies and the budget proposed by Cabinet on 8th February 2017. Should any change be made to the final budget agreed by Council on the night, the figures will be recalculated and an amended version of Appendices 1 and 2 and the formal Council Tax Resolution in Annex 2 will be circulated at the meeting.

Legal and Human Rights Implications

- 5.2 The implications of the Council's 2017-18 Budget are covered by the Revenue Budget report elsewhere on the agenda.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 This report recommends no changes to services and no changes to Council Tax levels so no other implications are envisaged as a result of the recommendations.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 A corporate priority is to have affordable Council Tax.

Diversity Impact Assessment

- 5.5 No diversity impact assessment has been undertaken for this report as a Council Tax has to be set by each Billing Authority and the increase is below the Government's referendum threshold.

Risk Management

- 5.6 No new risks are envisaged as a result of the recommendations.

6. Consultees

- 6.1 The Interim Corporate Director of Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- Revenue Budget Report to Cabinet – 8th February 2017

8. Appendices

- Annex 1 - Legal Position

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

- Annex 2 - Council Tax Resolution 2017-18
- Appendix 1 - Council Tax Levels 2017-18
- Appendix 2 - Parish Precepts 2016-17 and 2017-18

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

Annex 1

COUNCIL TAX 2017-18 - LEGAL POSITION

1. Introduction

- 1.1 A Member is not regarded as having a personal and prejudicial interest in a matter unless it affects the member "to a greater extent than other council tax payers, ratepayers or inhabitants" of Swindon, and is so significant that it is likely to prejudice the Member's judgment of the public interest. However any Member who is in arrears with their Council Tax payments needs to give careful consideration to the provisions of Section 106 of the Local Government Finance Act 1992. This states that if any arrears remain unpaid for at least 2 months, then the Member must disclose this at the beginning of any meeting which is to consider any Council Tax calculation or any matter which might affect the Council Tax calculation, and shall not vote on any such matter. If any Member is likely to be in such a position, or is concerned as to whether any interest should be declared, then advice should be sought as quickly as possible from the Director of Law and Democratic Services. So far as any potential disclosable pecuniary interest in relation to the setting of the Council Tax is concerned, all members have applied for and been granted a dispensation under section 33 of the Localism Act 2011 in order to enable them to participate and vote in any discussion in that regard.

2 Statutory Position

- 2.1 The Borough Council is required to maintain a Collection Fund for both Council Tax and National Non-Domestic (Business) Rates. Any sums paid into an authority's Collection Fund shall be used in the making of payments which are to be met from that fund or transfers from it.
- 2.2 The Council as "billing authority" for the Borough is required, to set an amount of Council Tax for each financial year and for each category of buildings. In accordance with the Council's Standing Order 14(3) and the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, at a meeting of the Council at which it is to determine its Budget and Council Tax:-
- (a) Immediately after any vote is taken at a Budget decision making meeting of the Council there must be recorded in the minutes of the proceedings of that meeting the names of the Members who cast a vote for or against the decision or who abstained from voting.
 - (b) Reference to a "budget decision making meeting" for the purposes of Standing Order 14(3) means a meeting where the Council (i) makes a calculation (whether originally or by way of substitute) in accordance with any of sections 31A, 31B, 34 to 36A, 42A, 42B, 45 to 49, 52ZF, 52ZJ of the Local Government

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

Finance Act 1992 (as amended); or (ii) issues a precept under Chapter 4 of Part 1 of that Act,

(c) Reference to a "vote" for the purposes of Standing Order 14.(3) are references to a vote on any decision related to the making of the calculation or the issuing of the precept referred to in (b) above as the case may be.

- 2.3 The amounts of Council Tax must be set by billing authorities before 11 March in any financial year, but such amounts are not invalid merely because they are set on or after that date. No amount may be set before the earlier of the following:-
- (a) 1 March
 - (b) The date of issue to the Council of a precept for the relevant financial year from a "major precepting authority" (e.g. the Police and Crime Commissioner).
- 2.4 No amount may be set unless the Council has made the calculations required by the 1992 Act (as amended by Section 74 of the Localism Act 2011). Members will recall that one of the required steps was to determine the respective Council Tax Base for the Borough and for each parished and non-parished area. The Local Government Act 2003 (section 84) replaces section 67 Local Government Finance Act 1992 which required full Council to formally approve the Council Tax base for the whole of its area. Under the new regulations, it is now for each Local Authority to make its own arrangements for adopting the Council Tax base. The tax base for 2017-18 has been calculated in accordance with The Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended (the 1992 Regulations). The figures within Appendix 3 show the Tax Base for both 2016-17 and 2017-18 as a consequence of following these rules.
- 2.5 The 1992 Act provides that billing and precepting authorities may make substitute calculations of their budget requirements and amounts of Council Tax. Except in certain special cases (e.g. where the previous calculations have been quashed), the substitute budget requirement cannot be greater than the previous requirement. In the case of billing and major precepting authorities, any substitute amount of tax calculation as applicable to any dwelling cannot exceed the previously calculated amount.
- 2.6 If the amount of Council Tax set as a result of substitute calculations is less than the original amount set, persons who have overpaid may require repayment or may allow the billing authority to choose whether to repay or credit the overpayment.
- 2.7 Differential charging is provided for within a billing authority's area. These provisions require the Council to set differential amounts of Council Tax for different parts of the Borough in response to precepts issued for parts from parishes and for its own special expenses. For 2017-18 this element only relates to the precepts issued by Town and Parish Councils as there are no longer any special expenses.

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

- 2.8 A "major precepting authority" under the 1992 Act includes the Police and Crime Commissioner, and a Fire Authority whilst a "local precepting authority" includes a parish council and the chair of a parish meeting. In the case of a local precepting authority (e.g. a parish council) the billing authority has no power to set substitute amounts of Council Tax if the precept is issued late, but in this event regulations allow billing authorities to anticipate such precepts.
- 2.9 A billing authority, which has set amounts of Council Tax, is required to publish notice of the amounts within 21 days of setting them in at least one newspaper circulating in the area. Failure to do this does not make the amounts invalid.
- 2.10 In accordance with Schedule 5 of the Localism Act 2011, as a billing authority the Borough has a duty to determine whether its relevant basic amount of council tax for a financial year is excessive. If, according to the principles approved in Section 52ZB of the Local Government Act 1992 the Borough's council tax for the year is deemed to be excessive the Borough will be required to hold a referendum. The Secretary of State has proposed the Council Tax principles he is minded to set for 2017-18. It is understood that, in essence, these are that billing authorities like Swindon will be required to seek the approval of their local electorate if, compared with 2016-17, they set an increase in the basic amount of Council Tax of 5% (comprising 3% for expenditure on adult social care and 2% for other expenditure), or more. He has also required billing authorities to show this split on the face of Council Tax bills.
- 3 General Advice**
- 3.1 In considering whether to approve any given level of expenditure, Members must be satisfied that there is evidence which establishes that such a level of expenditure is necessary to meet the needs of the Borough and to comply with the statutory duty to set amounts of Council Tax. Members should have particular regard to the effect on Council Tax payers of various expenditure levels.
- 3.2 Members should consider whether income can reasonably be increased commensurate with the responsibility to meet what Members perceive are the needs of the community.

Director, Law and Democratic Services

15th February 2017

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

Annex 2

COUNCIL TAX RESOLUTION 2017-18

1 Legal Advice

That it be recorded that the Director of Law and Democratic Services' advice has been taken into account in the setting of the level of Council Tax for 2017-18.

2 Revenue Budget

That it be noted that the Council's revenue budget is £136,463,465 as recommended by the Cabinet to this Council on 8th February 2017.

3 Council Tax Base

That it be noted that in accordance with Section 31B of the Local Government Finance Act 1992 (as amended) the Council's Tax Base for 2017-18 is 71,551.4 in total with the breakdown by Parish set out in Appendix 3.

4 Borough / Parish Council Tax Rates

That the following amounts be calculated by the Council in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011:-

- (a) **Borough / Parish Gross Expenditure** £496,035,800 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the 1992 Act taking into account all precepts issued to it by Parish Councils.
- (b) **Borough Gross Income plus Collection Fund Balance** £399,406,664 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **Borough/Parish Net Expenditure** £96,629,136 being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its COUNCIL TAX REQUIREMENT for the year.
- (d) **Basic Amount of Tax (including average parish precepts)** £1,409.62 being the amount at 4(c) above divided by the amount at 3 above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. In accordance with Schedule 5 of the Localism Act 2011, this sum is not considered to be excessive.
- (e) **Special Items** £7,097,585 being the aggregate of Parish Precepts and collectively known as special items and referred to in Section 34(1) of the Act.
- (f) **Basic Amount of Tax ##** £1,251.29 being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by the amount at 3, 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 special item relates.

COUNCIL TAX RESOLUTION

Council

Date: 23rd February 2017

- (g) **Basic Amount of Tax (Special and Parished Areas)** the amounts shown in Appendix 2, being the amounts given by adding to the amount at 4(f) above, the amounts of the special items relating to dwellings in the appropriate part of the Council's area - divided by the appropriate amount at 3 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 to which a special item relates.
- (h) **Borough/Parish Council Tax Rates** the amounts shown in Appendix 1, being the amounts given by multiplying the amounts at 4(g) 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.

- 5 Police and Crime Commissioner for Wiltshire and Swindon** That it be noted that for the year 2017-18 the Police and Crime Commissioner has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£113.51	£132.43	£151.35	£170.27	£208.11	£245.95	£283.78	£340.54

- 6 Dorset and Wiltshire Fire and Rescue Authority** That it be noted that for the year 2017-18 the Swindon and Wiltshire Joint Fire Authority has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£47.06	£54.90	£62.75	£70.59	£86.28	£101.96	£117.65	£141.18

Footnote

The Basic Amount of Tax of £1,251.29 comprises £1,192.16 for services generally plus £59.13 specifically relating to a 3% increase in the previous year's bill to contribute towards the increased cost of adult social care.