

Council

Calculating the amounts of Council Tax for 2013/2014 and setting the Council Tax for 2013/2014

25 February 2013

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 2013/14 and the setting of Council Tax for 2013/2014.

This report is public

Recommendations

It is recommended that the Council resolves:-

- (1) That it be noted that at its meeting held on 21 January 2013 the Council calculated the Council Tax Base 2013/14:
 - a) for the whole Council area as 46,672 [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 2013/14 (excluding Parish Precepts and Special Expenses) is £123.50.
- (3) That the following amounts be calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:-
 - a) £75,864.756 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) £66,311,611 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- c) £9,553,145 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) £204.69 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) £3,789,153 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 2013/14 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 Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below :-

<u>Valuation</u> <u>Band</u>	Oxfordshire County Council	Police and Crime Commissioner for Thames Valley
	£	£
A	789.89	104.92
B	921.53	122.41
C	1,053.18	139.89
D	1,184.83	157.38
E	1,448.13	192.35
F	1,711.42	227.33
G	1,974.72	262.30
H	2,369.66	314.76

- (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 2013/14 for each part of its area and for each of the categories of dwellings.
- (6) The Council's basic amount of Council Tax for 2013/14 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

Executive Summary

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 2013/14.
- 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 fourth year of a freeze to Council Tax.

Background Information

- 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 2013/14 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 4th February 2013 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 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.
- 2.4 The average parish council tax levy is £81.19. This compares to £80.78 in 2012/13, an increase of 0.5%.
- 2.5 The precept figures included for Police and Crime Commissioner for Thames Valley were approved on 1st February 2013 and the precept figures included for Oxfordshire County Council are subject to approval on 19 February 2013. If the precept figure for Oxfordshire County Council 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.

Consultations

None This is a statutory report calculating and setting the

Implications

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 Police and Crime Commissioner for Thames Valley 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 Denise Taylor, Corporate Finance Accountant 01295 221982

Legal: It is the legal responsibility for the Council to set an agreed Council Tax by 11 March under section 31A (11) of the Local Government Finance Act 1992.

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

Risk Management: Risk assessment – this report assumes that the estimates recommended for approval by the Executive, at its meeting held on 4th February 2013, are adopted by the Council.

Comments checked by Denise Taylor, Corporate Finance Accountant 01295 221982.

Wards Affected

All

Corporate Plan Themes

An Accessible, Value for Money Council.

Executive Lead Member

Councillor Ken Attack
Lead Member for Financial Management

Document Information

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.
Background Papers	
Various Estimates 2013/2014 Working Papers Files Provisional Precept Calculations from Oxfordshire County Council and Police and Crime Commissioner for Thames Valley	
Report Author	Karen Curtin Head of Finance and Procurement
Contact Information	0300 0030102 martin.henry@cherwell-dc.gov.uk 0300 0030106 karen.curtin@cherwell-dc.gov.uk 01295 221982 denise.taylor@cherwell-dc.gov.uk