

CHESHIRE EAST COUNCIL

REPORT TO: COUNCIL

Date of Meeting:	25 th February 2010
Report of:	Borough Treasurer and Head of Assets
Subject/Title:	Council Tax 2010/11 – Statutory Resolution
Portfolio Holder:	Cllr Frank Keegan

1.0 Report Summary

- 1.1 The Council is responsible for the billing and collection of all Council Tax due from local taxpayers. This means that the authority has to collect Council Tax to cover not only its own services but also precepts set by other authorities. The Council Tax levied is therefore made up of four elements:

- Cheshire East Borough Council element
- Parish Councils & Charter Trustees precepts
- Cheshire Police Authority precept
- Cheshire Fire Authority precept

2.0 Decision Requested

- 2.1 To set the Council Tax for the financial year 2010/11, in accordance with the formal resolutions as shown in section 19 of the report.

3.0 Reasons for Recommendations

- 3.1 In accordance with the Local Government Finance Act 1992 the Council is required to set the amounts of the Council Tax for 2010/11 for each of the categories of dwelling in the Council Tax area. This requirement is achieved by approving the statutory resolution shown in this report.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications including - Climate change - Health

- 6.1 None.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

7.1 None.

8.0 Financial Implications 2009-10 and beyond (Authorised by the Borough Treasurer)

8.1 As covered in the report.

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 As covered in the report.

10.0 Risk Management

10.1 The steps outlined in this report will address the main legal and financial risk to the Council's financial management in the setting of a legal Council Tax for 2010/2011.

11.0 Background

11.1 The Council Tax levied is made up of four elements as follows:

- the Council Tax Base for 2010/11 - Appendix A.
- the statutory calculation required to arrive at the amount of Council Tax for each area in respect of Borough Council, Parish Council and Charter Trustees requirements - Appendices B and C.
- the precepts issued by Cheshire Police Authority and Cheshire Fire Authority under Section 40 of the Act – sections 16 and 17 of the report.
- the statutory calculation of the aggregate of the Borough Council, Parish Council, Charter Trustees, Cheshire Police Authority and Cheshire Fire Authority amount of Council Tax for each of the categories of the dwelling for each Council Tax area – Appendix D.

12.0 Council Tax Base

12.1 The Council Tax base for 2010/11 year is 145,171.05. A breakdown of the calculation by Parish and Charter Trustees area is shown in Appendix A.

13.0 General Fund Budget

13.1 On 16th February 2010, Cabinet recommended a General Fund Budget of £240,065,000. The budget is detailed in a separate report on the Council Agenda.

14.0 Cheshire East Borough Council Tax

14.1 The amount of Council Tax that the Borough Council is to levy is:

	£000
Net Budget Requirement	240,065,000
Less Revenue Support Grant	8,049,973
Less Business Rate Pool	55,437,042
Council Tax Requirement	176,577,985

The Band D Council Tax is therefore £1,216.34 (the net requirement of £176,577,985 divided by the tax base of 145,171.05).

15.0 Parish Council and Charter Trustee Precepts

15.1 Each Parish Council and the Charter Trustees of Crewe and Macclesfield have notified the Council with its precept requirement for the year. The total amount of these special items is £3,039,857 which produces an average Band D Council Tax of £20.94.

16.0 Police Authority Precept

16.1 The precept demand issued by Cheshire Police Authority is £20,981,627 which produces a Band D Council Tax of £144.53. This represents an increase of £3.83 (2.72%). Cheshire Police Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands							
A	B	C	D	E	F	G	H
96.35	112.41	128.47	144.53	176.65	208.77	240.88	289.06

17.0 Fire Authority Precept

17.1 The precept demand issued by Cheshire Fire Authority is £9,643,713 which produces a Band D Council Tax of £66.43. This represents an increase of £1.90 (2.94%). Cheshire Fire Authority has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwelling shown below:-

Valuation Bands							
A	B	C	D	E	F	G	H
44.29	51.67	59.05	66.43	81.19	95.95	110.72	132.86

18.0 Total Council Tax

The average Council Tax to be charged to taxpayers in Band D can be summarised as follows:

Element	Charge
	£
Cheshire East Borough Council	1,216.34
Average for Parish Councils and Charter Trustees	20.94
Average Local Council Tax	1237.28
Cheshire Police Authority	144.53
Cheshire Fire Authority	66.43
Total Council Tax	1448.24

19.0 Formal Resolution

19.1 That it be noted that the Council calculated the following amount for the year 2010/11 in accordance with Regulations made under Section 30 - 36 of the Local Government Finance Act 1992:-

- a. £735,280,857 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act.
- b. £492,176,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act.
- c. £243,104,857 being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- d. £63,487,015 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non domestic rates

(£55,437,042) and revenue support grant (£8,049,973) in accordance with Section 97(4) of the Local Government Finance Act 1988.

- e. £1,237.28 being the amount at (c) above less the amount at (d) above, all divided by the amount of the tax base, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- f. £3,039,857 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- g. £1,216.34 being the amount at (e) above less the result given by dividing the amount at (f) above by the amount of the tax base, 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 special item relates.
- h. Appendix A being the amounts calculated by the Council, in accordance with regulations 3 and 6 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its total council tax base for the year and council tax base for dwellings in those parts of its area to which one or more special items relate.
- i. Appendix B being the amounts given by adding to the amount at (g) above, the amounts of special items relating to dwellings in those parts of the Council's area mentioned above divided by in each case the appropriate tax base from Appendix A, calculated by the Council in accordance with Section 34(3) of the 1992 Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of the area to which one or more special items relate. (Band D charges for each Parish and Charter Trustees area).
- j. Appendix C being the amounts given by multiplying the amount at (i) above by the number which, in the proportion set out in Section 5(1) of the 1992 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 1992 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands (Local charges for all Bands).

- k. Appendix D being the aggregate of the local charges in (j) above and the amounts levied by major precepting authorities, calculated in accordance with Section 30(2) of the 1992 Act (The total Council Tax charge for each band in each Parish and Charter Trustees area).

20.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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