



COUNCIL

27<sup>TH</sup> FEBRUARY 2014

AGENDA ITEM (9)

COUNCIL TAX 2014/15

<b>Accountable Member</b>	Councillor Lynden Stowe Leader of the Council
<b>Accountable Officer</b>	Jenny Poole Chief Finance Officer 01285 623313 jenny.poole@cotswold.gov.uk

<b>Purpose of Report</b>	The purpose of this report is to enable the Council to calculate and set the Council Tax for 2014/15.
<b>Recommendation(s)</b>	<p><b>It is recommended that:-</b></p> <ol style="list-style-type: none"><li>1) for the purposes of the Local Government Finance Act 1992 Section 35(2), there are no special expenses for the District Council in 2014/15;</li><li>2) it be noted that It be noted that, using her delegated authority, the Chief Finance Officer calculated the Council Tax Base for 2014/15:<ol style="list-style-type: none"><li>(a) for the whole Council area as 36,906.55 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and</li><li>(b) for dwellings in those parts of its area to which a Parish Precept relates as in the attached Schedule 1;</li></ol></li><li>3) the Council Tax requirement for the Council's own purposes for 2014/15 (excluding Parish Precepts) is <b>£ 133.05</b>;</li><li>4) the following amounts be calculated for the year 2014/15 in accordance with Sections 31 to 36 of the Act:-<ol style="list-style-type: none"><li>(a) <b>£52,470,076</b> 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;</li><li>(b) <b>£45,369,330</b> being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;</li><li>(c) <b>£7,100,746</b> being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(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</li></ol></li></ol>

the Act);

(d) **£192.40** being the amount at 4(c) above (Item R), all divided by Item T (1(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) £2,190,329 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) **£133.05** being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by Item T(1(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;

(g) the amounts shown in Schedule 2 being the amounts given by adding to the amount at 4(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area shown in Schedule 2 divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;

(h) the amounts shown in Schedule 3 being the amounts given by multiplying the amounts at 4(f) and 4(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

5) it be noted that for the year 2014/15 the Gloucestershire County Council and the Gloucestershire Police and Crime Commissioner 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:-

Valuation Band	Gloucestershire County Council	Police and Crime Commissioner
	£	£
A	727.00	138.49
B	848.17	161.57
C	969.33	184.65

	D	1,090.50	207.73
	E	1,332.83	253.89
	F	1,575.17	300.05
	G	1,817.50	346.22
	H	2,181.00	415.46
	<p>6) the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in Schedule 4 as the amounts of Council Tax for the year 2014/15 for each part of its area and for each of the categories of dwellings;</p> <p>7) the Council's basic amount of Council Tax for 2014/15 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992;</p> <p>8) the Chief Finance Officer, Legal Officer/Trainee Legal Executive, Joint Head of Revenues and Benefits, Joint Operations Lead Officer, Joint Operations Manager, Joint Support Lead Officer, Overpayments Officer, Senior Recovery Revenues Officer, and Recovery Officer be authorised to:-</p> <p>(a) collect and recover any National Non-Domestic Rates and Council Tax, and</p> <p>(b) prosecute or defend on the Council's behalf or to appear on its behalf in proceedings before a magistrate's court in respect of unpaid National Non-Domestic Rates and Council Tax.</p>		
<b>Reason(s) for Recommendation(s)</b>	The Council has a statutory duty to set its Council Tax.		

<b>Ward(s) Affected</b>	All
<b>Key Decision</b>	No
<b>Recommendation to Council</b>	N/A

<b>Financial Implications</b>	Subject of the report
<b>Legal and Human Rights Implications</b>	None
<b>Environmental and Sustainability Implications</b>	None
<b>Human Resource Implications</b>	None
<b>Key Risks</b>	None

<b>Equalities Impact Assessment</b>	Not Required
<b>Related Decisions</b>	None
<b>Background Documents</b>	None
<b>Appendices</b>	<b>Schedules 1 to 4</b>
<b>Performance Management Follow Up</b>	Collection rates will be monitored via the quarterly performance management process.

## Background Information

### 1. Background

1.1 The Localism Act 2011 has made changes to the Local Government Finance Act 1992, and 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 2014/15 is not excessive. This covers the requirements of Chapter 4ZA Local Government Finance Act 1992 - referendums relating to Council Tax increases.

1.2 At its Meeting on 6<sup>th</sup> February 2014, the Cabinet proposed a net Budget Requirement of £8,792,706, with a proposed Council Tax of £137.16 at Band D (a Council Tax freeze). This budget established no requirement to utilise General Fund Balances to support operational activity and a Budget Surplus of £79,058. Since this position was reported, the Council has received additional Section 31 grant for Sparse of £14,875 and a final RSG settlement adding £490 grant. In addition, the Business Rates position has been finalised including establishing a Business Rates Smoothing Reserve. Consequently, the Budget Surplus is £94,487. **The Council considered the budget proposals earlier in this meeting and approved various changes to the 2014/15 budget which have been incorporated within this report.**

1.3 The Local Government Act 2003 brought about two legal requirements for the Council when considering its budget and Council Tax for the following year. The Council must consider and approve its prudential indicators, which are necessary to comply with the CIPFA Code and which underpin the capital finance system. These indicators are set out in a separate report on this Agenda (Item (10)) within the Council's Treasury Management Strategy.

1.4 Furthermore, the Council must have regard to the report of the Chief Financial Officer on the robustness of the budget estimates and the adequacy of the Council's financial reserves. This report is incorporated in the Budget Report 2014/15 at Agenda Item (8).

1.5 The Council is required to make resolutions in respect of the tax base (attached at **Schedule 1**) and aggregate levels of Council Tax. The aggregate levels of Council Tax comprise the "basic amount" i.e. parish and district levy (attached at **Schedule 2**), amounts for each band (attached at **Schedule 3**) and inclusion of Gloucestershire County Council and the Police and Crime Commissioner for Gloucestershire (attached at **Schedule 4**). The recommendations to give effect to the legal resolution of these items are necessarily framed.

1.6 If the Council seeks to change the Council budget recommendations, the figures in Recommendation 4 may need to be changed. If the proposed level of District Council Tax is changed, then the figures in **Schedules 2-4** will also need to be changed. In order to make such changes, and to verify them, an adjournment of the Council Meeting may be required.

1.7 For the purposes of passing debts through the Courts, the Council must also formally resolve that certain Officers are empowered to carry out this function. Those Officers are identified at Recommendation 8.

1.8 Since the Cabinet's Meeting on 6<sup>th</sup> February, the precept levels of other precepting bodies have been received. These are detailed below.

1.9 The Town and Parish Council precepts for 2014/15 total £2,190,329. The increase in the average Band D Council Tax for Town and Parish Councils is 1.85% and results in an average Band D Council Tax figure of £59.35 for 2014/15.

1.10 Gloucestershire County Council will meet on 26<sup>th</sup> February 2014 and is proposing no change to the Band D Council Tax of £1,090.50.

1.11 The Police and Crime Commissioner for Gloucestershire has set a precept of £7,666,598. This results in a Band D Council Tax of £207.73.

## 2 Conclusions

2.1 The implications of the 2014/15 budget approved by Council are set out in the formal Council Tax Resolution.

2.2 If the formal Council Tax Resolution is approved, the total Band D Council Tax will be as follows:

	2013/14 £	2014/15 £	Increase %
Cotswold District Council	137.16	133.05	-3
Gloucestershire County Council	1,090.50	1,090.50	0
Police and Crime Commissioner for Gloucestershire	203.68	207.73	1.99
<b>Sub-Total</b>	<b>1,431.34</b>	<b>1,431.28</b>	<b>0. %</b>
Town & Parish Council (average)	58.27	59.35	1.85
<b>Total</b>	<b>1,489.61</b>	<b>1,490.63</b>	<b>0.07%</b>

### Note:

By virtue of The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, which come into force on 25<sup>th</sup> February 2014, recorded votes will be required on any decision relating to the Council's budget or Council Tax. Such a requirement relates not only to substantive budget motions agreeing the budget, setting the council tax or issuing precepts, but also on any amendments proposed in respect of such items at a meeting.

(END)