



Council

Item
7(i)

22 February 2017

Report of	Assistant Chief Executive	Author	Sean Plummer ☎ 282347
Title	Precept and Council Tax Levels 2017/18		
Wards affected	Not Applicable		

The purpose of this report is to set out the statutory resolutions the Council is required to approve in order to set the Council Tax for each band for the financial year 2017/18.

1. Decision Required

- 1.1 To approve the statutory resolutions as set out at Appendix 1 which are in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, in respect of the Council Tax for each band for the financial year 2017/18.
- 1.2 To agree the use of the NNDR reserve to fund the increased Collection Fund deficit set out within this report at paragraph 4.3.

2. Reasons for Decision

- 2.1 The Council is required, in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set formally the Council Tax for each band, which will include precepting authorities.

3. Alternative Options

- 3.1 The resolutions are a statutory requirement.

4. Colchester Borough Council's Council Tax Requirement

- 4.1 Cabinet on 1 February 2017 approved and recommended to Council the 2017/18 revenue budget requirement. The final grant settlement notification is not expected to be published until after Parliament returns from recess on 20 February. Any material changes from the earlier provisional figures for the total Settlement Funding Assessment will be reported to the next available meeting of Cabinet. However, there is an additional item arising from other final budget issues.

Local Retention of Business Rates

- 4.2 The Cabinet report set out the arrangements, issues and risks associated with the local retention of business rates. It was outlined that the Council is required to submit a return of estimated business rates income for 2017/18 (the NNDR1). The budget proposals in

the Cabinet paper were based on additional anticipated income above the 2017/18 baseline funding level of £900k. The NNDR1 shows potential additional income for 2017/18 that is broadly in line with the budget estimate. Any fluctuation in overall NNDR income during the year will be reflected in the surplus/deficit figure in the 2018/19 budget, and the issue of ongoing income from retained business rates will be considered as part of the budget strategy for 2018/19.

- 4.3 In addition to the above, The NNDR1 forecast deficit as at the end of the current year has increased from the budgeted figure of £537k to £958k. Whilst the underlying deficit relates to the 2015/16 outturn and the in-year position is still positive, the production of the NNDR1 has identified additional Transitional Protection Payments to be made, and a slightly lower income due to further successful valuation appeals. It is recommended that the £421k increase in the deficit is met from the NNDR reserve, leaving the closing balance at an estimated £840k as shown below. This will have no impact on the amount to be funded by Council Tax payers.

Collection Fund (C'Tax & NNDR)	£'000
Council Tax – surplus	(48)
NNDR deficit	958
Net budget pressure in 17/18	910
NNDR reserve – @ 1 st April 16	3,290
Forecast 16/17 movement (estimate)	(1,537)
Forecast balance on reserve @ 31 March 17	1,753
Use of reserve in 17/18 (see above)	(910)
Forecast balance on reserve	843

- 4.4 Cabinet recommended that Colchester's element of the Council Tax for 2017/18 be agreed at £180.18 for Band D properties, which represents an increase of £4.95 (2.82%).
- 4.5 In approving Colchester's element of the Council Tax, account has to be taken of Revenue Support Grant, Retained Business Rates and any surplus or deficit arising from the Collection Fund. Colchester's Council Tax requirement also has to reflect Parish Council spending and the following table sets out the position:

	£'000	£'000
Colchester's Budget Requirement	21,040	17,509
Less: Net contr. from Reserves & Balances	(5,077)	
Parish Councils' Requirement (Appendix 2)	15,963	
	1,546	
Less:		
Revenue Support Grant	(920)	(5,858)
Business Rates (baseline funding)	(4,038)	
Business Rates (growth)	(900)	
Add: Deficit on Collection Fund		910
Council Tax Requirement		12,561

4.6 Colchester's Council Tax at Band D for 2017/18 is £180.18 and is determined as follows:

Council Tax Requirement (as detailed above)	12,560,856
Divided by Council Tax Base	61,132.2
Council Tax at Band D (including Parishes)	205.47
Deduct Parish Element	25.29
Council Tax at Band D for Colchester Borough Council	180.18

5. Essex County Council, Essex PCC and Essex Fire Authority

5.1 In order to determine formally the overall level of Council Tax, account has to be taken of the precept requirements of Essex County Council, Essex Police & Crime Commissioner and Essex Fire Authority. The following table sets out the overall position based on information received at the date of writing this report. The Essex PCC formally approved their budget on 26 January. Essex County Council and Essex Fire Authority are expected to formally approve their budgets on 14 February and 15 February respectively. Any change to the information set out in this report will be reported to this meeting.

	Council Tax at Band D			
	2016/17 £	2017/18 £	% Increase	£ Increase
Colchester Borough Council	175.23	180.18	2.82	4.95
Essex County Council	1,130.13	1,163.70	2.97	33.57
Essex Police and Crime Commissioner	152.10	157.05	3.25	4.95
Essex Fire Authority	67.68	69.03	1.99	1.35
	1,525.14	1,569.96	2.94	44.82

5.2 The overall position (excluding Parishes) for each band is as follows:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Borough	120.12	140.14	160.16	180.18	220.22	260.26	300.30	360.36
County	775.80	905.10	1,034.40	1,163.70	1,422.30	1,680.90	1,939.50	2,327.40
Police	104.70	122.15	139.60	157.05	191.95	226.85	261.75	314.10
Fire	46.02	53.69	61.36	69.03	84.37	99.71	115.05	138.06
TOTAL	1,046.64	1,221.08	1,395.52	1,569.96	1,918.84	2,267.72	2,616.60	3,139.92

The appropriate Parish elements are added to these figures. Full details of the tax rates are given in Appendix 1. (Details of the individual Parish Precepts are set out in Appendix 2).

6. Special Expenses

6.1 Special expenses are defined as those expenses incurred by the Council in performing, in part of the borough, a function performed elsewhere in the borough by a Parish Council. The Local Government Act 1992 allows the Council to treat any special

expenses as general expenses, i.e. as part of its own budget requirement for Council Tax purposes, provided the Council resolved accordingly.

- 6.2 It is reasonable for the Council to continue to treat special expenses as general expenses, and for clarity it is considered sensible to reaffirm this position on an annual basis. A resolution to this effect, therefore, is included within Appendix 1.

7. Strategic Plan References

- 7.1 The Strategic Plan objectives have informed all stages of the Council's budget setting process.

8. Publicity Considerations

- 8.1 The usual arrangements will be made to publish the approved tax levels in the local press and to produce the Council Tax Information Leaflet for distribution with the Council Tax bills. These will be in accordance with the legal requirements.

9. Financial Implications

- 9.1 As set out above.

10. Consultation

- 10.1. The budget report to Cabinet set out consultation in respect of the budget including the statutory NNDR ratepayers meeting. This meeting took place on 8 February 2017, and notes of the meeting will be added to the Council's website in due course.

11. Standard References

- 11.1. Having considered equality, diversity and human rights, community safety, health and safety and risk management implications, there are none that are significant to the matters in this report.

RESOLUTIONS

1. It be noted that the Tax Base has been approved and the following amounts were calculated for the year 2017/2018 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 as amended ('the Act'):
 - (a) 61,132.2 equivalent band D properties 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. (Item T in the Act)
 - (b) Part of the Council's area for the parish of:

Parish	Parish Tax Base
Abberton & Langenhoe	435.0
Aldham	210.7
Birch	301.2
Boxted	577.5
Chappel	217.6
Copford	683.6
Dedham	908.4
East Donyland	637.8
East Mersea	124.0
Eight Ash Green	647.2
Fingringhoe	335.9
Fordham	320.4
Great Horkesley	1,043.8
Great Tey	374.6
Langham	493.3
Layer Breton	128.2
Layer de la Haye	712.5
Layer Marney	87.5
Little Horkesley	92.0
Marks Tey	917.3
Messing cum Inworth	173.6
Mount Bures	106.7
Myland	4,881.6
Stanway	3,226.1
Tiptree	3,375.4
Wakes Colne	238.6
West Bergholt	1,325.3
West Mersea	3,134.4
Winstred Hundred	489.7
Wivenhoe	2,875.3
Wormingford	188.7

Being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. Calculate that the Council Tax Requirement for the Council's own purposes for 2017/18 (excluding parish precepts) is £11,014,800
3. The following amounts be now calculated by the Council for the year 2017/2018 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (a) 144,047,856 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act. [Gross Expenditure]
 - (b) 131,487,000 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. [Gross Income including Government grants]
 - (c) 12,560,856 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) 205.47 Being the amount at 3(c) above divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year. [Council Tax, including parishes]
 - (e) 1,546,056 Being the aggregate amount of all special items referred to in Section 34(1) of the Act. [Parish Precepts]
 - (f) 180.18 Being the amount at 3(d) above, less the result given by dividing the amount at 3(e) above by the amount at 1(a) above (Item T in the formula), 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.

(g) Part of the Council's area

Abberton & Langenhoe	210.28
Aldham	232.15
Birch	208.60
Boxted	255.60
Chappel	251.78
Copford	224.40
Dedham	223.69
East Donyland	264.65
East Mersea	242.12
Eight Ash Green	224.22
Fingringhoe	206.97
Fordham	270.13
Great Horkesley	193.58
Great Tey	226.30
Langham	216.34
Layer Breton	180.18
Layer de la Haye	200.97
Layer Marney	180.18
Little Horkesley	213.61
Marks Tey	230.06
Messing cum Inworth	232.48
Mount Bures	205.48
Myland	204.38
Stanway	221.28
Tiptree	261.26
Wakes Colne	233.57
West Bergholt	242.78
West Mersea	247.81
Winstred Hundred	205.61
Wivenhoe	277.05
Wormingford	228.57
All other parts of the Council's area	180.18

Being the amounts 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 mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basis amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) Parts of the Council's Area

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Abberton & Langenhoe	140.19	163.55	186.92	210.28	257.01	303.74	350.47	420.56
Aldham	154.77	180.56	206.36	232.15	283.74	335.33	386.92	464.30
Birch	139.07	162.24	185.42	208.60	254.96	301.31	347.67	417.20
Boxted	170.40	198.80	227.20	255.60	312.40	369.20	426.00	511.20
Chappel	167.85	195.83	223.80	251.78	307.73	363.68	419.63	503.56
Copford	149.60	174.53	199.47	224.40	274.27	324.13	374.00	448.80
Dedham	149.13	173.98	198.84	223.69	273.40	323.11	372.82	447.38
East Donyland	176.43	205.84	235.24	264.65	323.46	382.27	441.08	529.30
East Mersea	161.41	188.32	215.22	242.12	295.92	349.73	403.53	484.24
Eight Ash Green	149.48	174.39	199.31	224.22	274.05	323.87	373.70	448.44
Fingringhoe	137.98	160.98	183.97	206.97	252.96	298.96	344.95	413.94
Fordham	180.09	210.10	240.12	270.13	330.16	390.19	450.22	540.26
Great Horkesley	129.05	150.56	172.07	193.58	236.60	279.62	322.63	387.16
Great Tey	150.87	176.01	201.16	226.30	276.59	326.88	377.17	452.60
Langham	144.23	168.26	192.30	216.34	264.42	312.49	360.57	432.68
Layer Breton	120.12	140.14	160.16	180.18	220.22	260.26	300.30	360.36
Layer de la Haye	133.98	156.31	178.64	200.97	245.63	290.29	334.95	401.94
Layer Marney	120.12	140.14	160.16	180.18	220.22	260.26	300.30	360.36
Little Horkesley	142.41	166.14	189.88	213.61	261.08	308.55	356.02	427.22
Marks Tey	153.37	178.94	204.50	230.06	281.18	332.31	383.43	460.12
Messing cum Inworth	154.99	180.82	206.65	232.48	284.14	335.80	387.47	464.96
Mount Bures	136.99	159.82	182.65	205.48	251.14	296.80	342.47	410.96
Myland	136.25	158.96	181.67	204.38	249.80	295.22	340.63	408.76
Stanway	147.52	172.11	196.69	221.28	270.45	319.63	368.80	442.56
Tiptree	174.17	203.20	232.23	261.26	319.32	377.38	435.43	522.52
Wakes Colne	155.71	181.67	207.62	233.57	285.47	337.38	389.28	467.14
West Bergholt	161.85	188.83	215.80	242.78	296.73	350.68	404.63	485.56
West Mersea	165.21	192.74	220.28	247.81	302.88	357.95	413.02	495.62
Winstred Hundred	137.07	159.92	182.76	205.61	251.30	296.99	342.68	411.22
Wivenhoe	184.70	215.48	246.27	277.05	338.62	400.18	461.75	554.10
Wormingford	152.38	177.78	203.17	228.57	279.36	330.16	380.95	457.14
All other parts of Council's area	120.12	140.14	160.16	180.18	220.22	260.26	300.30	360.36

Being the amounts given by multiplying the amounts at (f) and (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.

4. It be noted that for the year 2017/2018 Essex County Council, Essex Police & Crime Commissioner and Essex 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 of dwellings shown below:

Valuation Bands

Precepting Authority	A	B	C	D	E	F	G	H
Essex County Council	775.80	905.10	1,034.40	1,163.70	1,422.30	1,680.90	1,939.50	2,327.40
Essex PCC	104.70	122.15	139.60	157.05	191.95	226.85	261.75	314.10
Essex Fire Authority	46.02	53.69	61.36	69.03	84.37	99.71	115.05	138.06

5. 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 Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2016/2017 for each of the categories of dwellings shown overleaf:
6. For the purposes of Section 35 of the Local Government Act 1992, any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish council or chairman of a parish meeting shall not be treated as special expenses.
7. Determines that the Council's basic amount of Council Tax for 2017/18 is **not excessive** in accordance with the principles approved under Section 52ZB of the Act, and as shown in the calculation below.
- (a) Increase defined by the Secretary of State as constituting an excessive increase for 2017/18:
- (i) 2%, or more than 2%, greater than its relevant basic amount of council tax for 2016-17; and
- (ii) more than £5.00 greater than its relevant basic amount of council tax for 2016-17.
- (b) Percentage increase in the Council's basic amount of Council Tax:
- | | |
|----------------------|-----------------|
| 2016/17 amount | £175.23 |
| 2017/18 amount | £180.18 |
| Percentage increase: | £4.95 and 2.82% |

The figure at 7(b) is less than the figure at 7(a) above and therefore the Council's basic amount of Council Tax for 2017/18 is **not excessive** and no referendum is required.

8. Discretionary council tax discounts and exemptions for 2017/18 are:

Reference to:	Council position
<i>Second Homes: (Prescribed classes of Dwelling A & B)</i>	Discount be kept at 0%
<i>Empty dwellings undergoing major repair (formerly Exempt Dwellings "Class A")</i>	No discount applicable to this class
<i>Vacant dwellings (formerly Exempt Dwellings "Class C")</i>	No discount applicable to this class
<i>Empty Homes Premium</i>	A maximum premium of 50% be charged.

9. Parts of the Council's Area

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Abberton & Langenhoe	1,066.71	1,244.49	1,422.28	1,600.06	1,955.63	2,311.20	2,666.77	3,200.12
Aldham	1,081.29	1,261.50	1,441.72	1,621.93	1,982.36	2,342.79	2,703.22	3,243.86
Birch	1,065.59	1,243.18	1,420.78	1,598.38	1,953.58	2,308.77	2,663.97	3,196.76
Boxted	1,096.92	1,279.74	1,462.56	1,645.38	2,011.02	2,376.66	2,742.30	3,290.76
Chappel	1,094.37	1,276.77	1,459.16	1,641.56	2,006.35	2,371.14	2,735.93	3,283.12
Copford	1,076.12	1,255.47	1,434.83	1,614.18	1,972.89	2,331.59	2,690.30	3,228.36
Dedham	1,075.65	1,254.92	1,434.20	1,613.47	1,972.02	2,330.57	2,689.12	3,226.94
East Donyland	1,102.95	1,286.78	1,470.60	1,654.43	2,022.08	2,389.73	2,757.38	3,308.86
East Mersea	1,087.93	1,269.26	1,450.58	1,631.90	1,994.54	2,357.19	2,719.83	3,263.80
Eight Ash Green	1,076.00	1,255.33	1,434.67	1,614.00	1,972.67	2,331.33	2,690.00	3,228.00
Fingringhoe	1,064.50	1,241.92	1,419.33	1,596.75	1,951.58	2,306.42	2,661.25	3,193.50
Fordham	1,106.61	1,291.04	1,475.48	1,659.91	2,028.78	2,397.65	2,766.52	3,319.82
Great Horkesley	1,055.57	1,231.50	1,407.43	1,583.36	1,935.22	2,287.08	2,638.93	3,166.72
Great Tey	1,077.39	1,256.95	1,436.52	1,616.08	1,975.21	2,334.34	2,693.47	3,232.16
Langham	1,070.75	1,249.20	1,427.66	1,606.12	1,963.04	2,319.95	2,676.87	3,212.24
Layer Breton	1,046.64	1,221.08	1,395.52	1,569.96	1,918.84	2,267.72	2,616.60	3,139.92
Layer de la Haye	1,060.50	1,237.25	1,414.00	1,590.75	1,944.25	2,297.75	2,651.25	3,181.50
Layer Marney	1,046.64	1,221.08	1,395.52	1,569.96	1,918.84	2,267.72	2,616.60	3,139.92
Little Horkesley	1,068.93	1,247.08	1,425.24	1,603.39	1,959.70	2,316.01	2,672.32	3,206.78
Marks Tey	1,079.89	1,259.88	1,439.86	1,619.84	1,979.80	2,339.77	2,699.73	3,239.68
Messing cum Inworth	1,081.51	1,261.76	1,442.01	1,622.26	1,982.76	2,343.26	2,703.77	3,244.52
Mount Bures	1,063.51	1,240.76	1,418.01	1,595.26	1,949.76	2,304.26	2,658.77	3,190.52
Myland	1,062.77	1,239.90	1,417.03	1,594.16	1,948.42	2,302.68	2,656.93	3,188.32
Stanway	1,074.04	1,253.05	1,432.05	1,611.06	1,969.07	2,327.09	2,685.10	3,222.12
Tiptree	1,100.69	1,284.14	1,467.59	1,651.04	2,017.94	2,384.84	2,751.73	3,302.08
Wakes Colne	1,082.23	1,262.61	1,442.98	1,623.35	1,984.09	2,344.84	2,705.58	3,246.70
West Bergholt	1,088.37	1,269.77	1,451.16	1,632.56	1,995.35	2,358.14	2,720.93	3,265.12
West Mersea	1,091.73	1,273.68	1,455.64	1,637.59	2,001.50	2,365.41	2,729.32	3,275.18
Winstred Hundred	1,063.59	1,240.86	1,418.12	1,595.39	1,949.92	2,304.45	2,658.98	3,190.78
Wivenhoe	1,111.22	1,296.42	1,481.63	1,666.83	2,037.24	2,407.64	2,778.05	3,333.66
Wormingford	1,078.90	1,258.72	1,438.53	1,618.35	1,977.98	2,337.62	2,697.25	3,236.70
All other parts of Council's area	1,046.64	1,221.08	1,395.52	1,569.96	1,918.84	2,267.72	2,616.60	3,139.92

Parish Council Precepts 2017/18

Parish	Precept 2016/17	Precept 2017/18	Increase/ (Reduction)	Increase/ (Reduction)
	£	£	£	%
Abberton & Langenhoe	12,056	13,092	1,036	8.59
Aldham	10,339	10,951	612	5.92
Birch	8,560	8,560	0	0.00
Boxted	34,372	43,555	9,183	26.72
Chappel	14,312	15,581	1,269	8.87
Copford	29,151	30,228	1,077	3.69
Dedham	24,196	39,528	15,332	63.37
East Donyland	53,976	53,875	(101)	(0.19)
East Mersea	7,569	7,681	112	1.48
Eight Ash Green	27,022	28,500	1,478	5.47
Fingringhoe	8,980	8,999	19	0.21
Fordham	28,658	28,820	162	0.57
Great Horkesley	11,791	13,986	2,195	18.62
Great Tey	16,368	17,276	908	5.55
Langham	17,808	17,837	29	0.16
Layer Breton	0	0	0	n/a
Layer de la Haye	14,599	14,813	214	1.47
Layer Marney	0	0	0	n/a
Little Horkesley	2,321	3,076	755	32.53
Marks Tey	41,597	45,757	4,160	10.00
Messing cum Inworth	8,759	9,080	321	3.66
Mount Bures	2,300	2,699	399	17.35
Myland	105,221	118,124	12,903	12.26
Stanway	104,994	132,582	27,588	26.28
Tiptree	260,874	273,677	12,803	4.91
Wakes Colne	12,740	12,740	0	0.00
West Bergholt	68,585	82,962	14,377	20.96
West Mersea	182,429	211,979	29,550	16.20
Winstred Hundred	12,139	12,451	312	2.57
Wivenhoe	266,171	278,516	12,345	4.64
Wormingford	8,852	9,131	279	3.15
Totals	1,396,739	1,546,056	149,317	10.69