

# Chichester District Council

10 March 2015

## Council Tax Resolution

### 1. Contacts

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### 2. Recommendation

#### 2.1. That the following, as submitted to and recommended by the Cabinet as the Budget for 2015-16 be approved:-

- i. the revenue estimates for 2015-16 (see papers to 3 February 2015 Cabinet).
- ii. the 2015-16 Net Revenue Budget in respect of the Council's own services be approved at £14,048,900.
- iii. the 2015-16 Council Tax Requirement in respect of the Council's own services be approved at £7,111,496.
- iv. the five year capital programme for the years 2015 - 2020.
- v. that Council approve a Council Tax of £140.81 (Band D equivalent). This represents a 0% increase or council tax freeze on the Band D charge.
- vi. that a new Investment Opportunities Reserve of £822,100 is created.

#### 2.2. That Council approve the Resolutions in Appendix A.

### 3. Main Report

#### 3.1 Introduction

- 3.1.1 The Cabinet at its meeting on 3 February 2015 recommended that Council approve a 0% Council Tax increase or Council Tax freeze for 2015-16. The purpose of this report is to enable Council to make the necessary resolutions in relation to the setting of Council Tax for 2015-16.

- 3.1.2 Since the meeting of Cabinet the final Financial Settlement has been received. The final settlement makes no changes to the government funding figures presented to the Cabinet.
- 3.1.3 The Council has recently been notified that the Internal Drainage Board Levy for 2015-16 payable to the Environment Agency will be £2,000 more than anticipated when the draft budget was reported to the Cabinet. This additional cost has been contained within the base budget for 2015-16 by reducing the sum identified to be transferred to a new Investment Opportunities Reserve from £824,100 to £822,100.
- 3.1.4 Section 30(1) of the Local Government Finance Act 1992 requires the Council to set an amount of Council Tax each financial year for each category of dwelling in its area. Chichester District Council, as a billing authority for the purposes of Council Tax, is required to set its Council Tax before 11 March in the financial year preceding that for which the Council Tax is set.
- 3.1.5 These amounts are based on the Council's own budget, plus precepts from Parish Councils where applicable, plus shares of the budget for West Sussex County Council and The Police and Crime Commissioner for Sussex, all divided by the tax base. At its meeting on 4 December 2014, the Cabinet approved the tax base for the Chichester District and for each of the Parish/Town Council areas for 2015-16 totalling 50,504.20 Band D equivalents.
- 3.1.6 For the purpose of calculating council tax, dwellings are allocated to valuation bands and the amount of Council Tax paid for dwellings in each band is calculated using nationally set weightings for each band.
- 3.1.7 Since the meeting of Cabinet on 3 February 2015, the precept levels of the other precepting bodies have been received. These are detailed as follows:

#### **Parish and Town Councils**

The Parish and Town Council precepts for 2015-16 are detailed in Appendix C and total £2,462,448. The increase in the average Band D Council Tax for Parish and Town Councils is 6.0% and results in an average Band D Council Tax figure of £48.76 for 2015-16

#### **West Sussex County Council**

West Sussex County Council met on 13 February 2015 and set their precept at £58,685,375.36. This results in a Band D Council Tax of £1,161.99, a 0% increase on the previous year.

#### **The Police and Crime Commissioner for Sussex**

The Police and Crime Commissioner for Sussex met on 13 February 2015 and set their precept at £7,268,059.42. This results in a Band D Council Tax of £141.12, an increase of 1.98% on the previous year.

## 3.2 Explanatory Note

3.2.1 The Act specifies the calculations required and the resolution is structured to meet those requirements. The resolution is divided into the following sections:

a) Council Tax Base (Resolution 1)

This resolution stipulates the Council Tax Base for the forthcoming financial year, as agreed by the Cabinet at its meeting on 4 December 2014.

b) Council Tax Requirement (Resolution 2)

This resolution sets the Council's own Council Tax Requirement for the purpose of setting council tax. It represents the amount of council tax that the Council must collect from the council tax payers in its area to fund the budget for its own activities for the forthcoming year.

The Council Tax Requirement is calculated by taking the Council's Net Revenue Budget for 2015-16 of £14,048,900, and deducting the aggregate of the amount of support the Council receives from the government in the form of the Formula Grant and other Non-specific Grants, and transfers to or from the Collection Fund.

c) Basic Amount of Council Tax (Resolution 3)

This resolution sets the Basic Amount of Council Tax for each part of the Council's area. These amounts are based on precepts from parish councils in addition to the budget for the Council's own activities and hence the Basic Amount of Council Tax differs between parts of the Council's area.

d) Precepts of Major Precepting Authorities (Resolution 4)

As a billing authority, the Council also collects council tax in its area on behalf of West Sussex County Council and The Police and Crime Commissioner for Sussex. The amount that they precept is based on their Council Tax Requirement, divided between West Sussex districts and boroughs in proportion to the number of Band D equivalent dwellings in each district/borough area.

e) Setting of Council Tax (Resolution 5)

This resolution sets out the total amount of council tax payable for each category of dwelling and for each part of the Council's area, including the basic amount for each part of the Council's area plus the amounts precepted by West Sussex County Council and The Police and Crime Commissioner for Sussex.

f) Excessive Council Tax Increases (Resolution 6)

The Localism Act 2011 abolished the council tax capping regime in England and introduced a new chapter into the Local Government Finance 1992 Act, making provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding

principles determined by the Secretary of State and agreed by the House of Commons.

Under Section 52ZC of the 1992 Act, the principles for 2015-16 are, that authorities are required to seek approval from their electorate in a referendum if, compared with 2014-15, they set a council tax increase of 2% or more.

Section 52ZB of the 1992 Act requires the Council to determine whether its Relevant Basic Amount of Council Tax is excessive in accordance with these principles.

#### **4. Background Papers**

4.1. Budget Spending Plans Report submitted to the Cabinet on 3 February 2015. These are available on the Council's website at <http://www.chichester.gov.uk/article/25873/Cabinet---3-February-2015>

#### **5. Appendices**

- Appendix A Council Tax Resolutions
- Appendix B Council Tax charges 2015-16
- Appendix C Town and Parish Council precepts

# Chichester District Council

## COUNCIL TAX RESOLUTION

The Council is recommended to resolve as follows:

1. It be noted that on 4 December 2014, the Council calculated the Council Tax Base 2015-16
  - a) for the whole Council area as **50,504.20** [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 C.
  
2. That the Council Tax requirement for the Council’s own purposes for 2014-15 (excluding Parish precepts) is **£7,111,496**.
  
3. That the following amounts be calculated by the Council for the year 2014-15 in accordance with Sections 31 to 36 of the Act:
  - a) **£93,152,515** 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) **£83,578,571** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  
  - c) **£9,573,944** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 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) **£189.57** being the amount at 3(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).
  
  - e) **£2,462,448** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).

- f) **£140.81** being the amount at 3(d) above less the result given by dividing the amount at 3(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.

4. That it be noted that for the year 2015-16 the West Sussex County Council and The Police and Crime Commissioner for Sussex 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 in the table below:-

All of the Council's Area	Valuation Band							
	A £	B £	C £	D £	E £	F £	G £	H £
West Sussex County Council	774.66	903.77	1,032.88	1,161.99	1,420.21	1,678.43	1,936.65	2,323.98
The Police and Crime Commissioner for Sussex	95.94	111.93	127.92	141.12	175.89	207.87	239.85	287.82

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix B as the amounts of Council Tax for the year 2015-16 for each part of its area and for each of the categories of dwellings.
6. That the Council hereby determines in accordance with Section 52ZB of the Local Government Finance Act 1992, that its relevant basic amount of Council Tax for 2015-16 is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Local Government Finance Act 1992. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2015-16 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

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