

## **Council**

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<b>Date of Meeting:</b>	<b>25 February 2016</b>
<b>Report of:</b>	<b>Chief Operating Officer</b>
<b>Subject/Title:</b>	<b>Council Tax 2016/17 - Statutory Resolution</b>
<b>Portfolio Holder:</b>	<b>Cllr Groves</b>

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### **1. Report Summary**

- 1.1. Cheshire East Council, as a billing authority, is responsible for the billing and collection of Council Tax due from local taxpayers and must therefore make a resolution to 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.
- 1.2. The Council Tax levied is therefore made up of four elements:
  - Cheshire East Borough Council element
  - Town & Parish Council precepts
  - Police & Crime Commissioner for Cheshire precept
  - Cheshire Fire Authority precept

### **2. Recommendation**

- 2.1. To set the Council Tax for Cheshire East Council for the financial year 2016/17, at £1,261.95, in accordance with the formal resolutions as shown in section 13 of the report.

### **3. Other Options Considered**

- 3.1. No further options to be considered.

### **4. Reasons for Recommendation**

- 4.1. 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 2016/17 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.

## 5. Background/Chronology

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

- the Council Tax Base for 2016/17 - **Annex A**.
- the statutory calculation required to arrive at the amount of Council Tax for each area in respect of Borough Council, Town and Parish Council requirements - **Annexes B and C**.
- the precepts issued by Police & Crime Commissioner for Cheshire and Cheshire Fire Authority under Section 40 of the Act – sections 10 and 11 of the report.
- the statutory calculation of the aggregate of the Borough Council, Parish Council, Police & Crime Commissioner and Cheshire Fire Authority amount of Council Tax for each of the categories of the dwelling for each Council Tax area - **Annex D**.

## 6. Council Tax Base

6.1. The Council Tax base was agreed at the Cheshire East Council meeting of [17th December 2015](#) as 142,186.60 for the year 2016/17. A breakdown of the calculation by Parish is attached at **Annex A**.

## 7. General Fund Budget

7.1. On 9<sup>th</sup> February 2016 [Cabinet](#) recommended a General Fund Budget of £247,902,448. The calculation reflects the detailed Medium Term Financial Strategy prepared by Cabinet and the additional recommendation from Cabinet in relation to the treatment of late funding announcements.

## 8. Cheshire East Borough Council Tax

8.1. The Council Tax Requirement for the Borough Council is £179,432,775.

8.2. The Band D Council Tax is therefore £1,261.95 (the requirement of £179,432,775 divided by the tax base of 142,186.60).

8.3. The Council has frozen Council Tax for five years in line with Government policy. During that time the Council made efficiencies and transformed service levels to assist this policy. However, with the increase in demand for services, such as Adult Social Care, more Children in Care and a change in Government policy to reduce grant levels further than expected on the basis that Council Tax is increased to compensate, this has been reviewed. As such it is recommended that Council Tax is increased by 3.75% to give a Band D charge of £1,261.95.

## **9. Parish Council Precepts**

- 9.1. Each Parish Council has notified the Council with its precept requirement for the year. The total amount of these special items is £6,390,697 which produces an average Band D Council Tax of £44.95.

## **10. Police & Crime Commissioner Precept for Cheshire**

- 10.1. The precept demand issued by Police & Crime Commissioner is £22,924,746 which produces a Band D Council Tax of £161.23. This represents a 3.2% increase on the 2015/16 Band D Council Tax level. 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
107.49	125.40	143.32	161.23	197.06	232.89	268.72	322.46

## **11. Fire Authority Precept**

- 11.1. The precept demand issued by Cheshire Fire Authority is £10,217,529 which produces a Band D Council Tax of £71.86. This represents a 1.99% increase on the 2015/16 Band D Council tax level. 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
47.91	55.89	63.88	71.86	87.83	103.80	119.77	143.72

## **12. Total Council Tax**

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

12.2.

Element	Charge
	£
Cheshire East Borough Council	1,261.95
Average for Parish Councils	44.95
<b>Average Local Council Tax</b>	<b>1,306.90</b>
Police & Crime Commissioner	161.23
Cheshire Fire Authority	71.86
<b>Total Council Tax</b>	<b>1,539.99</b>

### 13. Formal Resolution

13.1. That it be noted that on 17<sup>th</sup> December 2015 the Council calculated the Council Tax base 2016/17.

(a) for the whole Council area as 142,186.60 (item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")).

(b) for individual parishes, as in Appendix A.

13.2. Calculated that the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts) is £179,432,775.

13.3. That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:

- a. £647,789,528 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. £461,966,056 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- c. £185,823,472 being the amount by which the aggregate at 13.3(a) above exceeds the aggregate at 13.3(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. £1,306.90 being the amount at 13.3(c) above divided by the amount at 13.1(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. £6,390,697 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act
- f. £1,261.95 being the amount at 13.3(d) above less the result given by dividing the amount at 13.3(e) above by the amount at 13.1(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. Annex 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. Annex 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 Annex 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 area).
- i. Annex 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. Annex 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 area).

13.4. 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 10 and 11 above.

13.5. Determine whether Cheshire East Council's basic amount of Council tax for 2016/17 is excessive in accordance with principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992.

#### **14. Wards Affected and Local Ward Members**

14.1. Not applicable.

#### **15. Implications of Recommendation**

##### **15.1. Policy Implications**

15.1.1. None.

##### **15.2. Legal Implications**

15.2.1. As covered in the report.

##### **15.3. Financial Implications**

15.3.1. As covered in the report.

##### **15.4. Equality Implications**

15.4.1. None.

##### **15.5. Rural Community Implications**

15.5.1. None.

##### **15.6. Human Resources Implications**

15.6.1. None.

## **15.7. Public Health Implications**

15.7.1. None.

## **15.8. Other Implications (Please Specify)**

15.8.1. None.

## **16. Risk Management**

16.1. 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 level for 2016/17.

## **17. Access to Information/Bibliography**

17.1. The following are links to key background documents:

[Taxbase Report 2016/17 \(Council 17th December 2015\)](#)

[Council Tax Support Scheme 2016/17 \(Council 17th December 2015\)](#)

[Medium Term Financial Strategy 2016-19 \(Cabinet 9th February 2016\)](#)

## **18. Contact Information**

Contact details for this report are as follows:-

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