

South Northamptonshire Council

Council

27 February 2019

<p>Calculating the amounts of Council Tax for 2019/20 and setting the Council Tax for 2019/20</p>
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Report of Section 151 Officer

This report is public

Purpose of report

To detail the Calculations for the amounts of Council Tax for 2019-20 and the setting of Council Tax for 2019-2020.

1.0 Recommendations

It is recommended that the Council resolves:-

- 1.1 That it be noted that the Section 151 Officer in consultation with the Portfolio holder for Finance and Governance calculated the Council Tax Base 2019-20:
 - a) for the whole Council area as 36,067.1 [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 column 2 of the attached Appendix 1.
- 1.2 That the Council Tax requirement for the Council's own purposes for 2019-20 (excluding Parish Precepts and Special Expenses) is £6,900,718.
- 1.3 That the following amounts be calculated for the year 2019-20 in accordance with Sections 31 to 36 of the Act:-
 - a) £38,339,986 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) £28,355,046 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - c) £9,984,940 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) £276.84 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 and Special Expenses);
- e) £3,084,222 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) £191.33 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 for dwellings in those parts of its area to which no Parish Precept or special item relates;

1.4 It be noted that for the year 2019-20 the Northamptonshire County Council, the Police and Crime Commissioner for Northamptonshire and the Northamptonshire Commissioner Fire and Rescue Authority 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</u> <u>Band</u>	Northamptonshire County Council	Police and Crime Commissioner for Northamptonshire	Northamptonshire Commissioner Fire and Rescue Authority
	£	£	£
A	824.07	163.36	40.51
B	961.41	190.59	47.26
C	1,098.76	217.81	54.01
D	1,236.10	245.04	60.76
E	1,510.79	299.49	74.26
F	1,785.48	353.95	87.76
G	2,060.17	408.40	101.27
H	2,472.20	490.08	121.52

1.5 The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix 2 as the amounts of Council Tax for the year 2019-20 for each part of its area and for each of the categories of dwellings.

1.6 The Council's basic amount of Council Tax for 2019-20 is not deemed to be excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

1.7 To approve the discount and exemptions set out below:

- i Agree that in respect of properties within Class A and B as defined by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012(furnished chargeable dwellings that are not the sole or a main residence of an individual) the discount provided by Section 11A of the Local Government Finance Act 1992 shall be zero.

- ii Agree that in respect of properties within Class C as defined by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (a property that is unoccupied and substantially unfurnished) the discount provided by Section 11A of the said Act shall be 50% for a period of three months and thereafter zero.
- iii Agree that in respect of properties within Class D as defined by the said Regulations (chargeable dwellings that are vacant and undergoing major repair work to render them habitable) the discount provided by Section 11A of the said Act shall be zero.
- iv Agree no council tax discount shall be applied to dwellings that are unoccupied and substantially unfurnished for more than two years and that the council tax payable on such properties is 200% (except for those properties which fall into prescribed Classes E and F).

2.0 Introduction

- 2.1 Sections 31 to 36 of the Local Government Finance Act 1992 require each billing authority to calculate its own amount of tax for each category of dwellings in its area.
- 2.2 Section 30 of the 1992 Act requires each billing authority to set the amounts of tax for its area, including the amounts levied on it by way of precept from major precepting authorities.
- 2.3 It is proposed that Members consider the contents of this report and associated Appendices when making their decisions on the Council tax setting at this meeting.

3.0 Report Details

Background Information

- 3.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now 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 2019-20 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 11 February 2019 meeting, recommended to Full Council an increase in Council Tax of 2.99% for 2019-20, a district Council Tax of £191.33 at Band D.
- 3.3 The Council is required to make resolutions in respect of the tax base (Appendix 1) and aggregate levels of Council Tax. The aggregate levels of Council Tax comprise the “basic amount” i.e. parish and district levy and inclusion of Northamptonshire

County Council, Police and Crime Commissioner for Northamptonshire and Northamptonshire Commissioner Fire and Rescue Authority (Appendix 1), amounts for each band (Appendix 2) The recommendations to give effect to the legal resolution of these items are necessarily framed. .

- 3.4 The average parish council tax levy is £85.51. This compares to £79.76 in 2018-19, an increase of 7.2%.
- 3.5 The precept figures included for the Police and Crime Commissioner for Northamptonshire and the Northamptonshire Commissioner Fire and Rescue Authority were approved on 5 February 2019 and the precept figures included for Northamptonshire County Council are subject to approval on 21 February 2019. If the precept figures do alter this will change the total council tax payable in each band and an update will be circulated at the Full Council Meeting.
- 3.6 During the last year Northamptonshire County Council have faced severe financial difficulties and issued two Section 114 notices. This meant that they were not able to spend anything not already committed to, unless it related to safeguarding the vulnerable. The financial position has improved and Northamptonshire County Council is now proposing to set a balanced budget for 2019/20. All Councils across Northamptonshire are currently awaiting decision regarding Local Government Reorganisation and this will impact upon future of the County. The financial position and any potential impact on South Northamptonshire Council will continue to be closely monitored.

4.0 Conclusion and Reasons for Recommendations

- 4.1 This is a statutory report calculating and setting the Council Tax for South Northamptonshire Council for 2019-20.

5.0 Consultation

- 5.1 Cllr Peter Rawlinson – Portfolio Holder for Finance and Governance has been consulted on the report.

6.0 Alternative Options and Reasons for Rejection

- 6.1 It is the legal responsibility for the Council to set an agreed Council Tax by 11 March under sections 31A and 31B of the Local Government Finance Act 1992.

The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To fail to consider this report and fail to meet the deadline prescribed in the Local Government Finance Act 1992 as detailed above.

7.0 Implications

Financial and Resource Implications

- 7.1 Through setting tax levels in accordance with the recommendations, the tax set should raise the amount required to be met from the Collection Fund to pay the precepts to Northamptonshire County Council, Police and Crime Commissioner for Northamptonshire and Northamptonshire Commissioner Fire and Rescue Authority as well as to meet this Council's demand, which includes local precepting authority precepts.

Members should be aware that Section 106 of the Local Government Finance Act 1992 applies to decisions made in accordance with this report.

Accordingly, any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax

Comments checked by:

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Legal Implications

- 7.2 Under the Local Government Finance Act 1992, local authorities must set a council tax that takes into account its budget requirement, and any authority proposing an excessive increase in council tax must hold a local referendum and obtain a 'yes' vote before implementing the increase. An authority proposing an excessive increase must also make substitute calculations, based on a non-excessive council tax level. This takes effect if the excessive increase is rejected in the referendum. Accordingly, authorities must raise less than the threshold to avoid a referendum. Council tax setting legally requires a recorded vote.

Comments checked by:

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Risk management

- 7.3 Risk assessment – The tax base supports the draft budget considered by the Cabinet at its meeting held on 11 February 2019, and the tax base is an integral part of the budget. This risk will be managed as part of the services operational risk and escalated the Leadership risk register as and when necessary.

Comments checked by:

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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Peter Rawlinson – Portfolio Holder for Finance and Governance

Document Information

Appendix No	Title
Appendix 1	Calculations Required by Sections 31 of 36 of the Local Government Finance Act 1992.
Appendix 2	Council Tax Setting required by Section 30 of the 1992 Act
Reference Papers	
Provisional Precept Calculations from Northamptonshire County Council and approved Precept calculations from Police and Crime Commissioner for Northamptonshire and Northamptonshire Commissioner Fire and Rescue Authority	
Background Papers	
None	
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