

Meeting of Council

Monday 21 January 2013

Members of Cherwell District Council,

A meeting of Council will be held at Bodicote House, Bodicote, Banbury, OX15 4AA on Monday 21 January 2013 at 6.30 pm, and you are hereby summoned to attend.



Sue Smith
Chief Executive

Friday 11 January 2013

AGENDA

1 Apologies for Absence

2 Declarations of Interest

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3 Communications

To receive communications from the Chairman and/or the Leader of the Council.

4 Petitions and Requests to Address the Meeting

The Chairman to report on any requests to submit petitions or to address the meeting.

5 Urgent Business

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

6 Minutes of Council (Pages 1 - 6)

To confirm as a correct record the Minutes of Council held on 17 December 2012.

7 Minutes

- a) Minutes of Executive, Lead Member Decisions and Executive Decisions not included in the 28 day notice

The Leader of the Council to formally propose that the minutes of the meetings of the Executive and Lead Member Decisions as set out in the Minute Book (circulated separately) be received and to report that since the last meeting no decisions have been taken by the Executive which were not included in the 28 day notice.

- b) Minutes of Committees

The Leader of the Council to formally propose that the minutes of committees as set out in the Minute Book (circulated separately) be received.

8 Questions

- a) Written Questions

To receive any written questions and answers which have been submitted with advance notice in accordance with the constitution. A written response to the question will be circulated at the meeting.

- b) Questions to the Leader of the Council

The Chairman to invite questions to the Leader of the Council (including any matters arising from the minutes).

Following a response to their question being provided members will be entitled to a follow up or supplementary question.

- c) Questions to Committee Chairmen on the minutes

The Chairman to invite questions to Chairmen of Committees on any matter arising from the minutes of their committee (if any).

9 Motions

To debate any motions which have been submitted with advance notice, in accordance with the constitution.

Council Business Reports

10 Council Tax Reduction Scheme and Implications of the Local Government Resource Review (Pages 7 - 16)

Report of Head of Finance and Procurement

Summary

This Report informs Members of the new Council Tax Reduction Scheme that will be introduced from 1 April 2013, and seeks authority for the Director of Resources and Head of Finance and Procurement to make the necessary arrangements for implementation and to enable the setting of the 2013/14 taxbase.

Recommendations

The Council is recommended:

- (1) To approve the introduction of a local council tax reduction scheme as set out in Para 2.2 to 2.12 for the year 1st April 2013 to 31st March 2014 and implement the scheme with effect from 1st April 2013.
- (2) To allow for further amendments to the scheme up to and including 31st January 2013 as regulations are finalised, delegating authority to amend to the Director of Resources and the Head of Finance and Procurement in consultation with the Lead Member for Financial Management.
- (3) To delegate authority to the Director of Resources and the Head of Finance and Procurement to make amendments as required to the local CTRS Regulations in consultation with the Lead Member for Financial Management.
- (4) To resolve to amend the proposed changes to Council Tax Discounts and Exemptions as detailed in Appendix 1.
- (5) To delegate approval of the NNDR1 form to the Director of Resources in consultation with the Lead Member for Financial Management.

11 Council Tax Base for 2013/14 (Pages 17 - 28)

Report of Head of Finance and Procurement

Summary

To consider the calculation of the council tax base for 2013/14

Recommendations

Council is recommended:

- (1) To approve the report of the Head of Finance and Procurement, made pursuant to the Local Authorities [Calculation of Tax Base] [England] Regulations 2012 and the calculations referred to therein for the purposes of the Regulations;
- (2) To resolve that, in accordance with the Regulations, as amended, the amount calculated by Cherwell District Council as its council tax base for the year 2013/2014 shall be 46,672; and
- (3) To resolve that the tax base for the parts of the area be in accordance with the figures shown in column 13 of Appendix 2.
- (4) To delegate authority to the Director of Resources and Head of Finance and Procurement to make any changes to the tax base if required as a result of the consideration of agenda item 11 on Council Tax Reduction Scheme in consultation with the Lead Member for Financial Management.

12 Exclusion of the Press and Public

The Chairman, will if necessary, move the exclusion of the press and public if members have indicated (under the relevant agenda item) they wish to ask a question on any matter arising from an exempt minute.

In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their decision members should also be mindful of the advice of Council Officers.

Should members decide not to discuss the issue in public, they are recommended to pass the following recommendation:

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item of business, on the grounds that it could involve the likely disclosure of exempt information as defined in paragraphs of Schedule 12A of that Act, as set out in the Minute Book.”

13 Questions on Exempt Minutes

Members of Council will ask questions on exempt minutes, if any.

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Agenda

Apologies for Absence

Apologies for absence should be notified to democracy@cherwellandsouthnorthants.gov.uk or 01295 221587 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that 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.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact James Doble, Democratic and Elections
james.doble@cherwellandsouthnorthants.gov.uk, 01295 221587

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Agenda Item 6

Cherwell District Council

Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 17 December 2012 at 6.30 pm

Present: Councillor Colin Clarke (Chairman)
Councillor Lawrie Stratford (Vice-Chairman)

Councillor Ken Atack
Councillor Alyas Ahmed
Councillor Andrew Beere
Councillor Maurice Billington
Councillor Fred Blackwell
Councillor Norman Bolster
Councillor Ann Bonner
Councillor Surinder Dhesi
Councillor John Donaldson
Councillor Mrs Diana Edwards
Councillor Tim Emptage
Councillor Andrew Fulljames
Councillor Michael Gibbard
Councillor Timothy Hallchurch MBE
Councillor Simon Holland
Councillor Alastair Milne Home
Councillor Chris Heath
Councillor David Hughes
Councillor Tony Ilott
Councillor Mike Kerford-Byrnes
Councillor Kieron Mallon
Councillor Nicholas Mawer
Councillor Nigel Morris
Councillor P A O'Sullivan
Councillor D M Pickford
Councillor Lynn Pratt
Councillor Neil Prestidge
Councillor Nigel Randall
Councillor G A Reynolds
Councillor Daniel Sames
Councillor Trevor Stevens
Councillor Rose Stratford
Councillor Lynda Thirzie Smart
Councillor Nicholas Turner
Councillor Douglas Williamson
Councillor Barry Wood
Councillor Sean Woodcock

Also Present: Sara Thornton, Chief Constable of Thames Valley Police
Andy Boyd, Cherwell Local Area Commander

Apologies
for
absence: Councillor Patrick Cartledge
Councillor Margaret Cullip
Councillor Russell Hurle
Councillor Victoria Irvine
Councillor James Macnamara
Councillor Melanie Magee
Councillor Jon O'Neill
Councillor Alaric Rose
Councillor Leslie F Sibley
Councillor Douglas Webb

Officers: Sue Smith, Chief Executive
Calvin Bell, Director of Development
Ian Davies, Director of Community and Environment
Martin Henry, Director of Resources / Section 151 Officer
Kevin Lane, Head of Law and Governance / Monitoring Officer
James Doble, Democratic and Elections Manager

41 **Declarations of Interest**

There were no declarations of interest.

42 **Communications**

Councillor Gordon Ross

The Chairman welcomed Councillor Gordon Ross who had been elected in the recent by-election for Banbury Ruscote Ward.

Council Tax Setting 2013/14

The Chairman reported it had become necessary to arrange some extra meetings of Council to deal with the complexities of Council Tax setting this year. He had therefore agreed to call a meeting on Monday 21 January at 6.30pm to consider: the Council Tax Reduction Scheme and Council Tax Base.

Additionally as there could be a delay in the newly elected Police and Crime Commissioner setting the precept, it may not be available for the scheduled for 25 February 2013, If this were the case, on the advice of the Monitoring officer and Section 151 Officer it was planned to adjourn the council tax setting item at the 25 February meeting to Friday 1 March 2013 at 4pm, which was the last possible date for setting the precept so that billing could take place.

Engagements

The Chairman reported that a list of engagements he had attended had been included in the agenda.

Councillor Simon Holland

On the request of the Chairman Council agreed that a leave of absence for up to 6 months be granted to Councillor Simon Holland for personal reasons.

43 Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

44 Urgent Business

There were no items of urgent business.

45 Minutes of Council

The minutes of the meeting held on 15 October were agreed as a correct record and signed by the Chairman.

46 Thames Valley Police - Address by Chief Constable

The Chairman welcomed Sara Thornton, Chief Constable of Thames Valley Police and Cherwell Local Area Commander Superintendent Andy Boyd to the meeting.

Chief Constable Thornton addressed the meeting regarding policing in Thames Valley. A number of Members asked questions and answers were duly provided.

The Chairman thanked the Chief Constable and Superintendent Boyd.

47 Minutes

a) Minutes of the Executive, Lead Member Decisions and Executive Decisions made under Special Urgency

Resolved

That the minutes of the meeting of the Executive and Lead Member decisions as set out in the Minute Book be received and that it be noted that since the last meeting of Council, two decisions had been taken that were subject to the special urgency procedures where 28 days notice was not given, they related to a land negotiations update report and the Oxford and Central Oxfordshire and Milton Keynes and south East Midlands City Deals

b) Minutes of Committees

Resolved

That the minutes of Committees as set out in the Minute Book be received.

48

Questions

a) Written Questions

A written question was submitted by Councillor Beere with regard to flood prevention at Banbury Canalside, an answer was provided by the Executive Lead Member Councillor Gibbard.

b) Questions to the Leader of the Council

Questions were asked and answers received on the following issues:

Living Wage: Councillor Ross

Capital Spending in Banbury, Bicester and Kidlington per head of population:

Councillor Emptage

Storm Drains and Flooding: Councillor Woodcock

c) Questions to Committee Chairmen on the minutes

There were no questions to Committee Chairman on the minutes of meetings.

49

Motions

There were no motions.

50

Appointments to Committees

The Chairman noted that the Proper Officer had received notification that the Labour Group wished to appoint Councillor Ross to the committee places left vacant by Councillor Parish. Due to an administrative error they had been incorrectly set out on the agenda front page.

Resolved

That Councillor Ross be appointed as a committee member on Planning and Licensing Committees and as a substitute on Joint Personnel Committee.

51

Community Governance Review 2012

The Chief Executive submitted a report which updated Members on progress of the Community Governance Review, to outline timetables for consultation

and consideration of responses and to appoint a Working Group to carry out detailed work on the Review.

Resolved

- (1) That the contents of the report be noted.
- (2) That authority be delegated to the Head of Law and Governance, in consultation with Group Leaders, to appoint two Members per Political Group to a Community Governance Review Working Group.
- (3) That the Head of Law and Governance be given delegated authority to arrange dates of meetings for the Working Group.

52 **Adoption of Joint Contract Procedure Rules and Financial Procedure Rules**

The Head of Law and Governance submitted a report which sought adoption of a common set of Contract Procedure Rules and Financial Procedure Rules for Cherwell District Council and South Northamptonshire Council in order to ensure that the joint procurement and accountancy teams were working to a common set of rules and procedures and to mitigate the risk arising from having different procedural rules at the two Councils.

Resolved

That subject to South Northamptonshire Council resolving in similar terms at its meeting on 19 December 2012,:

- (1) The joint Contract Procedure Rules (annex to these minutes as set out in the minute book) be adopted.
- (2) The joint Financial Procedure Rules (annex to these minutes as set out in the minute book) be adopted.

53 **Calendar of Meetings Municipal Year 2013/14**

The Head of Law and Governance submitted a report which sought consideration of the calendar of meetings for the municipal year 2013/14.

Resolved

- (1) That the calendar of meetings for the municipal year 2013/14 (annex to the minutes as set out in the minute book) be approved.

54 **Developments in Elections and Electoral Registration - Update Report**

The Chief Executive as Returning Officer and Electoral Registration Officer submitted a report which updated Members on the changes in electoral registration and the annual canvass and sought seek delegated power for the

Chief Executive to resource Individual Electoral Registration in light of these developments.

Resolved

- (1) That the further developments in the electoral and electoral registration programme to 2015 be noted and it be agreed that Council receives future reports as appropriate.
- (2) That the publication of the Electoral Registration and Administration Bill be noted.
- (3) That the Chief Executive be given delegated authority to recruit and appoint a 0.5 FTE Project Co-ordinator from May 2013 and processing and canvass staff as required in order to meet the new statutory requirements placed upon the Council with the costs being shared between this Council and South Northamptonshire Council.

The meeting ended at 7.44 pm

Chairman:

Date:

Council

Council Tax Reduction Scheme and Implications of the Local Government Resource Review

21 January 2013

Report of Head of Finance and Procurement

PURPOSE OF REPORT

This Report informs Members of the new Council Tax Reduction Scheme that will be introduced from 1 April 2013, and seeks authority for the Director of Resources and Head of Finance and Procurement to make the necessary arrangements for implementation and to enable the setting of the 2013/14 taxbase.

This report is public

Recommendations

Council is recommended:

- (1) To approve the introduction of a local council tax reduction scheme as set out in Para 2.2 to 2.12 for the year 1st April 2013 to 31st March 2014 and implement the scheme with effect from 1st April 2013.
- (2) To allow for further amendments to the scheme up to and including 31st January 2013 as regulations are finalised, delegating authority to amend to the Director of Resources and the Head of Finance and Procurement in consultation with the Lead Member for Financial Management.
- (3) To delegate authority to the Director of Resources and the Head of Finance and Procurement to make amendments as required to the local CTRS Regulations in consultation with the Lead Member for Financial Management.
- (4) To resolve to amend the proposed changes to Council Tax Discounts and Exemptions as detailed in Appendix 1.
- (5) To delegate approval of the NNDR1 form to the Director of Resources in consultation with the Lead Member for Financial Management.

Executive Summary

Introduction

- 1.1 The Local Government Resource Review has identified a number of policy and financial implications that Council's need to consider. As part of the 2013/14 budget process and in setting the 2013/14 tax base the Council must consider the implications of the demise of the council tax benefit scheme, reduction in applicable grant funding for the new scheme and changes to the importance of business rates growth and the recording of this growth.
- 1.2 From April 2013, council tax benefit will be replaced by a locally defined council tax reduction scheme. All local authorities have been tasked with producing their own scheme to meet this requirement.
- 1.3 The only stipulation is that pensioners currently in receipt of council tax benefit are protected under the new scheme and that at least **10% savings** must be made to the overall cost of providing the scheme.
- 1.4 Oxfordshire councils including the County Council and Thames Valley Police have worked together in deciding upon a local scheme. Rather than make reductions in the level of support that customers will receive, it was recommended that for year one of the scheme, additional income would be generated using technical changes to council tax discounts and exemptions.
- 1.5 The scheme must be finalised on or before 31st January 2013 or the default scheme will come into operation.
- 1.6 The Council is recommended to support the scheme as outlined in paragraph 2.2 to 2.12.
- 1.7 The scheme will primarily mirror the existing council tax benefit regulations with some small amendments relating to pension age and working age. Work is being done on this Oxon wide and final authority is sought to delegate final approval of the regulation changes to the Head of Finance and Procurement in consultation with the Lead Member for Financial Management.
- 1.8 On the basis that the scheme will remain as is for Year 1, the financial implication of the 10% cut in funding will need to be covered. As per paragraph 1.3 it was proposed that these reductions would be covered by exercising the Billing Authority's discretions under the Local Government Finance Act 2012 to provide the Council Tax discounts and exemptions as set out in Appendix 1.
- 1.9 Under the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 2012) a proportion of non-domestic rates will in future be retained locally rather than paid into the central pool. This greatly increases the importance of the NNDR1 form which

will set the anticipated amount of nondomestic rates that will be collected in the coming year and will therefore determine the respective shares between central government, this council and Oxfordshire County Council. Council approval as billing authority is a new requirement and there is no specific delegation to officers to approve and submit it on behalf of the council.

- 1.10 Council is asked to delegate approval and submission of the form to the Director of Resources (section 151) officer, in consultation with the Lead member for Financial Management.

Conclusion

- 1.11 This report has considered the policy implications of some of the changes connected with the LGRR.
- 1.12 The steps required for setting the council's budget and council tax for 2013/14 are well underway and reports will be submitted to Council in February as usual. This year's process is however more complex because we are dealing with new legislation and the receipt of regulations at a late stage coupled with the fact that the government settlement was received much later in December than usual.
- 1.13 Cherwell District Council must approve a local council tax reduction scheme before 31st January 2013 or will be subject to the default scheme.
- 1.14 The regulations are still being finalised so delegation(s) are sought to authorise the Director of Resources and the Head of Finance and Procurement to make amendments as required to the local CTRS Regulations and scheme in consultation with the Lead Member for Financial Management up until the 31 January 2013.
- 1.15 Cherwell District Council must also approve the amendments to discounts and exemptions as detailed in Appendix 1 ahead of setting its tax base for 2013/14 (agenda Item 11) and setting the 2013/14 budget.
- 1.16 The final NNDR 1 form must be completed and submitted by 31 January 2013, after being approved by the council as billing authority. Council is asked to delegate approval and submission of the form to the Director of Resources (section 151) officer, in consultation with the Lead member for Financial Management.

Background Information

- 2.1 The Council has been actively analysing the implications of the Local Government Resource review for the last 12 months and has been taking regular reports to the Executive and scrutiny committees.

Council Tax Reduction Scheme

- 2.2 The Welfare Reform Act which received Royal assent on 8th March 2012 abolishes both Housing and Council Tax Benefit (CTB). Housing costs will be met through Universal Credit (UC) on a phased approach from October 2013. CTB will be replaced by a local Council Tax Reduction Scheme (CTRS) which must be agreed by 31st January 2013 and implemented with effect from 1st April 2013.
- 2.3 CTB has previously been funded in full by the Department for Work and Pensions (DWP). However under the new arrangements funding for the new scheme will be based on a fixed cash grant based on approximately 90% of the current CTB subsidy. Council Tax benefit [CTB] will be replaced by the Council Tax reduction scheme [CTRS] from 1 April 2013.
- 2.4 This local scheme must be approved by the Council as billing authority by 31 January 2013 otherwise a default scheme will apply. The scheme must be in accordance with a new Section 13A of the Local Government Finance Act 1992, which is to be inserted by Section 9 of the LGFB 2012 once enacted, and the Draft Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012.
- 2.5 CTB is currently fully funded by the Department of Work and Pensions; however the new scheme will see funding reduced by at least 10%. To make good the shortfall in funding – 10% cut; amendments are to be made to certain council tax discounts and exemptions as set out in Appendix 1.
- 2.6 The government has stipulated that pensioners should be protected, along with any other groups of people at the billing authority's discretion. Cherwell District Council has decided not to include any other groups in the protected list for year 1 of the scheme.
- 2.7 In essence, the scheme proposed for Oxfordshire will mirror the existing CTB scheme in that people who currently receive CTB will continue to receive the same amount of CTRS as long as their circumstances do not change. Applications will be made as before and the allowances and deductions will remain the same. Any existing customers in receipt of CTB will automatically migrate to CTRS from 1 April 2013.
- 2.8 The scheme has been subject to consultation with local residents and major and local preceptors. The full details of the consultation were reported to the Executive in November 2012 but the headlines showed that 50% of residents who responded favoured maintaining a scheme and only 14% disagreed.
- 2.9 The other Oxfordshire councils found a similar position from their own consultations.
- 2.10 An equality impact assessment has been carried out and there are no

implications for consideration.

- 2.11 The CTRS has been devised and agreed by all major preceptors in Oxfordshire and this initial scheme will cover year 1. During the course of year 1, the group will continue to meet to review and revised the proposed scheme and make further amendments if necessary.
- 2.12 Each local scheme must have a set of rules and regulations which are currently being written by the Oxfordshire group and will be subject to legal scrutiny to ensure they are robust enough to withstand a legal challenge. These will be finalised by the required date of 31st January 2013 and delegation is sought for the Director of Resources and the Head of Finance and Procurement in consultation with the Lead Member for Financial management, to make any amendments to the scheme as necessary when final regulations are available.

Effect on Council Taxbase

- 2.13 As a result of various changes in legislation for 2013/14, particularly the replacement of Council Tax Benefit with a Local Council Tax reduction Scheme, there are changes to the way the taxbase is calculated and funding available. This is detailed further in Agenda Item 11.

Transitional Funding

- 2.14 On 15th October 2012 the Government announced an additional £100m transitional funding grant to support local authorities in developing their schemes. The funding will be for one year only and applications must be made after 31st January 2013 but before the deadline of 15th February 2013. This may mean that the scheme will need to change for year 2 and transitional protection may need to be considered.
- 2.15 To apply for a grant billing authorities must meet certain criteria when designing a new scheme:
- Those people who would be entitled to 100% support under the current CTB arrangement pay between zero and 8.5% of their Council Tax liability
 - The taper that is currently in place must not increase above 25%.
 - There must be no sharp reduction in support for those entering work
 - There must be no large increases in non-dependant deductions.
- 2.16 Applications for funding can only be made after the deadline for adopting schemes on 31 January 2013. The deadline for applications is 15 February 2013.
- 2.17 As we are planning no changes in Year 1 we could meet the criteria for 0% change. If deemed to comply with the requirements the allocation for Cherwell District Council would be eligible for the grant and the shares will be as follow: Cherwell £23,962, County £136,269 and TVP £18,099

- 2.18 As the billing authority Cherwell District Council would have to apply for the funds (in February 2013) on behalf of all major preceptors so we would apply for £178,330 but keep £23,962. Proposals for the use of these funds are outlined in Agenda Item 11.

Council Tax Discounts and Exemptions

- 2.19 The Local Government Finance Act 2012 contains technical reforms to Council Tax discounts and exemptions enabling the Council, as the Billing Authority, to determine how the discounts and exemptions should be applied.
- 2.20 As per Para 2.5 CTB is currently fully funded by the Department of Work and Pensions, however the new scheme will see funding reduced by at least 10%. To make good the shortfall in funding – 10% cut; amendments are to be proposed to certain council tax discounts and exemptions.
- 2.21 The Local Government Finance Act 2012 introduces new powers to Billing Authorities allowing them greater discretion in setting discounts and exemptions. It should be noted that the provision with regard to mortgagees in possession (Class L) has not been commenced with the other provisions of the LGFA 2012.
- 2.22 It is recommended that with effect from 1st April 2013 the Council determines to exercise the following powers in order to generate additional income:
- Remove discount for 2nd Homes
 - Reduce Class A Discount for Uninhabitable Properties
 - Reduce Class C Discount for empty and unfurnished properties
- 2.23 Under the Local Government Finance Act 2012, Cherwell District Council is allowed to charge an additional council tax premium of 50% on property which is classed as long term empty. This is property which has been empty for two years or more. At this time, the change is not proposed, although it may be brought back for members to consider in the future should any further reduction in the funding for the Council Tax Reduction Scheme be announced.

National non-domestic rates 1 form (NNDR1)

- 2.24 Under the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 2012) a proportion of non-domestic rates will in future be retained locally rather than paid into the central pool. This greatly increases the importance of the NNDR1 form which will set the anticipated amount of non-domestic rates that will be collected in the coming year and will therefore determine the respective

shares between central government, this council and Oxfordshire County Council.

- 2.25 A provisional NNDR1 was submitted to the Department for Communities and Local Government (DCLG) by 21 December 2012 and the final NNDR1 must be submitted by 31 January 2013, after being approved by the council as billing authority.
- 2.26 Council approval as billing authority is a new requirement and there is no specific delegation to officers to approve and submit it on behalf of the council. Council is asked to delegate approval and submission of the form to the Director of Resources (section 151) officer, in consultation with the Lead Member for Financial Management.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 If the introduction of a scheme is not approved, the default scheme will apply.
- 3.2 Extensive work has been undertaken with partners in Oxfordshire and all have agreed that the proposed scheme is the best way forward in year one.
- 3.3 Alternative schemes were considered but would have resulted in either customers being financially worse off or other savings having to be made by the council.

The following options have been identified. The approach in the recommendations is believed to be the best way forward:

- | | |
|---------------------|---|
| Option One | A local council tax reduction scheme is not approved and the default scheme is adopted. Amendments to discounts and exemptions are not approved. |
| Option Two | The proposed local council tax reduction scheme is agreed and discounts and exemptions are approved. |
| Option Three | That another local council tax reduction scheme found which does not protect those currently in receipt of council tax benefit and an alternative range and changes to discounts and exemptions explored. |

Consultations

- | | |
|---|---|
| Consultation with local residents and interested parties | District Wide – residents and Other Preceptors
See November Executive 2012 |
|---|---|

Implications

Financial: The financial implications of this report are included in the detail and will feature in the 2013/14 revenue budget proposals in February 2013.

Comments checked by Karen Muir, Project and Technical Accountant, 01295 221551.

Legal: The new legal obligations imposed on the Council as billing authority by the Local Government Finance Act 2012 are set out fully in the report.

Comments checked by Kevin Lane, Head of Law and Governance 0300 0030107

Risk & Equality The CTRS has been subject to an equality impact assessment and it was deemed that there were no implications for consideration.

Comments checked by Karen Muir, Project and Technical Accountant, 01295 221551.

Wards Affected

All

Corporate Plan Themes

An accessible, value for money council

Lead Member

Councillor Atack
Lead Member for Financial management

Document Information

Appendix No	Title
Appendix 1	Council Tax discounts and exemptions
Background Papers	
Results of Council Tax Reduction Scheme consultation	
Report Author	Karen Curtin, Head of Finance and Procurement
Contact Information	0300 003 0106 karen.curtin@cherwellandsouthnorthants.gov.uk

Council Tax Discounts and Exemptions

Summary of changes to be made under the amendments to orders detailed below:

To cover the reduced funding from central Government, Cherwell District Council needs to amend some council tax discounts and exemptions. For Cherwell, the projected reduction in funding will be circa **£60,000** and so we would ask for the following to be approved to cover this shortfall

The Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012

2nd home discount

Currently award 10% discount

From 01/04/13 remove this discount and charge 100%. Additional income = £3,785*

The Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012

Class A – uninhabitable property

Currently award 100% for 12 months

From 01/04/13 reduce to 50% for 12 months. Additional income = £4,625*

Class C – empty and unfurnished property

Currently award 100% for 6 months

From 01/04/13 reduce to 25% discount for 6 months. Additional income = £52,457*

Notes:

****All estimates based on the discounts and exemptions awarded at November 2012.***

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Council

Council Tax Base for 2013/14

21 January 2013

Report of Head of Finance and Procurement

PURPOSE OF REPORT

To consider the calculation of the council tax base for 2013/14

This report is public

Recommendations

Council is recommended:

- (1) To approve the report of the Head of Finance and Procurement, made pursuant to the Local Authorities [Calculation of Tax Base] [England] Regulations 2012 and the calculations referred to therein for the purposes of the Regulations;
- (2) To resolve that, in accordance with the Regulations, as amended, the amount calculated by Cherwell District Council as its council tax base for the year 2013/2014 shall be 46,672; and
- (3) To resolve that the tax base for the parts of the area be in accordance with the figures shown in column 13 of Appendix 2.
- (4) To delegate authority to the Director of Resources and Head of Finance and Procurement to make any changes to the tax base if required as a result of the consideration of agenda item 11 on Council Tax Reduction Scheme in consultation with the Lead Member for Financial Management.

Executive Summary

Introduction

- 1.1 The Council is required to calculate its tax base for each financial year in advance of the start of the year and notify its major precepting authorities and local precepting authorities accordingly.

- 1.2 The background information forming part of this report provides all the necessary calculations together with an explanation of how each has been arrived at.
- 1.3 There are various powers contained within the Council Tax, Housing Benefit and Business Rates legislation, all of which are reviewed annually. These have been considered in the previous agenda item.

Effect on the Council Taxbase

- 1.4 As a result of various changes in legislation for 2013/14, particularly the replacement of Council Tax benefit with a Local Council Tax Reduction Scheme, there are changes to the way the taxbase is calculated. The number of band D equivalent properties will fall by 4741 due to the introduction of the scheme.
- 1.5 This equates to £585,514 lost revenue for the council which is partially offset by government funding. The provisional settlement has announced funding of £884,000 to cover the billing authority and local preceptor shortfalls.
- 1.6 Of this funding, £349,487 has been made available to offset the effect on the local preceptors. Town and parish councils will have this passported to them along with in year 1 only a further payment to cover the shortfall in full.
- 1.7 The government has made some further funding available to assist in the transition to a Council Tax Reduction Scheme and on the basis that the previous Agenda Item is approved, an estimated transitional grant of £23,962 is also available to the council which will also be used to offset the effect on parishes in Year 1 only.
- 1.8 The grant represents 86% of the shortfall so in 2014/15 (subject to final settlement) local preceptors will need to consider how they make up the residual shortfall.
- 1.9 It is proposed that the amendments to council tax discounts and exemptions detailed in the previous agenda item (Agenda Item 10) will help offset the funding gap generated by the 10% reduction in grant available. Making these amendments will have the effect of increasing the taxbase.
- 1.10 The net effect of the changes relating to the introduction of the Council Tax Reduction Scheme and changes to discounts and exemptions will result in the overall taxbase reducing from 50,615 in 2012/13 to 46,672 in 2013/14, a reduction of 3943.

Proposals

- 1.11 To consider the calculation of the council tax base for 2013/14 as set out in the background information and decide whether to vary the

estimated figures of adjustments for changes in property information during the year, e.g. new properties or discount changes, as well as the collection rate used in the attached appendix 2 to this report.

- 1.12 It is proposed that no variations are made to either the estimated adjustments of the collection rate used in appendix 2. The estimated adjustments have been made to take into account any new property which may be built during the forthcoming year. The role of inspector has now been deleted. However, the Service Assurance Team will continue to work in conjunction with other internal and external partners to carry out this annual task.

Conclusion

- 1.13 The attached background information and appendices provide the most up to date view of the tax base and the adjustments that have been made to allow for changes effective during 2013/2014 have been based on the current economic situation. On this basis, the Council is invited to approve the recommendations set out at the beginning of this report.

Background Information

COUNCIL TAX BASE CALCULATIONS FOR 2013/14

Valuation Banding and Notification to Preceptors

- 2.1 The billing authority is obliged to notify major precepting authorities of the tax base set by 31 January 2013. In practice, it is important that they, and the local precepting authorities, are given as much time as possible to determine their precepts, in order that they can levy them on this Council in time for the council tax to be set at the meeting on 25 February 2013.
- 2.2 To give all precepting authorities [including parish and town councils] sufficient time to determine their precepts the provisional tax base figure has already been circulated. These figures will be confirmed following this meeting of the Council.

The Requirements of the Tax Base Calculation

- 2.3 The Local Authorities [Calculation of the Tax Base Regulations] [England] 2012 [S.I. No 2914 of 2012] sets out the necessary calculations and it is a clear intention that the Council should be seen to perform a series of calculations, which follow
- 2.4 The first step is to establish the relevant amount [band D equivalents]

for 2013/14. Regulation 4 provides the following formula

The relevant amount for a valuation band = $\{(H-Q+J)-Z\} \times F/G$

Where:

H = number of chargeable dwellings

Q = factor to take account of discounts and exemptions

J = an amount for adjustments for changes in property information during the year e.g. new property

Z = the total amount that the authority estimates will be applied pursuant to the authority's council tax reduction scheme in relation to the band, expressed as an equivalent number of chargeable dwellings in that band

F = the proportion for the relevant band e.g. 6 for band A

G = the number relevant to band D i.e. 9.

- 2.5 Appendix 1 shows a summary of information used resulting in the following totals:
- 59,627 properties in the list
 - 47,501 band D equivalents (the relevant amount).
- 2.6 Appendix 2 to this report provides the calculation of the tax bases for each town and parish.
- 2.7 Regulation 3 of the Regulations provides that each billing authority will determine a collection rate. It requires the authority to estimate the amounts, which are likely to be paid, expressed as a proportion of its estimate of what should be paid. It is estimated that in accordance with Regulation 3, the collection rate for the authority should be 98%.
- 2.8 Because there is a need to calculate the tax base at an individual town and parish level the collection rate has been applied to the net band D equivalents in appendix 1b and the MOD property added back in to arrive at a tax base of 46,672 compared to 50,615 for 2012/13.

Calculation of the Tax Base for a Part of the Area

- 2.9 Regulation 6 requires that the tax base be determined for each local precepting area. Appendix 2 provides this for each of the 78 district parts of the area.
- 2.10 Column 1 shows the band D equivalents or properties in each part net of exemptions, discounts and disabled relief. The Local Authorities (Calculation of Council Tax Base) (Amendments) (England) Regulations 1999 (S.I. No 3123 of 1999) provides for disabled relief to

be allowed for Band A property. Instead of being charged 6/9 of band D they are charged 5/9 of band D.

- 2.11 Column 2 adds in MOD property to arrive at the relevant amount which totals 47,500.7 in column 3.
- 2.12 Columns 4 to 7 deal with expected adjustments during the year. Columns 5 to 7 have been left blank as it is impossible to predict changes to discounts or property which will be demolished. However, column 4 shows additional new property being built in the district. In all cases, these additions have been estimated at part of a year only.
- 2.13 Column 8 is a sub total.
- 2.14 Column 9 takes the MOD property back out to give a net figure in column 10.
- 2.15 Column 11 applies the collection rate. This has been maintained at 98%, the same figure used for 2012/13. This is considered reasonable given the 98.3% collection rate achieved in 2011/12, whilst also allowing for any shortfall due to the changes in the discounts and exemptions and or the new council tax reduction scheme.
- 2.16 Column 12 adds the MOD property back in and column 13 shows the final tax base for 2013/14.
- 2.17 Column 14 shows the 2012/13 tax base for comparison and percentage changes.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 The collection rate used for the calculation of the tax base is a best estimate of a percentage of the total amount due for 2013/14 that will be collected. Over the past years, collection rates have risen and since 2006/07, collection has been between 98.0% and 98.5%. In 2011/12, the collection rate was 98.3%. Collection for 2012/13 is expected to be close to this figure.
- 3.2 Issues affecting the collection rate used centre around ability to pay. The general economy continues to struggle and residents may struggle to meet their commitments.
- 3.3 In 2013/14 there is also the factor of changes to discounts and exemptions and the replacement of Council Tax benefit with a local Council Tax Reduction Scheme. No resident currently in receipt of benefits should find themselves worse off, provided their circumstances do not change. Therefore, this should cause no adverse change in the collection rate.

- 3.4 The estimate of adjustments for new property may also vary. The adjustments made on the basis of information obtained by the Service Assurance Team take into account planning applications a local knowledge.
- 3.5 Given these factors, it is recommended that the collection rate used in the tax base calculation remains at 98%.

The following options have been identified. The approach in the recommendations is believed to be the best way forward:

- Option One** The majority of figures used in the calculation are obtained from the billing system for council tax and as such are a matter of fact. The Council could vary the estimated figures for changes to property information during the year as well as the calculation rate
- Option Two** Normally, the Council could vary the discounts it awards. However, this has been considered in a previous agenda item.

Consultations

[Consultee] none

Implications

Financial: The tax base determines the potential income from each £1 of council tax set. If the tax base, as calculated in column 13 of appendix 2, were to be set, it would result in £46,672 being raised per £1 of council tax set [for budget purposes]. A grant for the Council tax Reduction Scheme is also payable to offset the drop in council tax base as a result of the changes to council tax benefit.

Comments checked by Karen Muir, Technical and Project Accountant, 01295 221559.

Legal: The calculations required have been undertaken by the Council in order to arrive at its council tax base are set out in the legislation referred to above in this report. Failure to set a council tax base for 2013/14 would result in the Council being unable to set its council tax for 2013/14

Comments checked by Kevin Lane, Head of Law and Governance 0300 0030107.

Risk Management: The adjustments made, in column 4 of the appendix 2, to the data supplied by the council tax system, to allow for new properties occurring in 2013/14, is an estimate based on existing planning permissions. There is a risk that new property will not be built, sold or occupied as soon as anticipated. The estimate is therefore reduced by 50% to allow for any delays.

Comments checked by Karen Muir, Technical and Project Accountant, 01295 221559.

Wards Affected

All

Document Information

Appendix No	Title
Appendix 1	Council Tax base summary
Appendix 2	Council tax base at Parish level
Background Papers	
None	
Report Author	Karen Curtin, Head of Finance and Procurement
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2013/14
COUNCIL TAX BASE CALCULATIONS

Appendix 1

PART 1 - FOR THE DISTRICT AS A WHOLE

		<u>Band A</u>	<u>Band B</u>	<u>Band C</u>	<u>Band D</u>	<u>Band E</u>	<u>Band F</u>	<u>Band G</u>	<u>Band H</u>	<u>Total</u>
Properties on the list [H]		5,262	14,907	16,264	10,245	7,152	3,240	2,325	232	59,627
<u>LESS</u>										
Exemptions		-316	-567	-385	-428	-141	-62	-43	-5	-1,947
Sub Total	0	4,946	14,340	15,879	9,817	7,011	3,178	2,282	227	57,680
<u>ADJUSTMENTS</u>										
Less Disabled Relief		-7	-42	-66	-44	-39	-13	-10	-13	-234
Add Disabled Relief	7	42	66	44	39	13	10	13	0	234
Sub Total	7	4,981	14,364	15,857	9,812	6,985	3,175	2,285	214	57,680
Discounts (25%)	-5	-2,791	-5,520	-4,601	-2,274	-1,184	-444	-269	-13	-17,101
Discounts (50%)		-64	-81	-65	-35	-32	-19	-27	-14	-337
2nd Home Discounts (0%)		-14	-33	-32	-47	-37	-30	-50	-15	-258
No of properties without discount	2	2,112	8,730	11,159	7,456	5,732	2,682	1,939	172	39,984
Total equivalent value after discounts	5.80	4,251.30	12,943.50	14,674.30	9,226.00	6,673.00	3,054.50	2,204.30	203.80	53,210.50
<u>BAND D EQUIVALENT</u>	3.2	2,834.2	10,067.2	13,044.6	9,226.0	8,155.9	4,412.1	3,673.8	407.6	51,824.6
No, of properties to allow for CTRS [Z]	2.8	848.8	1,895.5	1,272.6	442.0	204.1	50.9	21.8	2.6	4,740.9
Add in proposed changes to discounts and exemptions		22.2	41.4	46.2	27.0	17.7	7.6	10.0	0.5	172.6
MOD Property		0	222	39	36	0	0	1	0	298
Add MOD Property at band D	0.0	0.0	172.7	34.7	36.0	0.0	0.0	1.7	0.0	245.1
TAX BASE AS AT 30 November 2012, adjusted for all discounts, exemptions, CTRS and proposed changes to discounts and exemptions										
47,501.3										
* figure of 47501.3 feeds into appendix 2 where MOD and new property adjustments made and collection rate applied. Small difference due to roundings										
Proportion	5	6	7	8	9	11	13	15	18	
<u>Analysis of Discounts</u>										
Single Person Discounts (25%)	-5	-2,761	-5,405	-4,454	-2,198	-1,130	-428	-254	-12	-16,647
Disregard Discount (25%)		-30	-115	-147	-76	-54	-16	-15	-1	-454
2nd Home Discounts (50%)		-8	-11	-5	-5	-3	-5	0	-1	-38
Disregard Discount (50%)		-14	-19	-8	-7	-8	-5	-22	-12	-95
Empty Property Discounts (50%)		-42	-51	-52	-23	-21	-9	-5	-1	-204
2nd Home Discounts (0%)		-14	-33	-32	-47	-37	-30	-50	-15	-258
Value of above discounts	-3.8	-2,139.3	-4,213.5	-3,515.3	-1,770.0	-941.0	-372.5	-265.3	-31.8	-13,226.5

-17,696

-17,696

2013/14 Appendix 2 COUNCIL TAX BASE CALCULATIONS						
column 1	column 2	column 3	column 4	column 5	column 6	column 7
Band D Equivalents	MOD in Band D Equivalents	Band D Equivalent Sub Total	Full Year Equivalent Of Additional Properties	Reduction In Discounts	Full Year Equivalent Of Reduction In Properties	Increase In Discounts
1145.0		1145.0	2.9			
351.1	235.8	586.9	0.6			
253.5		253.5	0.6			
271.6	1.8	273.4				
12815.4		12815.4	7.6			
259.9		259.9				
360.4		360.4				
9765.6		9765.6	5.1			
143.9		143.9				
323.5		323.5	1.1			
1343.7		1343.7	4.3			
828.0		828.0				
291.9		291.9	1.5			
122.2		122.2				
101.3		101.3				
408.0	1.7	409.7	36.0			
194.6		194.6				
379.7		379.7	36.5			
138.3		138.3				
70.6		70.6				
300.3		300.3				
889.7		889.7	0.5			
86.9		86.9	1.0			
218.0		218.0				
138.0		138.0	0.6			
129.0		129.0				
217.9		217.9	0.5			
251.3		251.3	2.1			
268.7		268.7	0.6			
21.1		21.1	0.4			
530.2		530.2	0.5			
73.7		73.7				
126.1		126.1				
37.3		37.3	0.7			
106.6		106.6	0.1			
895.7		895.7	1.5			
161.0		161.0				
163.0		163.0				
247.6		247.6				
315.3		315.3	0.4			
4658.6		4658.6	5.4			
443.3		443.3				
484.3		484.3				
214.7		214.7	0.6			
137.1	5.0	142.1				
65.7		65.7				
149.4		149.4				
210.7		210.7				
119.1		119.1				
117.7		117.7				
226.2		226.2				

BILLING TAX BAS	COUNCIL TAX BASE CALCULATIONS							Parish precept requirements 2013/14
	column 8	column 9	column 10	Column 11	column 12	Column 13	column 14	
Parish/Town	Adjusted Band D Equivalents	MOD in Band D Equivalents	Net Band D Equivalents	98% Tax Base	MoD Class O Properties	Tax Base for 2013/14 @98%	Tax Base For 2012/13	98%
Adderbury	1147.9		1148	1125		1,125	1180	-4.66%
Ambrosden	587.5	-236	352	345	236	581	586	-0.85%
Ardley	254.1		254	249		249	259	-3.86%
Arcott	273.4	-2	271	266	2	268	296	-9.46%
Banbury	12823.0		12823	12567		12,567	14678	-14.38%
Barford	259.9		260	255		255	256	-0.39%
Begbroke	360.4		360	353		353	354	-0.28%
Bicester	9770.7		9771	9576		9,576	10291	-6.95%
Blackthorn	143.9		144	141		141	146	-3.42%
Bletchington	324.6		325	319		319	345	-7.54%
Bloxham	1348.0		1348	1321		1,321	1347	-1.93%
Bodicote	828.0		828	811		811	842	-3.68%
Bourton	293.4		293	287		287	298	-3.69%
Broughton	122.2		122	120		120	131	-8.40%
Bucknell	101.3		101	99		99	109	-9.17%
Caversfield	445.7	-2	444	435	2	437	411	6.33%
Charlton on Otmoor	194.6		195	191		191	195	-2.05%
Chesterton	416.2		416	408		408	396	3.03%
Claydon	138.3		138	135		135	139	-2.88%
Cottisford	70.6		71	70		70	72	-2.78%
Cropredy	300.3		300	294		294	309	-4.85%
Deddington	890.2		890	872		872	925	-5.73%
Drayton	87.9		88	86		86	91	-5.49%
Duns Tew	218.0		218	214		214	221	-3.17%
Epwell	138.6		139	136		136	140	-2.86%
Fencot and Murcott	129.0		129	126		126	128	-1.56%
Finmere	218.4		218	214		214	213	0.47%
Fringford	253.4		253	248		248	266	-6.77%
Fritwell	269.3		269	264		264	286	-7.69%
Godington	21.5		22	22		22	20	10.00%
Gosford and Water Eaton	530.7		531	520		520	544	-4.41%
Hampton Gay and Poynton	73.7		74	73		73	74	-1.35%
Hanwell	126.1		126	123		123	132	-6.82%
Hardwick with Tusmore	38.0		38	37		37	34	8.82%
Hethe	106.7		107	105		105	117	-10.26%
Hook Norton	897.2		897	879		879	919	-4.35%
Horley	161.0		161	158		158	158	
Hornton	163.0		163	160		160	165	-3.03%
Horton cum Studley	247.6		248	243		243	244	-0.41%
Islip	315.7		316	310		310	318	-2.52%
Kidlington	4664.0		4664	4571		4,571	4963	-7.90%
Kirtlington	443.3		443	434		434	445	-2.47%
Launton	484.3		484	474		474	498	-4.82%
Lower Heyford	215.3		215	211		211	221	-4.52%
Merton	142.1	-5	137	134	5	139	139	
Middle Aston	65.7		66	65		65	65	
Middleton Stoney	149.4		149	146		146	151	-3.31%
Milcombe	210.7		211	207		207	220	-5.91%
Milton	119.1		119	117		117	123	-4.88%
Mixbury	117.7		118	116		116	116	
Mollington	226.2		226	221		221	218	1.38%

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