

Report to	-	Council
Date	-	27 February 2017
Report of the	-	Executive Director of Resources
Subject	-	Budget 2017/18

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**Recommendation:** It be **RESOLVED:** That the formal Council Tax Resolution at Appendix A be approved.

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### **Introduction**

1. The Localism Act 2011 requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
2. The precept levels of other precepting bodies have all now been received. These are detailed below:

### **Town and Parish Councils**

3. The Town and Parish Council Precepts (including Special Expenses for Bexhill and Rye) for 2017/18 are detailed in Appendix B and total £2,287,455 (2016/17 £2,033,525). The increase in the average Band D Council Tax for Town and Parish Councils is 11.1% and results in an average Band D Council Tax figure of £61.39 for 2017/18.

### **East Sussex County Council**

4. East Sussex County Council met on 7 February 2017 and set their precept at £48,974,329 (2016/17 £46,080,987) for the area of Rother. This results in a Band D Council Tax of £1,314.36 (2016/17 £1,275.92). This includes the Adult Social Care Precept of £37.53 at Band D in Council Tax.

### **Sussex Police and Crime Commissioner**

5. Sussex Police and Crime Commissioner met on 14 February 2017 and set their precept at £5,734,836 (2016/17 £5,481,204) for the area of Rother. This results in a Band D Council Tax of £153.91 (2016/17 £148.91).

### **East Sussex Fire Authority**

6. East Sussex Fire Authority met on 11 February 2017 and set their precept at £3,293,870 (2016/17 £3,192,063) for the area of Rother. This results in a Band D Council Tax of £88.40 (2016/17 £86.72).

### **Excessive Council Tax increases**

7. The Localism Act 2011 introduced a requirement for a local authority to determine whether its basic amount of Council Tax for a financial year is excessive, in which case a local referendum would be needed. Schedule 5 of the Localism Act 2011 has inserted a new chapter 4ZA into part 1 of the Local Government Finance Act 1992. Section 52ZB sets out the steps needed to determine the level of tax which would be 'excessive'. These steps are in

effect to compare the level of increase in Council Tax with principles set out by the Secretary of State. The Secretary of State has indicated that, for 2017/18, an increase £5 or 2% (whichever is the greatest) and above in a District Council's Council Tax would be excessive. This includes the impact of changes in charges from levying bodies, in Rother's case the Internal Drainage Boards.

8. Cabinet have recommended Rother District Council's basic amount of tax for 2017/18 to be increased to £169.32 (3%); well within the Secretary of State's guidelines and is therefore not excessive.

## Budget Consultation

9. At the time of writing the Council had received 354 responses to the budget consultation. The results of the consultation are detailed in Appendix C and an update will be provided at the meeting; the full responses will be made available in the Members' Room. Overall the result so far shows:
- 10.

Option	Frequency	Percentage
Raise the Council Tax by £5 based on a Band D property?	219	61.9%
Freeze the Council Tax at its current level?	100	28.2%
Raise the Council Tax by less than £5 and find any shortfall from somewhere else?	35	9.9%
<b>Total</b>	<b>354</b>	<b>100%</b>

## Conclusions

11. The recommendations of the Cabinet are set out in the formal Council Tax Resolution in Appendix A. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	2016/17	2017/18	Increase
	£	£	%
Rother District Council	164.32	169.32	3%
East Sussex County Council	1251.90	1276.83	2%
East Sussex County Council – social care precept	24.02	37.53	56.3%
Sussex Police Authority	148.91	153.91	3.4%
East Sussex Fire Authority	86.72	88.40	1.94%
<b>Sub-total</b>	<b>1606.97</b>	<b>1725.99</b>	<b>7.4%</b>
Town and Parish Council (average)	55.25	61.39	11.1%
<b>TOTAL</b>	<b>1,697.66</b>	<b>1,787.38</b>	<b>5.3%</b>

Malcolm Johnston  
Executive Director of Resources