

Report of: Head of Finance

To: Council

Date: 20 February 2012 **Item No:**

Title of Report: Council Tax 2012/13

Summary and Recommendations

Purpose of report: The Council Tax for Oxford City for 2012/13 is required to be set by Council, in accordance with the Local Government Finance Acts, 1988 and 1992, as amended by The Localism Act 2011. This report contains the necessary calculations.

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: None

Recommendation(s): Council is asked to approve for 2012/13: -

1. The City Council's precept and Council Tax requirement of £12,587,330 (inclusive of Parish Precepts). Net of the Parish Precepts, the figure is £12,394,330.
2. The average Band D Council Tax figure (excluding Parishes) of £262.96. This remains the same as in 2011/12, i.e. a zero percent increase. Including Parish Precepts the figure is £267.05, a minimal (0.41p) increase on the 2011/12 figure of £266.64 (see paragraph 11).
3. The contribution to the Parish of Old Marston of £10,000 in recognition of the additional expenditure that Parish incurs as a consequence of maintaining the cemetery (see paragraph 17).
4. The amount of £490,303 to be treated as Special Expenses (see paragraph 18).
5. The Band D Council Taxes for the various areas of the City (excluding the Police and County Council's additions) as follows:-

Littlemore	£284.50
Old Marston	£291.55
Risinghurst and Sandhills	£279.97
Blackbird Leys	£261.16
Unparished Area	£265.15

These figures include the Parish Precepts and special expensing amounts as appropriate on top of the City-wide Council Tax of £252.56.

The Council is also asked to note:

6. Oxfordshire County Council's precept and Band D Council Tax (see paragraph 21).
7. The Thames Valley Police Authority's precept and Band D Council Tax (see Paragraph 22).
8. The overall average Band D equivalent Council Tax of £1,583.06. This includes the Parish Precepts.

Appendix 1 Statutory Calculations Required for Setting of the Council Tax

Appendix 2 Council Tax Amounts per Band 2012/13

Appendix 3 Risk Management Implications

BACKGROUND

9. The Localism Act, 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the authority to calculate a council tax requirement for the year, not its budget requirement as previously. Our estimate of this figure, including the Parish Precepts is £12,587,330. The Council Tax requirement for the Council's own purposes is £12,394,330. The detailed calculation is shown in Appendix 1.

CALCULATION OF BASIC AMOUNT OF COUNCIL TAX

10. The tax bases for the various parts of the City were approved at Council on 19th December 2011 and totalled 47,133.9. This allows 2.0% for non-collection and represents a 0.32% increase on the 2011/12 figure of 46,983.8. Overall the total number of dwellings has continued to gradually rise albeit at a reduced rate.

11. The Basic Amount of Tax is calculated under Sections 31B of the Local Government Finance Act 1992. Details are shown in Appendix 1 and summarised below.

	£
Requirement from Council Tax <i>(including Parishes)</i>	12,394,330 12,587,330
Tax Base	47,133.90
Basic Amount of Council Tax Band D <i>(including Parishes)</i>	262.96 267.05

12. The Basic Amount of Council Tax (exclusive of Parish precepts) remains at the 2011/12 figure of £262.96. Including Parish Precepts the figure has increased to £267.05. This is due to a £10,000 overall increase in the total of the Parish Precepts (see paragraph 16).
13. The Basic Amount of Council Tax is calculated by dividing the total City Council Precept (which includes the amount to be collected for the Parishes) by the tax base. This amount of tax is calculated purely to comply with statutory requirements.

CALCULATION OF ACTUAL AMOUNTS OF COUNCIL TAX

14. The calculation of the City Wide tax is set out below:-

	£
Council Tax Requirement	12,587,330
Less Parish Precepts	193,000
Less Unparished Area special expenses	490,303
City- Wide Requirement	11,904,027
Divided by Tax Base	47,133.9
City-Wide Council Tax at Band D	252.56

The City Wide Tax is payable by all dwellings throughout the Authority's area.

15. The Parishes have issued the City Council with their precepts these and the respective additions for the special expensing of cemeteries are as follows:

	Parish Precept £	Special Expense for Cemeteries £	Total £	Tax Base Numbers	Average Band D £
Littlemore	61,000	1,057	62,057	1,943	31.94
Old Marston *	51,000		51,000	1,308	38.99
Risinghurst and Sandhills	41,000	831	41,831	1,526	27.41
Blackbird Leys	30,000	2,026	32,026	3,723	8.60
Unparished Area	465,364	21,025	486,389	38,634	12.59
TOTAL	648,364	24,939	673,303	47,134	

(* this is net of the £10,000 contribution – see paragraph 17).

16. LITTLEMORE PARISH

It should be noted that Littlemore is the only parish to increase its precept demand from 2011/12 (the figure has risen from £51,000 to £61,000). This has resulted in an increase per Band D dwelling in that parish of £4.88p.

17. OLD MARSTON PARISH

The May 2002 Guidance Note issued by Central Government (DTLR) on Financial Arrangements with Parish and Town Councils outlines principles that should be followed in financial arrangements between District and Parish Councils. These include:

- Fairness in the provision of services (and access to them) by the principal authority between different parts of their area
- Democratic control and accountability – to let local councils support additional services with additional expenditure

18. Old Marston Parish Council has made a case for a contribution to the Parish in recognition of the additional expenditure that the Parish incurs in relation to maintaining their cemetery; this has been ongoing since 2008/09. The Parish maintains the cemetery the use of which is not restricted to residents of that Parish, hence a contribution has been made to reduce the parish precept in recognition of this fact. For 2012/13 the Old Marston parish precept has been calculated as £61,000 and a recommendation is made to Council to reduce this by £10,000 to £51,000.

19. UNPARISHED AREA OF THE CITY

Only part of the City area is covered by parishes. In the Unparished Area the City Council itself undertakes the parish functions. Section 35 (2) of the Local Government Finance Act 1992, states that ‘special expenses’ should be calculated when there are “any expenses incurred by a billing authority in performing in a part of its area a function performed elsewhere in its area bya parish”.

20. The review of special expenses for 2012/13 has resulted in a slight reduction in the council tax bill of households in unparished areas of

the city (£0.43 for a band D property per annum), and a slight increase in the council tax bill in three of the parished areas. This reflects an assessment of which functions are, and are not, performed by the parishes.

21. Within the City area the services shown in the table below are currently provided by at least one Parish Council. To avoid double counting the cost of providing these services (equated to a Band D equivalent) in the parished areas providing them, a special expense - equivalent to the cost of providing these services elsewhere in the City - is levied on those areas not providing them.

22. The following table sets out the Special Expenses Account:

	Special Expense for Cemeteries £	Special Expenses 2012/13 £	Total Special Expenses 2012/13 £	Special Expenses 2011/12 £
Community Recreation		211,289	211,289	224,267
Parks Management		10,655	10,655	8,915
Grounds		45,341	45,341	42,464
Allotments		8,503	8,503	-9,954
Ditches and Streams		85,424	85,424	86,979
Cemeteries	24,939		24,939	26,320
Street Furniture		104,152	104,152	180,875
Total Special Expenses	24,939	465,364	490,303	559,866
Tax Base	45,826	38,634		38,535
Band D Special Expenses (Special Expenses / Tax Base)	£0.54	£12.05	£12.59	£14.53

23. The calculation of the special expenses and hence the reduction in the City Wide Council Tax is based on an overall assessment of the types of work undertaken in parishes as a whole. The services are provided in at least one if not all the parishes. However, in the case of cemeteries there is only one cemetery in the parished areas, which is based at Old Marston. As outlined above in (paragraph 17) Old Marston have put forward a strong case that the cemetery is available for use by people living outside of the parish - particularly in respect of interment of ashes. The Council has previously accepted this case and approved a contribution to the Old Marston precept. The total expenditure on the three remaining cemeteries has been charged across all areas except for the Old Marston Parish.

24. Further details of the calculations, as required by the Act are shown at Appendix 1. Taxes by area and by Band are shown at Appendix 2.

25. **Oxfordshire County Council:** The likely precept figure for 2012/13 will be £54,756,039 giving a Band D Council Tax of £1,161.71. The latter is the same figure as in 2011/12. These items are due to be finalised on Feb 10th 2012.
26. **Thames Valley Police Authority:** The likely precept figure for 2012/13 will be £7,272,776 giving a Band D Council Tax of £154.30. The latter is the same figure as in 2011/12. These items are due to be finalised on Feb 17th 2012.
27. **Risk Implications:** A risk assessment has been undertaken and the risk register is attached at Appendix 3.
28. **Equalities Impact Assessment:** There are no Equalities Impact Assessment implications relating to the setting of the Council Tax as detailed in this report.
29. **Financial Implications:** These are all included within the main body of the report.
30. **Legal Implications:** The Billing Authority is required under section 30 of the Local Government Finance Act 1992 to set the Council Tax before the 11th March in the preceding financial year.

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Background papers:

CEB Report dated Feb 8th 2012 'Recommended Budget 2012-13 to 2015-16:
A Fair Future for Oxford'

Council report dated Dec 19th 2011 'Setting of the Council Tax Base 2012-13'

DTLR Guidance Note (May 2002) on Financial Arrangements with Parish and Town Councils