MTRP Proposal - 18/19 and Beyond - Business Case

Service Area	Non Service
Unique Reference Number	NS181901
Proposal Title	Council Tax - Increase Council Tax by a further 1% from current assumption of 4% to total of 5%
Version	For Cabinet 15th November 2017
Proposal Summary Description	To increase the rate of increase in Council Tax from the modelled 4% to an increase of 5%.
Impact on Performance	No negative impact on performance.
Impact on FTE Count	N/A
Impact on other Service Areas	The level of Council Tax increase will affect the level of funding Service Areas have for their budget.
Impact on Citizens	Citizens will be required to pay more Council Tax than currently modelled.
Delegated Decision (Head of Service/Cabinet Member/ Cabinet)	Cabinet
Activity Code	N/A

Net Savings (£000's)	*2018/19*	*2019/20*	*2020/21*	*2021/22*
	466			

Implementation Costs (- £000's)	*2018/19*	*2019/20*	*2020/21*	*2021/22*
Revenue – Redundancy/Pension				
Revenue – External consultants				
Revenue - Other				
Capital – Building related				
Capital - Other				
Implementation Cost - Total				

Current Position

The current Band D equivalent Council Tax for 2017/18 is £1,008.72, this gives budgeted funding of £58,122k. The current assumption in the MTFP is a rise of 4% in 2018/19 which would give additional funding of £1,957k.

This proposal is to increase the Council Tax by a further 1% to 5% increase.

Key Objectives and Scope

The Councils current budget is c.£8.3m below the Standard Spending Assessment (SSA), that level of spend which WG calculates is required to deliver a 'standard level 'of service. This is due to historically low Council Tax, in order to increase funding to

protect services and to avoid the gap to the SSA increasing, it is proposed that there will be an increase to Council Tax of 5% to Band D equivalent of £1,059.16, and increase of £50.44 from 2017/18.

For each 1% increase in Council Tax, there is a further £466k of funding.

Options considered

1. Increase Council Tax by 4% as per currently modelled in the MTFP
2. Increase Council Tax by a further 1% to 5% as described above.
3. Choose another Council Tax rate increase as required.

Recommended Proposal/Option

Option 2 is recommended to maintain the differential between the budget and SSA.

Required Investment

None

High Level Milestones and Timescales

Communication Plan	1 December 2017
Budget Realignment	31 March 2018
Go Live	1 April 2018

Key Risks/issues

Risk Description	Risk Score (as per matrix below)	Mitigation Measures
There are little risks in the ability to implement the Council Tax increase, however citizens will be impacted by the need to pay increased Council Tax	Green Risk Score 3: Probability low (1), Impact Medium (3)	Support is available for eligible Council Tax payers in the form of Council Tax Reduction Scheme, and various exemptions and discounts available.

Probability description	Score
Very Low probability	1
Low probability	2
Medium probability	3
High probability	4
Very high probability	5

Impact description	Score
Negligible	1
Low	2
Medium	3
High	4
Very High	5

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Specific linkage with Future generation act requirements

Integration – these proposals are in line with the council's Corporate Plan,

Long Term *– Each year that Council Tax is not increased, the Council will lose out on essential funding to protect services for the long term. It will also increase the gap to the Standard Spending Assessment as described in the proposal.*

Prevention *– This proposal seeks to secure funding to protect services for the future.*

Collaboration – *N/A*

Involvement – Improving stakeholder involvement through the quality assurance and consultation process.

Fairness and Equality Impact Assessment

Yes required.