

# Chichester District Council

COUNCIL

1 March 2016

## Council Tax Resolution

### 1. Contacts

#### **Cabinet Member:**

Philippa Hardwick, Cabinet Member for Finance,  
Tel: 01428 642464 Email: [phardwick@chichester.gov.uk](mailto:phardwick@chichester.gov.uk)

#### **Report Authors:**

John Ward, Head of Finance and Governance,  
Tel: 01243 534805 Email: [jward@chichester.gov.uk](mailto:jward@chichester.gov.uk)

David Cooper, Group Accountant,  
Tel: 01243 534733 Email: [dcooper@chichester.gov.uk](mailto:dcooper@chichester.gov.uk)

### 2. Recommendation

#### 2.1. That the following, as submitted to and recommended by the Cabinet as the Budget for 2016-17 be approved:-

- i. the revenue estimates for 2016-17 (see papers to 9 February 2016 Cabinet).
- ii. the 2016-17 Net Revenue Budget in respect of the Council's own services be approved at £15,324,900.
- iii. the 2016-17 Council Tax Requirement in respect of the Council's own services be approved at £7,470,946.
- iv. the five year capital programme for the years 2016 - 2021.
- v. that Council approve a Council Tax of £145.81 (Band D equivalent). This represents a £5.00 (3.55%) increase on the Band D charge.
- vi. that the Investment Opportunities Reserve is increased by £1,296,400.

#### 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 9 February 2016 recommended that Council approve a £5.00 Council Tax increase for 2016-17. The purpose of this report is to enable Council to make the necessary resolutions in relation to the setting of Council Tax for 2016-17.

- 3.1.2 Details of the final Financial Settlement were received on the morning of the Cabinet Meeting. The final settlement made a number of changes to the government funding figures presented in the report to Cabinet that were verbally reported by the Head of Finance and Governance Services at the meeting and subsequently reflected in the Cabinet recommendations.
- 3.1.3 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.
- 3.1.4 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 1 December 2015, the Cabinet approved the tax base for the Chichester District and for each of the Parish/Town Council areas for 2016-17 totalling 51,237.90 Band D equivalents.
- 3.1.5 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.
- 3.1.6 Since the meeting of Cabinet on 9 February 2016, 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 2016-17 are detailed in Appendix C and total £2,721,509. The increase in the average Band D Council Tax for Parish and Town Councils is 8.94% and results in an average Band D Council Tax figure of £53.12 for 2016-17

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

West Sussex County Council met on 19 February 2016 and set their precept at £61,889,747.03. This results in a Band D Council Tax of £1,207.89, a 3.95% increase on the previous year.

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

The Police and Crime Commissioner for Sussex met on 5 February 2016 and set their precept at £7,629,835.69. This results in a Band D Council Tax of £148.91, an increase of 3.47% 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 1 December 2015.

b) Council Tax Requirement (Resolution 2)

This resolution sets the Councils 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 2016-17 of £15,324,900, 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 2016-17 are, that authorities such as Chichester are required to seek approval from their electorate in a referendum if, compared with 2016-17, they set a council tax increase of above £5.00 or 2% whichever is the greater.

Currently Chichester is the second lowest taxing billing authority in the County. Across West Sussex the Council Tax for billing authorities varies from £140.03 to £271.53.

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 9 February 2016.

#### **5. Appendices**

- Appendix A Council Tax Resolutions
- Appendix B Council Tax charges 2016-17
- Appendix C Town and Parish Council precepts

##### **Cabinet Report Appendices (updated)**

- Appendix 1 Draft Summarised Income and Expenditure Account.
- Appendix 2 Capital and Projects Programme 2016-17 to 2020-21
- Appendix 3 Asset Replacement Forecast 2016-17 to 2020-21
- Appendix 4 Capital Programme Resource Statement
- Appendix 5 Reserves Statement

# Chichester District Council

## COUNCIL TAX RESOLUTION

The Council is recommended to resolve as follows:

1. It be noted that on 1 December 2015, the Council calculated the Council Tax Base 2016-17
  - a) for the whole Council area as **51,237.90** [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 2016-17 (excluding Parish precepts) is **£7,470,946**.
3. That the following amounts be calculated by the Council for the year 2016-17 in accordance with Sections 31 to 36 of the Act:
  - a) **£91,022,329** 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) **£80,829,874** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - c) **£10,192,455** 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) **£198.92** 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) **£2,721,509** 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) **£145.81** 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 2016-17 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	805.26	939.47	1073.68	1207.89	1476.31	1744.73	2013.15	2415.78
The Police and Crime Commissioner for Sussex	99.27	115.82	132.36	148.91	182.00	215.09	248.18	297.82

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 2016-17 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 2016-17 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 2016-17 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.

J. Ward  
Head of Finance and Governance