



Council	Thursday, 18 February 2016	Matter for Decision
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Title: Council Tax Setting 2016/17 (PCC Precepts Update)

Author: Martin Hone – Interim Chief Financial Officer (Section 151 Officer)

1. Introduction

- 1.1. The purpose of this report is for the Council to set the amount of Council Tax for its area in accordance with section 30 (s) of the Local Government Finance Act 1992, as amended by the Localism Act 2011.

Approval is sought for Oadby & Wigston Borough Council's net budget requirement of £6,414,876 and an associated Band D Council Tax for 2016/17 of £206.63

2. Recommendations

- 2.1. That it be noted that under powers delegated to the Chief Financial Officer, the Council has calculated the amount of 16,944.20 as its Council Tax base for the financial year 2016/17 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.
- 2.2. That the Council Tax Requirement for the Council's own purposes for 2016/17 is £3,501,210.
- 2.3. The following amounts be calculated by the Council for the year 2016/17 in accordance with sections 30 to 306 (as amended) of the Local Government Finance Act 1992:
- 2.3.a. £19,017,644 being the aggregate of the amounts which the Council estimates for the items set out in section 31 A (2) of the Act.
- 2.3.b. £15,516,434 being the aggregate of the amounts which the Council estimates for the items set out in section 31 A (3) of the Act.
- 2.3.c. £3,501,210 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 31 A (4) of the Act, as its Council Tax Requirement for the year.
- 2.3.d. £206.63 being the amount at 3 c) divided by the amount a 1 above, calculated by the Council, in accordance with section 31 B of the Act, as the basic amount of its Council Tax for the year

2.3.e. Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
137.75	160.71	183.67	206.63	252.55	298.47	344.39	413.26

Being the amounts given by multiplying the amount at 3 d) 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 amount to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 2.4. That it is noted that for the year 2016/17, Leicestershire County Council, the Police and Crime Commissioner for Leicestershire, and the Leicester, Leicestershire and Rutland Combined Fire Authority 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 shown below.

Precepting Authorities - Valuation Bands

Leicestershire County Council :-							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
751.60	876.87	1,002.14	1,127.40	1,377.94	1,628.47	1,879.00	2,254.80
Police and Crime Commissioner for Leicestershire :-							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
122.39	142.78	163.18	183.58	224.38	265.17	305.97	367.16
Leicestershire Fire Authority :-							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
41.08	47.93	54.77	61.62	75.31	89.01	102.70	123.24

- 2.5. That having calculated the aggregate in each case of the amounts at 2 (e) and 3 above, the Council, in accordance with section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown below'

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,052.82	1,228.29	1,403.76	1,579.23	1,930.18	2,281.12	2,632.06	3,158.46

3. Information

Section 30 of the Local Government Finance Act 1992 requires the Council to set amounts of Council tax at taxpayer level for each category of dwelling (i.e., Council Tax Band) before 11 March in the preceding financial year. The major preceptors (Leicestershire County Council, the Police and Crime Commissioner for Leicestershire and Leicester, Leicestershire and Rutland Combined Fire Authority) have set their Council Tax increases for 2016/17 as follows:

(Continued overleaf)

<u>PRECEPTOR</u>	<u>% AGE INCREASE</u>
Leicestershire County Council	3.99
Police and Crime Commissioner for Leicestershire and Leicester	1.99
Leicestershire and Rutland Combined Fire Authority	1.97

The Autumn Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care will be given an additional 2% flexibility on their current Council Tax referendum threshold to be used entirely for adult social care. As can be seen in the table above, Leicestershire County Council has decided to make use of this flexibility when setting their precept for 2016/17.

The final local government finance settlement for 2016-17 was announced by the Secretary of State on 8 February. There have been some changes from the provisional settlement. Every district council will be able to increase their Band D council tax by up to £5 or 2%, whichever is greater. In the provisional settlement only those district councils with Band D in the lower quartile were eligible for the £5 threshold. The proposed increase on Council Tax of 1.99% is equivalent to an increase at Band D of £4.03, so if the Council opted for the £5 increase a further 97p would be due at Band D, with a pro rata impact on other Council Tax bands. This would raise an additional £16,000 in 2016/17.

In total, the average Council Tax (Band D) for 2016/17 will be £1,579.23, comprising:

<u>PRECEPTOR</u>	<u>BAND D COUNCIL TAX</u>	<u>% AGE INCREASE</u>
Leicestershire County Council	£1,127.40	3.99
Police and Crime Commissioner for Leicestershire and Leicester	£183.58	1.99
Leicestershire and Rutland Combined Fire Authority	£61.62	1.97
Oadby & Wigston Borough Council	£206.63	1.99
TOTAL	£1,579.23	3.41

The table below shows the respective proportions year on year:-

(Continued overleaf)

	09/10		10/11		11/12		12/13	
	£	%	£	%	£	%	£	%
L.C.C	1,037.07	71.4	1,063.00	71.4	1,063.00	71.4	1,063.00	71.2
L.P.P.C	165.21	11.4	169.63	11.4	169.63	11.4	173.87	11.6
L.F.A	51.82	3.6	53.38	3.5	53.38	3.6	53.38	3.6
OWBC	198.63	13.7	202.60	13.6	202.60	13.6	202.60	13.6
Total	1,452.73		1,488.61		1,488.61		1,492.85	
	13/14		14/15		15/16		16/17	
	£	%	£	%	£	%	£	%
L.C.C	1,063.00	71.2	1,063.00	70.8	1,084.15	71.0	1,127.40	71.4
L.P.P.C	173.87	11.6	176.48	11.8	180.00	11.8	183.58	11.6
L.F.A	58.38	3.6	59.25	3.9	60.43	4.0	61.62	3.9
OWBC	202.60	13.6	202.60	13.5	202.60	13.3	206.63	13.1
Total	1,497.85		1,501.33		1,527.18		1,579.23	

Under Section 65 of the Local Government Finance Act 1992, the Council is required to consult National Non Domestic Ratepayers, within the area of the borough, on proposed revenue and capital expenditure for the financial year 2016/17.

As the Council is unable to influence the amount that the commercial sector is required to pay in business rates, it is difficult to make this consultation meaningful. By forwarding details of the proposed budget to the Leicester Chamber of Commerce and the Federation of Small Businesses for circulation amongst their members, who constitute a cross section of all sizes and types of businesses, this obligation has been met for 2016/17. Any feedback arising will be reported to the Council meeting.

Although the information contained in this report was accurate at the time of writing not all the major precept bodies had formally approved their Council Tax. Should there be any changes to the figures in this report Members will be informed at the meeting.

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Implications	
Financial	These are included within the main body of the report.
Legal	An annual legislative requirement as to Council Tax setting.
Risk	CR1 - Scarce Financial Resources Risk has been assessed and appropriate measures have been built into these budget proposals.
Equalities	In planning the budget, EIA's have been taken into account for all changes to current funding-levels.