

Amendment to Medium Term Financial Strategy following Executive Committee on 22 November 2017

10.0 COUNCIL TAX

- 10.1 The current Band D council tax for the authority is £109.36 per annum and is the fifth lowest in England for a District Council. The current year charge was an increase of £5 or 4.8% over the previous year, the largest increase allowed by the government before the increase is deemed excessive and would be subject to a local referendum. This was the second year that the council has decided to increase its council tax by the maximum available following on from a period of six years of frozen council tax.
- 10.2 The government are currently consulting on its preferred excessive council tax limits and are likely again to agree an increase of £5 or 2%, whichever is higher, for a District Council.
- 10.3 The previous Medium Term Financial Strategy recognises the likely need for further increases in future years in order to provide the flexibility to deal with the anticipated deficit faced. Although Council finances have improved, and additional revenue streams are now being developed, there may continue to be a need to resort to some measure of further Council Tax increase each year over the Strategy period. The Council will maintain this previous financial strategy, accepting the likely need for future increases, but seeking to maintain the Council Tax to the lowest possible levels

Table 7 – Potential Council Tax strategy

Year	2018/19	2019/20	2020/21	2021/22	2022/23	Total
Band D Council Tax	£114.36	£119.36	£124.36	£129.36	£134.36	
Increase (£)	£5.00	£5.00	£5.00	£5.00	£5.00	
Increase (%)	4.57%	4.37%	4.19%	4.02%	3.87%	
Council tax income generated	£165,235	£170,182	£175,307	£180,327	£185,732	£876,783

- 10.4 The next table extrapolates table 7 and shows the proposed charge against all bandings for each of the five years. It also highlights how many households there are currently in each band.

Table 8 – Impact of potential charges per council tax band

Year	Number of properties	% of total	2018/19	2019/20	2020/21	2021/22	2022/23
Band A charge	6,416	15.90%	£76.24	£79.57	£82.91	£86.24	£89.57
Band B charge	6,470	16.04%	£88.95	£92.84	£96.72	£100.61	£104.50
Band C charge	11,224	27.82%	£101.65	£106.10	£110.54	£114.99	£119.43
Band D charge	5,937	14.71%	£114.36	£119.36	£124.36	£129.36	£134.36
Band E charge	5,043	12.50%	£139.77	£145.88	£152.00	£158.11	£164.22
Band F charge	3,204	7.94%	£165.19	£172.41	£179.63	£186.85	£194.08
Band G charge	1,858	4.61%	£190.60	£198.93	£207.27	£215.60	£223.93
Band H charge	195	0.48%	£228.72	£238.72	£248.72	£258.72	£268.72

- 10.5 The proposed council tax for the next financial year of £114.36 is still likely to be approximately £40 below the bottom quartile threshold and £60 below the national average for a District Council.
- 10.6 For a number of years, this Council has retained the default scheme as its preferred position for the Local Council Tax Scheme. By adopting this position, the council continues to provide council tax discount at an equivalent level to the previous council tax benefit scheme that was in place until 2013. Tewkesbury is one of a few authorities, although there are a number in Gloucestershire, to still retain this default position due to the reduced funding levels associated with the new scheme. A full review of the Council's position will be undertaken early in 2018/19 so that any potential change can be fed into the budget cycle for the year after. The Council will also take the opportunity to review a number of its council tax discounts and exemptions as well as considering options such as empty properties premium.