1. Paragraph 3.1 of the above report (page 44 of the agenda) refers to an update being given in respect of the Local Government Financial Settlement.

2. On 8 February 2016 the Secretary of State for the Department for Communities and Local Government announced the final local government financial settlement for 2016/17.

3. A number of changes have been made to the provisional settlement but none of them affect the Borough Council’s figures in respect of the amounts it will receive from Central Government for 2016/17.

4. However, there has been an increase in the Council Tax referendum limit for all district councils to the higher of 2% or £5 whichever is the greater. In the provisional settlement the £5 only related to the 51 district councils in the lower quartile for council tax rate.

5. At the previous Cabinet meeting on 20 January 2016 you proposed a 1.99% council tax increase which is the equivalent of a £3.52 increase for a band D property.

6. Therefore, there is now the option to increase council tax by up to £5 without the need for a referendum. A £5 increase for a band D property would equate to a 2.8% increase. This would generate additional income of approximately £54,000.

7. In respect of the offer of a four year settlement the Secretary of State announced he would give councils until Friday 14 October 2016 to respond to the offer, but no other information on how the four year offer would work were provided within the details of the final settlement.

**Decision Required:**

Do the Cabinet still want to propose a 1.99% council tax increase to full Council or amend the proposal to a higher amount up to a 2.8% increase?

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**Kelvin Turner**

*Executive Director – Resources and Support Services*