

CHESHIRE EAST COUNCIL

COUNCIL

Date of Meeting:	28 th February 2012
Report of:	Finance Manager and Deputy Section 151 Officer
Subject/Title:	Council Tax 2013/2014 – Statutory Resolution

1.0 Report Summary

- 1.1 The Council, as a billing authority, is responsible for the billing and collection of Council Tax due from local taxpayers and must set the overall Council Tax level. This means that the authority also collects Council Tax income 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
- Police & Crime Commissioner for Cheshire precept
- Cheshire Fire Authority precept

2.0 Decision Requested

- 2.1 To set the Council Tax for Cheshire East Council for the financial year 2013/2014, at £1,216.34, in accordance with the formal resolutions as shown in section 18 of the report.
- 2.2 To set the precept levy for Crewe Parish Council of £362,255.

3.0 Reasons for Recommendations

- 3.1 In accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011 the Council is required to set the amounts of the Council Tax for 2013/2014 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 All

5.0 Local Ward Members

- 5.1 All

6.0 Policy Implications including – Carbon Reduction - Health

- 6.1 None.

7.0 Financial Implications (Authorised by the Finance Manager and Deputy Section 151 Officer)

7.1 As covered in the report.

8.0 Legal Implications (Authorised by the Borough Solicitor)

8.1 As covered in the report.

9.0 Risk Management

9.1 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 2013/2014.

10.0 Background

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

- the Council Tax Base for 2013/2014 - **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 Police & Crime Commissioner for Cheshire and Cheshire Fire Authority under Section 40 of the Act – sections 15 and 16 of the report.
- the statutory calculation of the aggregate of the Borough Council, Parish Council, Charter Trustees, Police & Crime Commissioner and Cheshire Fire Authority amount of Council Tax for each of the categories of the dwelling for each Council Tax area – **Appendix D**.

11.0 Council Tax Base

11.1 The Council Tax base, agreed at the Cheshire East Council meeting of 13th December 2012, is 137,122.19 for the year 2013/2014. A breakdown of the calculation by Parish and Charter Trustees area is shown in **Appendix A**.

12.0 General Fund Budget

12.1 On 4th February 2012 Cabinet recommended a General Fund Budget of £259,801,802. The budget is detailed in a separate report on the Council Agenda.

13.0 Cheshire East Borough Council Tax

13.1 The Council Tax Requirement for the Borough Council is £166,787,205.

13.2 The Band D Council Tax is therefore £1,216.34 (the requirement of £166,787,205 divided by the tax base of 137,122.19).

14.0 Parish Council and Charter Trustee Precepts

14.1 Each Parish Council and the Charter Trustees of Macclesfield have notified the Council with its precept requirement for the year. The total amount of these special items is £4,524,178 which produces an average Band D Council Tax of £32.99.

14.2 Cheshire East Council, as the principle authority, is proposing a precept of £362,255 on behalf of Crewe Parish Council. This is because the parish council does not formally come into being until April 2013 and therefore cannot set its own precept at this stage. This reflects the information contained within the Reorganisation Order.

15.0 Police & Crime Commissioner Precept for Cheshire

15.1 The precept demand issued by Police & Crime Commissioner is £21,008,491 which produces a Band D Council Tax of £153.21. This represents an increase of £2.99 (1.99%). The Police & Crime Commissioner 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
102.14	119.16	136.19	153.21	187.26	221.30	255.35	306.42

16.0 Fire Authority Precept

16.1 The precept demand issued by Cheshire Fire Authority is £9,290,028 which produces a Band D Council Tax of £67.75. This represents an increase of £1.32 (1.99%). 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
45.17	52.69	60.22	67.75	82.81	97.86	112.92	135.50

17.0 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	32.99
Average Local Council Tax	1,249.33
Police & Crime Commissioner	153.21
Cheshire Fire Authority	67.75
Total Council Tax	1,470.29

18.0 Formal Resolution

18.1 That it be noted that on 13th December 2012 the Council calculated the Council Tax base 2013/2014

(a) for the whole Council area as 137,122.19.

(b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendices.

18.2 Calculated that the Council Tax requirement for the Council's own purposes for 2013/2014 (excluding Parish precepts) is £166,787,205.

18.3 That the following amounts be calculated for the year 2013/2014 in accordance with Sections 31 to 36 of the Act:

- a. £727,587,024 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.
- b. £556,275,641 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c. £171,311,383 being the amount by which the aggregate at 18.3(a) above exceeds the aggregate at 18.3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
- d. £1,249.33 being the amount at 18.3(c) above divided by the amount at 18.1(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).

- e. £4,524,178 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- f. £1,216.34 being the amount at 18.3(d) above less the result given by dividing the amount at 18.3(e) above by the amount at 18.1(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 relates.
- g. 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.
- h. Appendix B being the amounts given by adding to the amount at (f) 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).
- i. Appendix C being the amounts given by multiplying the amount at (h) 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).
- j. Appendix D being the aggregate of the local charges in (i) 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).

18.4 To note that the Police & Crime Commissioner and the Fire Authority have issued precepts to Cheshire East Council in accordance with section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as shown in sections 15 and 16 above.

18.5 Determine whether Cheshire East Council's basic amount of Council tax for 2013/2014 is excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

19.0 Access to Information

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

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