

Cherwell District Council

Council

Date of Meeting 27 February 2023

Calculating the amounts of Council Tax for 2023/24 and setting the Council Tax for 2023/24

Report of Assistant Director of Finance

This report is public

Purpose of report

To detail the calculations for the amounts of Council Tax for 2023/24 and the setting of Council Tax for 2023/24.

1.0 Recommendations

It is recommended that the Council resolves: -

- 1.1 That the Council Tax Base 2023/24 was determined at the Executive meeting held on 9 January 2023:
 - a) for the whole Council area as 58,184.30 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (“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.
- 1.2 That the Council Tax requirement for the Council’s own purposes for 2023/24 (excluding Parish Precepts and Special Expenses) is £8,640,369.
- 1.3 That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the 1992 Act:
 - a) £131,520,045 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) £116,837,989 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the 1992 Act.
 - c) £14,682,056 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) £252.34 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) £6,041,687 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) £148.50 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.

1.4 It be noted that for the year 2023/24 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: -

Valuation Band	Oxfordshire County Council	Police and Crime Commissioner for Thames Valley
	£	£
A	1,156.02	170.85
B	1,348.69	199.33
C	1,541.36	227.80
D	1,734.03	256.28
E	2,119.37	313.23
F	2,504.71	370.18
G	2,890.05	427.13
H	3,468.06	512.56

1.5 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 2023/24 for each part of its area and for each of the categories of dwellings.

1.6 The Council has determined that its relevant basic amount of Council Tax for 2023/24 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 Local Government Finance 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

Background Information

- 3.1 Under section 52ZB of the Local Government Finance Act 1992 each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year is excessive. In essence, the relevant basic amount of council tax is that authority's average band D council tax but, in the case of a billing authority, excluding parish precepts. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
- 3.2 The Council Tax Requirement for the Council is £8,640,369 and the taxbase has been set at 58,184.30. This results in a £5 increase in the Band D, basic amount of Council Tax from £143.50 to £148.50. 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 £103.84. This compares to £101.45 in 2022/23, an increase of 2.4%.
- 3.5 The precept figures included for Police and Crime Commissioner for Thames Valley were approved on 27 January 2023 and the precept figures included for Oxfordshire County Council were approved on 14 February 2023.

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 2023/24.

5.0 Consultation

- 5.1 Councillor Adam Nell, Portfolio Holder for Finance 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 31A 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:

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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:

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Risk Implications

- 7.4 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:

Celia Prado-Teeling, Performance Team Leader

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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 directly 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:

Celia Prado-Teeling, Performance Team Leader

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Sustainability Implications

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

Comments checked by:

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8.0 Decision Information

Key Decision: N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected:

All

Links to Corporate Plan and Policy Framework: All

Lead Councillor:

Councillor Adam Nell, Portfolio Holder for Finance

Document Information**Appendix number and title**

- Appendix 1 – Calculations Required by Sections 31 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

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