

# **Cherwell District Council**

## **Council**

**28 February 2022**

### **Calculating the amounts of Council Tax for 2022/23 and setting the Council Tax for 2022/23**

#### **Report of Assistant Director of Finance & Section 151 Officer**

This report is public

#### **Purpose of report**

To detail the Calculations for the amounts of Council Tax for 2022/23 and the setting of Council Tax for 2022/23.

#### **1.0 Recommendations**

It is recommended that the Council resolves: -

- (1) To note that the Council Tax Base 2022/23 was determined at the Executive meeting held on 10 January 2022:
  - a) for the whole Council area as 56,801.60 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended by sections 72 to 79 of the Localism Act 2011 (“the 1992 Act”)]; and
  - b) For dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix 1.
- (2) That the Council Tax requirement for the Council’s own purposes for 2022/23 (excluding Parish Precepts and Special Expenses) is £8,151,030.
- (3) That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the 1992 Act:
  - a) £116,132,464 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the 1992 Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
  - b) £102,218,905 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the 1992 Act.

- c) £13,913,559 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A (4) of the 1992 Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the 1992 Act).
- d) £244.95 being the amount at 3(c) above (Item R), all divided by Item T (6(a) above), calculated by the Council, in accordance with Section 31B of the 1992 Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses).
- e) £5,762,529 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the 1992 Act as per the attached Appendix 2.
- f) £143.50 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T(1(a) above), calculated by the Council, in accordance with Section 34(2) of the 1992 Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates.
- (4) It be noted that for the year 2022/23 the Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley have issued precepts to the Council, in accordance with Section 40 of the 1992 Act, for each category of dwellings in the Council's area as indicated below: -

<u>Valuation Band</u>	<u>Oxfordshire County Council</u>	<u>Police and Crime Commissioner for Thames Valley</u>
	£	£
<b>A</b>	1,101.07	160.85
<b>B</b>	1,284.59	187.66
<b>C</b>	1,468.10	214.47
<b>D</b>	1,651.61	241.28
<b>E</b>	2,018.63	294.90
<b>F</b>	2,385.66	348.52
<b>G</b>	2,752.68	402.13
<b>H</b>	3,303.22	482.56

- (5) The Council, in accordance with Sections 30 and 36 of the 1992 Act, hereby sets the amounts shown in Appendix 2 as the amounts of Council Tax for the year 2022/23 for each part of its area and for each of the categories of dwellings.
- (6) The Council's basic amount of Council Tax for 2022/23 is not excessive in accordance with principles approved under Section 52ZB of the 1992 Act.

## **2.0 Introduction**

- 2.1 Sections 31 to 36 of the 1992 Act require each billing authority to calculate its own amount of tax for each category of dwellings in its area.

- 2.2 Section 30 of the 1992 Act requires each billing authority to set the amounts of tax for its area, including the amounts levied on it by way of precept from major precepting authorities.
- 2.3 It is proposed that Members consider the contents of this report and associated Appendices when making their decisions on the Council Tax setting at this meeting.

### **3.0 Report Details**

- 3.1 The Localism Act 2011 made significant changes to the 1992 Act, and now requires:
- a) the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
  - b) the Council to confirm that its basic amount of Council Tax for 2022/23 is not excessive. This covers the requirements of Chapter 4ZA of the 1992 Act – Referendums relating to Council Tax increases.
- 3.2 The Council Tax Requirement for the Council is £8,151,030 and the taxbase has been set at 56,801.6. This results in a £5 increase in the Band D, basic amount of Council Tax from £138.50 to £143.50. This is the maximum increase the Council can propose without the need to hold a referendum. This level of Council Tax increase is not considered to be excessive.
- 3.3 The Council is required to make resolutions in respect of the tax base (Appendix 1) and aggregate levels of Council Tax. The aggregate levels of Council Tax comprise the “basic amount” i.e., parish and district levy and inclusion of Oxfordshire County Council and Police and Crime Commissioner for Thames Valley (Appendix 1), amounts for each band (Appendix 2) The recommendations to give effect to the legal resolution of these items are necessarily framed
- 3.4 The average parish council tax levy is £101.45. This compares to £98.01 in 2021/22, an increase of 3.5%.
- 3.5 The precept figures included for Police and Crime Commissioner for Thames Valley were approved on 28 January 2022 and the precept figures included for Oxfordshire County Council were approved on 8 February 2022.

### **4.0 Conclusion and Reasons for Recommendations**

- 4.1 This is a statutory report calculating and setting the Council Tax for Cherwell District Council for 2022/23.

### **5.0 Consultation**

- 5.1 Cllr Tony Illott – Lead Member for Finance and Governance has been consulted on the report.

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 It is the legal responsibility for the Council to set an agreed Council Tax by 11 March under section 32 of the 1992 Act.

The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To fail to consider this report and fail to meet the deadline prescribed in the 1992 Act as detailed above. This was rejected as the Council is required to meet its statutory requirements.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 Through setting tax levels in accordance with the recommendations, the tax set should raise the amount required to be met from the Collection Fund to pay the precepts to Oxfordshire County Council and Police and Crime Commissioner for Thames Valley as well as to meet this Council's demand, which includes local precepting authority precepts.
- 7.2 Members should be aware that Section 106 of the 1992 Act applies to decisions made in accordance with this report.
- 7.3 Accordingly, any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending, or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Comments checked by:

Joanne Kaye, Strategic Finance Business Partner  
01295 221545 [joanne.kaye@cherwell-dc.gov.uk](mailto:joanne.kaye@cherwell-dc.gov.uk)

### **Legal Implications**

- 7.4 Under the Local Government Finance Act 1992 (as amended by the Localism Act 2011), local authorities must set a council tax that takes into account its budget requirement, and any authority proposing an excessive increase in council tax must hold a local referendum and obtain a 'yes' vote before implementing the increase. An authority proposing an excessive increase must also make substitute calculations, based on a non-excessive council tax level. This takes effect if the excessive increase is rejected in the referendum. Accordingly, authorities can raise up to and including the threshold to avoid a referendum. Council tax setting legally requires a recorded vote.

Comments checked by:

Chris Mace, Solicitor  
07702 917916 [christopher.mace@cherwell-dc.gov.uk](mailto:christopher.mace@cherwell-dc.gov.uk)

## **Risk management**

- 7.5 Risk assessment – this report assumes that the estimates recommended for approval by the Executive, at its meeting held on 3 February 2020, are adopted by the Council. This risk will be managed as part of the services operational risk and escalated to the Leadership risk register as and when necessary.

Comments checked by:

Louise Tustian, Head of Insight and Corporate Programmes  
01295 221786 [louise.tustian@cherwell-dc.gov.uk](mailto:louise.tustian@cherwell-dc.gov.uk)

## **Equality and Inclusion Implications**

- 7.4 The Equality Act 2010 imposes a duty on local authorities that, when making decisions of a strategic nature, decision makers must exercise ‘due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations.
- 7.5 In developing budget and business planning proposals, all services have considered the potential impact of change with respect to equality, diversity, and inclusion, in line with our new framework: Including Everyone. Where a potential material service impact has been identified, an initial Equality Impact Assessment has been completed and these are available as background papers to this report.
- 7.6 There are no Equality and Inclusion implications associated with this report; it is simply carrying out the legally required calculations in order to agree the required council tax levels for each property band.

Comments checked by:

Steven Fairhurst Jones, Acting Policy Team Leader  
07392 318890 [steven.fairhurstjones@oxfordshire.gov.uk](mailto:steven.fairhurstjones@oxfordshire.gov.uk)

## **Sustainability Implications**

- 7.7 There are no sustainability issues associated with this report.

Comments checked by:

Sandra Fisher-Martins, Programme Manager, Climate Action  
07584 174682 [sandra.fisher-martins@cherwell-dc.gov.uk](mailto:sandra.fisher-martins@cherwell-dc.gov.uk)

## **8.0 Decision Information**

<b>Key Decision:</b>	<b>N/A</b>
<b>Financial Threshold Met:</b>	<b>N/A</b>
<b>Community Impact Threshold Met:</b>	<b>N/A</b>

## **Wards Affected**

All

## **Links to Corporate Plan and Policy Framework**

All

## **Lead Councillor**

Cllr Tony Ilott, Lead Member for Finance and Governance

## **Document Information**

### **Appendix number and title**

- Appendix 1 – Calculations Required by Sections 32 to 36 of the 1992 Act
- Appendix 2 – Council Tax Setting required by Section 30 of the 1992 Act

## **Background papers**

None

## **Report Author and contact details**

Lynsey Parkinson, Finance Business Partner – Corporate  
01295 221739 [lynsey.parkinson@cherwell-dc.gov.uk](mailto:lynsey.parkinson@cherwell-dc.gov.uk)