



REPORT of DIRECTOR OF RESOURCES

**to
COUNCIL
8 FEBRUARY 2018**

COUNCIL TAX 2018 / 19

1. PURPOSE OF THE REPORT

- 1.1 The Council is required to set out the total amount that needs to be raised from Council Tax in the forthcoming year. This is known as the Council Tax precept (Council Tax Requirement) for Maldon District Council and forms part of the funding that supports the services provided by the Council. Ultimately, this report sets the amount of Council Tax charged to each household in the District.
- 1.2 The report not only details the average amount of Council Tax charged by Maldon but also includes the total amounts of Council Tax expected to be collected for Essex County Council, the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority (EPFCCFRA) for both Fire and Police services, and the various Parish Councils within the District.

2. RECOMMENDATIONS

- (i) that Maldon District Council's Council Tax Requirement for 2018/19 is set at £4,668,517;
- (ii) that the Maldon District Council's Band D Council Tax (excluding Parish precepts) is set at £192.97, reflecting an increase of £5.60, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iii) that the precept demands and level of Band D Council Tax of the Essex County Council, the EPFCCFRA for both Police and Fire, and the various Parish Councils within the District be determined as set out in the report, all other bands being determined in accordance with the relevant Sections of the Local Government Finance Act 1992, as amended;
- (iv) that the Council agrees the resolution set out at **APPENDIX A**.

3. SUMMARY OF KEY ISSUES

- 3.1 The Council is statutorily required to determine its own Council Tax Requirement and, taking into account precepts determined by the other precepting authorities, to determine the Council Tax for the 2018/19 financial year (**APPENDIX A**).

3.2 Setting the level of council tax charged and calculating the total amount of council tax to be drawn from the collection fund is the final stage of the budget process. Council tax is one form of funding that pays for the services provided to residents. The amount of funding the council may raise in council tax is limited by:

- the number and size of properties in the district on which a charge for council tax can be applied (referred to as the council tax base); and
- the maximum increase that may be applied to the current council tax level (without a referendum being triggered).

3.3 Maldon's council tax base for 2018 / 19 is 24,193.2, and was agreed by the Council on 21 December 2017 within a recommendation from the Finance and Corporate Services Committee.

3.4 The Government announced on 19 December 2017 draft referendum Principles. For Maldon District Council this means if it wished to raise the relevant basic amount of Council Tax by equal to or more than 3%, a referendum of the local electorate would be required to approve or veto the increase.

3.5 The table below illustrates the impact of the 2.99% increase for each of the council tax bands:

A	B	C	D	E	F	G	H
£3.74	£4.36	£4.98	£5.60	£6.84	£8.08	£9.34	£11.20

3.6 Essex County Council is not due to formally set its council tax requirement until 13 February 2018. The EPFCCFRA have already set their budget and council tax for both Fire and Police services and so the details contained in the tables for those preceptors are final.

3.7 Maldon District Council's Council Tax Requirement 2018/19

3.7.1 The Council Tax Requirement as calculated and recommended is £4,668,517. The table below illustrates the calculation:

	2017/18	2018/19
	£	£
Maldon District Council Net Budget Requirement	6,541,000	7,020,000
Government Grant		
Revenue Support Grant	(169,424)	-
Baseline Business Rates	(1,431,139)	(1,474,135)
Business Rates Retention Scheme	(350,000)	(718,348)
Collection Fund Net Surplus	(118,130)	(159,000)
Maldon District Council Council Tax Requirement	4,472,307	4,668,517

3.7.2 The Council Tax Requirement including all preceptors is shown in the table overleaf. The percentage increase is due to both an increase in the Tax Base and the Budget Requirement.

Precepting and Billing Authority	2017 / 18 £	2018 / 19 £	Change %
Essex County Council	27,776,006	29,558,002	6.42%
Essex PFCC <u>Fire</u> and Rescue Authority	1,647,656	1,702,717	3.34%
<u>Police</u> , Fire & Crime Commissioner for Essex	3,748,579	4,089,135	9.08%
Maldon District Council	4,472,307	4,668,517	4.39%
Parish Council's (Aggregate)	1,383,356	1,435,560	3.77%
Total	39,027,904	41,454,157	6.22%

- 3.7.3 The Average Council Tax for each household is calculated by taking the precept requirement and dividing it by the Council Tax Base. The average is always shown as Band D equivalent. All other bands are calculated by applying a ratio to the Band D Council Tax.
- 3.7.4 The table below shows the resulting Band D Council Tax amount for each of the precepting authorities that make up the Council Tax bill. The Parish element is not shown in this table as it will be different for each Parish area depending on the amount of the Parish precept. The individual Parish Precepts are show in **APPENDIX A section 3 (g)**.

Precepting and Billing Authority	2017 / 18 £	2018 / 19 £	Change %
Essex County Council	1,163.70	1,221.75	4.99%
Essex PFCC <u>Fire</u> and Rescue Authority	69.03	70.38	1.96%
<u>Police</u> , Fire & Crime Commissioner for Essex	157.05	169.02	7.62%
Maldon District Council	187.37	192.97	2.99%
Total	1,577.15	1,654.12	4.88%

- 3.7.5 The average Parish Band D Council Tax equates to £59.34 and gives an overall Band D average charge of £1,713.46 compared to the current year Band D average charge of £1,635.11.
- 3.7.6 In accordance with Section 30-36 of the Local Government and Finance Act, 1992, as amended, I have determined the Council Tax payable for each band of property by Parish taking into account the individual precept requirement for each Parish Council. This information is set out in **APPENDIX A – Table A**.

4. CONCLUSION

- 4.1 The Council is statutorily required to determine its own Council Tax Requirement and, taking into account precepts determined by the other precepting authorities, to determine the Council Tax for the 2018/19 financial year. This report and the Appendices does that.

5. IMPACT ON CORPORATE GOALS

- 5.1 This report discharges the Council's statutory function as a Council Tax billing authority.

6. IMPLICATIONS

- (i) **Impact on Customers** – The report and the Appendices sets out the Council Tax that will be payable by residents of the District for the financial year commencing 1 April 2017.
- (ii) **Impact on Equalities** – None arising directly from this report.
- (iii) **Impact on Risk** – Significant legal and statutory default risk if the Council fails to set the Council Tax for its area for 2017 / 18.
- (iv) **Impact on Resources (financial)** – Significant financial and statutory default risk if the Council fails to set the Council Tax for its area for 2017 / 18.
- (v) **Impact on Resources (human)** – None arising from this report.
- (vi) **Impact on the Environment** – None arising directly from this report.

Background Papers: Revised 2017 / 18 Estimates and Original 2018 / 19 Budget Estimates and Council Tax 2018 / 19 report to the Finance and Corporate Services Committee (30 January 2018).

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