

# Council

## Calculating the amounts of Council Tax for 2012/2013 and setting the Council Tax for 2012/2013

27 February 2012

### Report of the Chief Finance Officer and Head of Finance and Procurement

#### PURPOSE OF REPORT

To detail the Calculations for the amounts of Council Tax for 2012/13 and the setting of Council Tax for 2012/2013.

This report is public

#### Recommendations

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It is recommended that the Council resolves:-

- (1) That it be noted that at its meeting held on 9 January 2012 the Executive calculated the Council Tax Base 2012/13:
  - a) for the whole Council area as 50,615 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "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 2012/13 (excluding Parish Precepts and Special Expenses) is £123.50.
- (3) That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:-
  - a) £76,018,304 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.

- b) £65,678,445 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- c) £10,339,859 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).
- d) £204.28 being the amount at 8(c) above (Item R), all divided by Item T (6(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses);
- e) £4,088,906 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the Act as per the attached Schedule 2.
- f) £123.50 being the amount at 8(d) above less the result given by dividing the amount at 8(e) above by Item T(6(a) above), calculated by the Council, in accordance with Section 34(2) of the 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 2012/13 the Oxfordshire County Council and the Thames Valley Policy Authority have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below :-

| <b><u>Valuation</u></b><br><b><u>Band</u></b> | <b>Oxfordshire</b><br><b>County Council</b> | <b>Thames Valley</b><br><b>Police Authority</b> |
|---|---|---|
|   | £   | £   |
| <b>A</b>                                      | 774.47                                      | 102.87  |
| <b>B</b>                                      | 903.55                                      | 120.01  |
| <b>C</b>                                      | 1,032.63                                    | 137.16  |
| <b>D</b>                                      | 1,161.71                                    | 154.30  |
| <b>E</b>                                      | 1,419.87                                    | 188.59  |
| <b>F</b>                                      | 1,678.03                                    | 222.88  |
| <b>G</b>                                      | 1,936.18                                    | 257.17  |
| <b>H</b>                                      | 2,323.42                                    | 308.60  |

- (5) The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix 2 as the amounts of Council Tax for the year 2012/13 for each part of its area and for each of the categories of dwellings.
- (6) The Council's basic amount of Council Tax for 2012/13 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

## **Executive Summary**

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### **Introduction**

- 1.1 Sections 31 to 36 of the Local Government Finance Act 1992 require each billing authority to calculate its own amount of tax for each category of dwellings in its area.
- 1.2 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.

### **Proposals**

- 1.3 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.

### **Conclusion**

- 1.4 By approving the Council's budget requirement and calculating the effect in Council Tax terms, this determines the Council's spending plans for 2012/13.
- 1.5 If the formal Council Tax Resolutions are approved the total Band D Council Tax in respect of Cherwell District Council will be £123.50. This is the third year of a freeze to Council Tax.

## **Background Information**

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- 2.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, 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 2012/13 is not excessive. This covers the requirements of Chapter 4ZA Local Government Finance Act 1992 – Referendums relating to Council Tax increases.

- 2.2 The Executive at its 6 February 2012 meeting recommended a Council Tax of £123.50 at Band D.
- 2.3 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 Thames Valley Police (Appendix 1), amounts for each band (Appendix 2) The recommendations to give effect to the legal resolution of these items are necessarily framed.
- 2.4 The average parish council tax levy is £80.78. This compares to £79.72 in 2011/12, an increase of 1.3%.
- 2.5 The precept figures included for Oxfordshire County Council were approved on 10 February 2012 and the precept figures included for Thames Valley Police Authority are subject to approval on 17 February 2012. If the precept figure for Thames Valley Police does alter this will change the total council tax payable in each band and an update will be circulated at the Full Council Meeting.

### **Key Issues for Consideration and Options**

3.1 It is the legal responsibility for the Council to set an agreed Council Tax by 11 March under section 32 of the Local Government Finance Act 1992.

3.2 The following options have been identified:-

**Option One** To consider this report and agree the Setting of Council Tax as detailed in this report and associated Appendices

**Option Two** To consider this report, but make alternative recommendation on the amount of council tax to be set.

**Option Three** To fail to consider this report and fail to meet the deadline prescribed in the Local Government Finance Act 1992 as detailed above.

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### **Consultations**

**None** This is a statutory report calculating and setting the Council Tax for Cherwell District Council for 2012/2013.

## **Implications**

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**Financial:** Financial effects – by 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 Thames Valley Police Authority as well as to meet this Council's demand, which includes local precepting authority precepts.

Members should be aware that Section 106 of the Local Government Finance Act 1992 applies to decisions made in accordance with this report.

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 Karen Muir, Corporate System Accountant 01295 221559

**Legal:** It is the legal responsibility for the Council to set an agreed Council Tax by 11 March under section 32 of the Local Government Finance Act 1992.

Comments checked by Nigel Bell, Team leader – Planning & Litigation, 01295 221687

**Risk Management:** Risk assessment – this report assumes that the estimates recommended for approval by the Executive, at its meeting held on 6 February 2012, are adopted by the Council.

Comments checked by Karen Muir, Corporate System Accountant 01295 221559.

## **Wards Affected**

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All

## **Corporate Plan Themes**

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An Accessible, Value for Money Council.

## **Executive Lead Member**

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Councillor Ken Attack  
Lead member for Financial Management

## Document Information

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| Appendix No   | Title   |
|---|---|
| 1   | Calculations Required by Sections 32 of 36 of the Local Government Finance Act 1992.  |
| 2   | Council Tax Setting required by Section 30 of the 1992 Act.   |
| <b>Background Papers</b>  |   |
| Various Estimates 2012/2013 Working Papers Files<br>Provisional Precept Calculations from Oxfordshire County Council and Thames Valley Police Authority |   |
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