

WEST OXFORDSHIRE DISTRICT COUNCIL

WEDNESDAY, 24 FEBRUARY 2016

REPORT OF THE CABINET

THE BUDGET AND COUNCIL TAX 2016/17 – FORMAL RESOLUTION

(Contact: Frank Wilson: Tel: (01993) 861291)

I. PURPOSE

The purpose of this report is to advise the Council of the Cabinet's recommendations for the Council's General Fund revenue budgets for 2016/17, Capital Programme for 2016/17 to 2020/2021 and to enable the Council to set the Council Tax for 2016/17. The formal resolution to give effect to the legal setting of the Council's budget and Council Tax for 2016/17 and associated precepts and other matters is contained within the Recommendations.

2. RECOMMENDATIONS

It is recommended that:-

- 1) the General Fund revenue budgets and use of balances for 2016/17 as detailed in Appendix A be approved;
- 2) the Capital Programme for 2016/17 to 2020/2021 as detailed in Appendix A be approved;
- 3) the Prudential Indicators as set out in Appendix B be approved;
- 4) the report of the Strategic Director at Appendix C be noted;
- 5) the 2016/17 Pay Policy Statement as set out in Appendix D be approved;
- 6) for the purpose of the Local Government Finance Act 1992 Section 35(2), there are no special expenses for the District Council in 2016/17;
- 7) it be noted that at its meeting held on 20 January 2016 the Council calculated the Council Tax Base 2016/17
 - a) for the whole Council area as 41,512.03 [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 Schedule 1.
- 8) the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish Precepts and Special Expenses) is £86.63
- 9) the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:-
- a) £56,866,739 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 and any additional special expenses.
- b) £50,027,647 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
- c) £6,839,092 being the amount by which the aggregate at 9(a) above exceeds the aggregate at 9(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) £164.75 being the amount at 9(c) above (Item R), all divided by Item T (7(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 and Special Expenses);
- e) £3,242,905 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the Act as per the attached Schedule 2.
- f) £86.63 being the amount at 9(d) above less the result given by dividing the amount at 9(e) above by Item T(7(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 or special item relates;
- g) the amounts shown in Schedule 2 being the amounts given by adding to the amount at 9(f) above, the amounts of the special item or items relating to dwellings in those parts of the Council's area shown in Schedule 2 divided in each case by the amount at 7(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;
- h) the amounts shown in Schedule 3 being the amounts given by multiplying the amounts at 9(f) and 9(g) above by the number which, in the proportion set out in Section 5(1) of the 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 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;

- 10) it be noted that for the year 2016/17 the Oxfordshire County Council and the Police and Crime Commissioner for the Thames Valley 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 below:-

<u>Valuation Band</u>	Oxfordshire County Council	Police and Crime Commissioner for Thames Valley
	£	£
A	854.43	111.31
B	996.83	129.86
C	1,139.24	148.41
D	1,281.64	166.96
E	1,566.45	204.06
F	1,851.26	241.16
G	2,136.07	278.27
H	2,563.28	333.92

- 11) the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in Schedule 4 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.
- 12) the Council's basic amount of Council Tax for 2016/17 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.
- 13) the Strategic Director (Chief Finance Officer), GO Shared Service Head of Finance, Group Manager of Legal and Property Services, Joint Principal Solicitor, Joint Legal Executive, Group Manager Revenues and Welfare Support, Joint Operations Manager, Joint Support Lead Officer, Overpayments Officer, Senior Recovery Revenues Officer, Senior Revenues Officer, Revenues Officer, and Recovery Officer be authorised to:-
- collect and recover any National Non-Domestic Rates and Council Tax, and
 - prosecute or defend on the Council's behalf or to appear on its behalf in proceedings before a magistrate's court in respect of unpaid National Non-Domestic Rates and Council Tax.

3. BACKGROUND

- 3.1 The Localism Act 2011 made changes to the Local Government Finance Act 1992, and requires:-
 - a) the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
 - b) the Council to confirm that its basic amount of Council Tax for 2016/17 is not excessive. This covers the requirements of Chapter 4ZA Local Government Finance Act 1992 – Referendums relating to Council Tax increases.
- 3.2 The Cabinet at its 10 February 2016 meeting recommended a Council Tax of £86.63 at Band D with the use of General Fund balances of £131,531 in 2016/17 as detailed in the Revenue Budget 2016/17 in Appendix A, the “Budget Book”.
- 3.3 The Local Government Act 2003 brought about two legal requirements for the Council when considering its budget and Council Tax for the following year. The Council must consider and approve its Prudential Indicators which are necessary to comply with the CIPFA Code and which underpin the capital finance system. These indicators are set out at Appendix B. A full explanation of each of the Prudential Indicators was presented to Cabinet on 10 February 2016.
- 3.4 The Council must have regard to the report of the Chief Financial Officer on the robustness of the budget estimates and the adequacy of the Council’s financial reserves. This report is attached at Appendix C.
- 3.5 Furthermore, in accordance with sections 38 to 43 of the Localism Act 2011 in relation to ‘Pay Accountability,’ the Council is required to adopt a Pay Policy Statement for the following financial year by 31 March each year. The statement for 2016/17 is attached at Appendix D
- 3.6 The Council is required to make resolutions in respect of the tax base (Schedule 1) and aggregate levels of Council Tax. The aggregate levels of Council Tax comprise the “basic amount” i.e. parish and district levy (Schedule 2), amounts for each band (Schedule 3) and inclusion of Oxfordshire County Council and Police and Crime Commissioner for Thames Valley Precepts (Schedule 4). The recommendations to give effect to the legal resolution of these items are necessarily framed.
- 3.7 The average parish council tax levy is £78.12. This compares to £74.15 in 2015/16, an increase of 5.35%.
- 3.7 If the Council seeks to change the Cabinet’s budget recommendations, the figures in Recommendation 8 may need to be changed. If the proposed level of District Council Tax is changed then the figures in Schedules 2-4 will also need to be changed. In order to make such changes and verify them, there would need to be an adjournment of the Council meeting.

- 3.8 For the purposes of passing debts through the Courts, the Council must also formally resolve that certain officers are empowered to carry out this function. Those officers are identified at Recommendation 13.

B Norton

Leader of the Council

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12 February 2016