

Public Document Pack

1 Agenda document (Pages 3 - 28)

The agenda, minutes and reports are attached as pdfs.

The report ' Distribution of council tax reduction scheme grant' was added as an urgent item as explained in the minutes.

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Council



Listening Learning Leading

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Date: 5 December 2012

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Summons to attend a meeting of Council

to be held on

THURSDAY 13 DECEMBER 2012 AT 6:00PM

at

COUNCIL CHAMBER, COUNCIL OFFICES, CROWMARSH GIFFORD

MARGARET REED
Head of Legal and Democratic Services

SPEAKING AT THE MEETING

If you would like to speak at this meeting please let our democratic services team know by noon on the day before the meeting, specifying the item, topic or policy you want to speak on. Call 01491 823649 (outside office hours, please leave a message and your contact telephone number) or email democratic.services@southandvale.gov.uk

Please note: if we receive a large number of speaker requests we will have to determine how best to manage this process.

Agenda

1. Apologies

2. Declaration of interest

To receive any declarations of disclosable pecuniary interests in respect of items on the agenda for this meeting.

3. Minutes, 18 October 2012

4. Chairman's announcements

5. Questions from the public and public participation

6. Adoption of the South Oxfordshire Core Strategy

(Cabinet member responsible: Rev'd A Paterson)

Cabinet, at its meeting on 6 December 2012, will consider a report on the adoption of the council's core strategy.

The report of the Head of Planning, which Cabinet will consider on 6 December, was circulated to all councillors with the Cabinet agenda. Please bring this report to the meeting.

The recommendation of Cabinet will be circulated to councillors on Friday 7 December 2012.

7. Council tax reduction scheme

(Cabinet member responsible: Mr D Dodds)

Cabinet, at its meeting on 6 December 2012, will consider a report on a council tax reduction scheme for 2013/14.

The report of the Head of Finance, which Cabinet will consider on 6 December, was circulated to all councillors with the Cabinet agenda. Please bring this report to the meeting.

The recommendation of Cabinet will be circulated to councillors on Friday 7 December 2012.

8. Council tax discounts and exemptions

(Cabinet member responsible: Mr D Dodds)

Cabinet, at its meeting on 6 December 2012, will consider a report on new powers to vary council tax discounts and exemptions.

The report of the Head of Finance, which Cabinet will consider on 6 December, was circulated to all councillors with the Cabinet agenda. Please bring this report to the meeting.

The recommendation of Cabinet will be circulated to councillors on Friday 7 December 2012.

9. Council tax base 2013/14

(Cabinet member responsible: Mr D Dodds)

Cabinet, at its meeting on 6 December 2012, will consider a report on the council's council tax base for 2013/14.

The report of the Head of Finance, which Cabinet will consider on 6 December, was circulated to all councillors with the Cabinet agenda. Please bring this report to the meeting.

The recommendation of Cabinet will be circulated to councillors on Friday 7 December 2012.

10. Medium term financial strategy 2013/14 to 2017/18

(Cabinet member responsible: Mr D Dodds)

Cabinet, at its meeting on 6 December 2012, will consider a report on the medium term financial strategy 2013/14 to 2017/18.

The report of the Head of Finance, which Cabinet will consider on 6 December, was circulated to all councillors with the Cabinet agenda. Please bring this report to the meeting.

The recommendation of Cabinet will be circulated to councillors on Friday 7 December 2012.

11. Response to the Local Government Boundary Commission's warding proposals for South Oxfordshire District Council

To consider the council's response to the Local Government Boundary Commission for England recommendations on the new electoral arrangements for South Oxfordshire District Council (report of the chief executive **attached**).

12. Budget and council tax setting 2013/14

Purpose: to consider the report of the head of legal and democratic services on the 2013/14 budget and council tax setting process (report **attached**).

13. Councillors' allowances scheme

The councillors' allowances scheme allows for the allowances payable under the scheme to be increased up to the RPI announced in the preceding September

subject to Council decision. Council is invited to agree the level at which to increase the basic and special responsibility allowances from 1 April 2013.

13. Didcot All Saints by-election – committee appointments

At the by-election held on Thursday 25 October Mrs Denise Macdonald was elected as a councillor for the Didcot All Saints Ward.

Mrs D Macdonald has formally joined the Labour Group. This does not affect the political balance of the council and therefore the seat allocation on committees because the previous ward councillor, Mr T Joslin, was also a member of the Labour Group.

The Labour Group has indicated that it wishes to appoint Mrs D Macdonald as a member of the Planning Committee and Mr B Cooper as a member of the General Licensing Committee.

RECOMMENDATIONS

1. To appoint Mrs D Macdonald as a member of the Planning Committee;
2. To appoint Mr B Cooper as a member of the General Licensing Committee.

14. Questions under Council procedure rule 11

Mrs E Hards has submitted the following questions to the Leader of Council:

- A. This question is not to be taken as referring to anyone currently employed by the Council.
What is the Leader's view of the proposed changes which would allow councillors meeting in full council to dismiss their chief executive "quick-smart" (in the words of Mr Pickles)?
- B. At the recent Town and Parish Forum we were told that on November 15 one South Oxfordshire polling station had 10 voters over the course of the 15 hours of polling. Could the leader tell us what was the approximate total cost to this council of the Police and Crime Commissioner elections in terms of staff hours, building hire etc and will this cost be reimbursed by central government?

MARGARET REED
Head of Legal and Democratic Services

Alternative formats of this publication are available on request. These include large print, Braille, audio cassette or CD, and email. For this or any other special requirements (such as access facilities) please contact the officer named on this agenda. Please give as much notice as possible before the meeting.

Note about accessing documents

We have also placed the appendices to the reports relating to agenda item 5) *Core Strategy* and 6) *Masterplan for Oxford Brookes University, Wheatley Campus* on our [web site](#) or from the home page on the web site go to:

- ⇒ Services and advice
- ⇒ Planning and building
- ⇒ December cabinet and council papers

Reports for other listed on the agenda as having been considered by Cabinet on 6 December are available in the papers published for that Cabinet meeting.

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Council Report



Report of Chief Executive

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To: Council

Date: 13 December 2012

Agenda item no 11

Response to the Local Government Boundary Commission's Warding Proposals for South Oxfordshire

Recommendations

1. to authorise the chief executive to prepare and submit the council's formal response to the Local Government Boundary Commission for England's warding proposal for South Oxfordshire reflecting the outline response set out in appendix A to this report, having first consulted with the members of the electoral review working group
2. to authorise the chief executive in consultation with members of the electoral review working group to incorporate in the final submission minor changes to the proposals contained in the outline response where there is clear cross-party support for so doing

Purpose of Report

1. On 12 November, the Local Government Boundary Commission for England (LGBCE) published its proposed warding pattern for the district. This is the latest stage in its electoral review of South Oxfordshire. This report outlines the proposed response of the council to the proposals and seeks delegated authority for the chief executive to submit a full response, having first consulted with members of the electoral review working group.

Strategic Objectives

2. None of the council's strategic objectives are directly relevant to this report.

Background

3. In March this year the LGBCE commenced an electoral review of South Oxfordshire district at the council's request. In June it announced that it was minded to recommend (ultimately parliament takes the decision) a council size of 36. This was the number that we had proposed.
4. At its meeting on the 30 August, council agreed a submission to the LGBCE showing its proposed warding arrangements i.e. the geographical areas that we would wish to see each of the 36 councillors representing. The LGBCE also received a number of other submissions, mainly from various parish and town councils.
5. In November the LGBCE published its draft warding proposal (go to www.lgbce.org.uk to view this). It is fair to say that there was not a high correlation with what we had put forward. Of the 20 wards proposed by the LGBCE only eight matched our submission, although a further two were broadly similar (plus or minus a single parish).
6. In particular, the LGBCE proposed a far higher number of two and three member wards than we had done. It paid little heed to our argument that wherever possible representation by a single councillor is best as this aids clarity and accountability.

Proposed Response

7. The all party electoral review working group (comprising Cllrs Davies, Leonard, Midwinter, David Turner and Wood) has met to consider the LGBCE's proposal. Attached at appendix A is the outline of the response that the working group wishes to make. If council is content to agree this, then the recommendation is to give delegated authority to the chief executive to submit a response by the deadline of the 7 January in line with appendix A, having first consulted with the members of the working group.
8. The reason for the recommendation is that there are a further three weeks available after this meeting in which the response can be finessed to give it maximum impact; to agree the full response at this meeting would require unnecessarily rushed drafting and potentially a weaker submission.
9. The delegation would extend to proposing changes to ward names and making minor changes to ward boundaries where there is a clear support for so doing. Many parish councils will not feed views back until after the council meeting and it is important that our response reflects these where appropriate.

Financial Implications

10. There are no financial implications arising from this report.

Legal Implications

11. There are no legal implications arising from this report.

Conclusion

12. Council needs to agree how it wishes to respond to the warding proposals proposed by the LGBCE. The proposals are disappointing as they do not correlate well with what we put forward. However, if we are to get the LGBCE to change its mind we must harness sound arguments that meet its criteria. The outline response in appendix A endeavours to do this.

Background Papers

- All of the background papers are to be found on the LGBCE's website www.lgbce.org.uk. It contains all public documents pertaining to this review to date.

Appendix A

Outline response to the LGBCE's warding proposal for South Oxfordshire

Preamble

The preamble will express disappointment that the LGBCE's proposals differ so markedly from those of the council. In particular it will draw attention to the fact that the LGBCE appears to have disregarded our preference for single member wards wherever feasible. It will point out that it was not practicable to ask for a single member review (where all wards are single member) because of the volatility of electorate numbers in Didcot resulting from the scale of housing growth.

We will note that we have accepted the argument for multi-member wards in the three market towns, which brings them into line with Didcot, but remain opposed to multi-member wards in the rural parts of the district, except where there is a clear local preference for the LGBCE's proposals.

Wheatley

LGBCE proposal:

To combine our proposed single member Wheatley and Forest Hill & Holton wards into a two member Wheatley ward

Parish council views:

From what we know so far, most of the parish councils in our proposed single member Forest Hill and Holton ward do not favour being in a two member ward with Wheatley. We do not yet know the views of Wheatley parish council.

Analysis:

On the face of it this is one of the weaker proposals from the LGBCE. We can achieve good electoral equality with two single member wards and there is emerging evidence that the rural parishes would prefer separate representation to Wheatley. Our proposal would be strengthened by cutting back the proposed Wheatley ward to the parish boundary (it currently takes in about 160 properties in Holton parish south of the A40). This will overcome one of the concerns of the LGBCE regarding internal access. We will emphasise the different nature of the largely built up Wheatley parish and the very rural parishes to the north.

Recommendation

OBJECT to the proposal and restate case for two single member wards but on slightly different boundaries

Henley and Thame

LGBCE proposal

To create three member wards covering the whole of both towns.

Parish council views:

Both Thame and Henley town councils support a single three member ward covering the whole town.

Analysis

The LGBCE rejected our arguments about improved accountability through having single member wards within Henley and Thame. We could remake these but in light of the views of the two town councils we are unlikely to succeed.

Recommendation

Raise NO OBJECTION to the proposal.

Chalgrove

LGBCE proposal

Include Cuxham with Easington parish (from our proposed Watlington ward).

Parish council views

We do not have any views on this proposal to date.

Analysis

This move makes very little difference to our proposal as the electorate is less than 100. It would improve electoral equality in Chalgrove and worsen it in Watlington but in both cases the revised electorates would still be within an acceptable tolerance. If Swyncombe is added to Watlington ward (see below) then electoral equality is not an issue.

Recommendation

Raise NO OBJECTION to the proposal.

Watlington

LGBCE proposal

Remove Cuxham with Eastington parish (to our proposed Chalgrove ward) and add Swyncombe parish (from our proposed Peppard ward).

Parish council views

We do not have any views on this proposal to date.

Analysis

This is a fairly straightforward swop that improves electoral equality. Removing Swyncombe from our proposed Peppard ward is manageable as Nuffield is now included in that area.

Recommendation

Raise No OBJECTION to the proposal.

Chinnor

LGBCE proposal

To combine our proposed Chinnor North and Chinnor South wards into a two member Chinnor ward.

Parish council views

We understand that Chinnor parish council is content with this proposal. However, we also understand that Towersey parish council would prefer to link with Thame and that Sydenham parish council would prefer a rural ward covering the villages around Chinnor.

Analysis

The LGBCE's comment that we have divided Chinnor arbitrarily has some truth. Chinnor is too big to have a single member ward in its own right so we needed to split the village to allow the creation of two single member wards, each covering part of Chinnor and a number of rural parishes nearby. Towersey's preference to link with Thame would run contrary to our view that towns should have separate representation from their surrounding villages. Sydenham parish council's suggestion of a rural ward would not work because Chinnor, in isolation, is too large to have a single member and too small to warrant two members.

However, given the general view from the rural parish councils that Chinnor issues would dominate in a two member Chinnor ward we will re-state our case for separate Chinnor North and Chinnor South wards.

Recommendation

OBJECT to the proposal and restate case for two single member wards.

Benson

LGBCE proposal

To combine our proposed Benson Village and Crowmarsh & Ewelme wards (minus Nuffield parish) into a two member Benson ward.

Parish council views

We understand that Benson and Ewelme support being in the same ward and that Benson does not support the parish being split between two wards (as per our proposal). We have not had a view from Crowmarsh or Warborough parish councils to date.

Analysis

Our original proposal sought to achieve separate representation for Benson and Crowmarsh Gifford villages to aid accountability. Other proposals dictated that this could only be achieved by separating RAF Benson (and placing this in the Crowmarsh & Ewelme ward) from Benson Village. In light of the views of Benson and Ewelme parish councils we may, on balance, wish to accept this proposal. Removing Nuffield parish improves electoral equality and potentially helps us argue for the reinstatement of a single member Peppard ward.

Recommendation

Raise NO OBJECTION to the proposal.

Didcot South, Wallingford and Cholsey

LGBCE proposal

To merge our proposed single member Cholsey and Brightwell Wards, minus East and West Hagbourne parishes that go into Didcot South, plus the Winterbrook area from our proposed Wallingford Winterbrook ward. To combine the remaining part of Wallingford Winterbrook ward with our proposed Wallingford Castle ward to create a two member Wallingford ward.

Parish council views

Although we have yet to receive anything formally, we understand that most if not all of the parish councils affected by these proposals are unhappy, some for different reasons. There is no support that we are aware of for including East and West Hagbourne parishes in Didcot South ward; there is little appetite for a large two member Cholsey ward covering Moulsoford to Long Wittenham; and we understand that Wallingford town council intends to clarify its position to make the LGBCE aware that it considers the ward boundary for the Wallingford ward should extend to the by-pass around the town.

Analysis

These are perhaps the most controversial proposals put forward. We did not anticipate the inclusion of the Hagbournes in a Didcot ward. Unfortunately, as referred to in the LGBCE report, there does appear to have been an error in the electorate numbers for Didcot South that may, in part, have led to the proposal. We can address that error, however, within the town by redistributing the electorate between Didcot West and Didcot South and will agree precise boundaries with a representative from the Conservative and Labour groups.

We will appraise the LGBCE of the strongly held local view that the Hagbournes are distinct from Didcot and that the issues they face are different from those of the town, which would make it difficult for councillors to represent both effectively. We will counter the argument about communication from the Hagbournes to the rest of the ward in a variety of ways, including pointing out inconsistencies with the approach to joining Harwell and Blewbury parishes in the parallel proposals that the LGBCE has published for the Vale.

Matters are complicated in the Wallingford area by the fact that since we made our submission the new housing on the edge of the town has moved from the south (in our proposed Wallingford ward) to the west (part of which is in our proposed Brightwell ward). We do not yet have any details of the phasing of this development, but any increase to the electorate in our proposed Brightwell ward would present problems as it is already on the large side to support a single member. Consequently, we will propose that the boundary of the two member Wallingford ward extends to the whole length of the by-pass from where it starts on Wantage Road to the bridge over the Thames.

By doing this we can once again have single member wards for Cholsey (covering the whole of Cholsey, minus the Winterbrook area, and Moulsoford parishes) and Brightwell (covering the whole parishes of Aston Tirrold, Aston Upton, East Hagbourne, West Hagbourne, Long Wittenham and Little Wittenham plus Brightwell-cum-Sotwell parish minus that part east of the Wallingford by-pass).

Recommendation

OBJECT to the proposals for the Didcot and Wallingford area, with the exception of the proposal to create a two member ward covering Wallingford, and argue for re-instatement of our original proposals with an adjustment to the boundary of the Wallingford ward to include that part of Brightwell-cum-Sotwell parish east of the bypass.

Sonning Common and Woodcote & Rotherfield

LGBCE proposal

To merge our proposed single member Woodcote and Peppard wards minus Swyncombe parish to Watlington ward, plus Nuffield parish from our proposed Crowmarsh and Ewelme ward and Rotherfield Greys parish from our proposed Shiplake ward. To merge the remainder of Shiplake ward with Sonning Common.

Parish council views

Seven parish councils wrote to the LGBCE saying that they wished to be in the same ward. It regarded this as strong community evidence and used it to justify its two member Woodcote and Rotherfield ward. We can assume they will support the LGBCE's proposals. We have already heard from Sonning Common, Binfield Heath, Shiplake and Harpsden parish councils, none of whom support the LGBCE's proposal. All would like to see our original proposal re-instated.

Analysis

The LGBCE's proposal creates a very large two member ward stretching from Woodcote to Assendon. If this remains intact, it is difficult to see any alternative to the rest of the LGBCE's proposals for this part of the district. We do not yet know the views of Woodcote parish council but, given the broad support of the other parish councils in the proposed ward, it is imperative that the parish councils in the proposed Sonning Common ward object to the proposal if we are to gain sufficient impetus to mount a challenge.

Combining Sonning Common and Shiplake has very little merit as these are quite distinct settlements (Sonning Common has almost exactly the right electorate for one councillor in its own right) with different identities. To achieve a separate ward for Shiplake will require the inclusion of Rotherfield Greys to improve electoral equality. Moving Nuffield parish out of the proposed Benson ward is helpful because it improves electoral equality if the LGBCE reverts to our original proposal for a single member Peppard ward.

Recommendation

OBJECT to the proposal and restate case for two single member wards.

Town warding proposals for Didcot

LGBCE proposal

To create a town ward covering the area south of the railway line and east of Jubilee Way called Richmead.

Town council view

The town council does not support calling this ward Richmead, it considers that Millbrook is a more appropriate name.

Analysis

This area is commonly known as Millbrook and this is a far preferable name to Richmead, which has no local resonance.

Recommendation

OBJECT to the naming of Richmead town ward in Didcot and propose Millbrook as an alternative.

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Council Report



Report of Head of Legal and Democratic Services

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To: COUNCIL

DATE: 13 December 2012

Agenda item no 12

Budget and council tax setting 2013/14

Recommendations

That Council

(a) agrees to waive the requirement in the budget and policy procedure rules for a six week consultation period for the 2013/14 budget setting process due to the delayed local government grant settlement this year

(b) authorises the strategic director (section 151 officer), in consultation with the Cabinet member for finance, to approve and submit the Council's national non-domestic rates 1 form (NNDR1) for 2013/2014

(c) authorises the strategic director (section 151 officer), in consultation with the Cabinet member for finance, to sign up to an Oxfordshire business rates pooling arrangement provided that on receipt of the local government grant settlement he is satisfied that it is in the council's interests to do so

(d) notes that if necessary urgency procedures will be used to agree the allocation of specific government funding to town and parish councils to mitigate the effect on their tax bases of the introduction of the council tax reduction scheme

Purpose of Report

1. This report updates Council on the budget and council tax setting timetable, on the implications of new legislation on council tax setting and business rates pooling and on the late receipt of the local government grant settlement figures from central government. It asks Council to agree delegations to the strategic director (section 151 officer) and to agree to waive the consultation period specified in the budget and policy framework procedure rules.

Strategic Objectives

2. This report deals with procedural issues arising from the budget and council tax setting process for 2013/14 and will help to achieve the council's strategic objective of managing its business effectively.

Background

3. The steps required for setting the council's budget and council tax for 2013/14 are well underway and reports will be submitted to Council in February as usual. This year's process is however more complex because we are dealing with new legislation and the receipt of regulations at a late stage coupled with the fact that the government settlement will be received much later in December than usual. This has given rise to the need for new delegations and a change in the usual budget timetable.

Budget setting timetable

4. The Cabinet's initial budget proposals are normally published and available to the Scrutiny Committee during December. This complies with the requirement in the budget and policy framework procedure rules for a consultation period of not less than six weeks. At the end of the consultation period, Cabinet draws up firm budget proposals for submission to Council. This year the later receipt of the settlement means that initial budget proposals will not be available until January. The Scrutiny Committee meeting has been rescheduled to take account of this and the budget proposals will be published with the agenda for the January meeting. This will mean that the six week period cannot be met and Council is therefore asked to waive that requirement this year to enable the budget to be set in February as planned. This change does not impact on the statutory public consultation on the council's budget which has already taken place in accordance with government guidance.

National non-domestic rates 1 form (NNDR1)

5. Under the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 2012) a proportion of non-domestic rates will in future be retained locally rather than paid into the central pool. This greatly increases the importance of the NNDR1 form which will set the anticipated amount of non-domestic rates that will be collected in the coming year and will therefore determine the respective shares between central government, this council and Oxfordshire County Council. A provisional NNDR1 must be submitted to the Department for Communities and Local Government (DCLG) by 21 December 2012 and the final NNDR1 must be submitted by 31 January 2013, after being approved by the council. The council approval is a new requirement and there is no specific delegation to officers to approve and submit it on behalf of the council. In order to avoid the need for a special Council meeting to be held to approve the form, Council is asked to delegate approval and submission of the form to the strategic director (section 151) officer, in consultation with the Cabinet member for finance.

Local retention of business rates and potential pooling arrangements

6. In order to comply with government requirements, the head of finance has expressed an interest (without commitment) in joining an Oxfordshire-wide business rates pooling arrangement. Initial modelling for pooling arrangements has shown that there could be a financial advantage to pooling NNDR receipts within Oxfordshire.
7. The full details of the scheme and what it means for the council will not be known until the financial settlement is announced. It is likely that the council will need formally to indicate to the government whether it wishes to proceed with a pooling arrangement within 28 days from receipt of the settlement. Council is therefore asked to delegate authority to the strategic director (section 151 officer), in consultation with the Cabinet member for Finance, to sign up to an Oxfordshire pooling arrangement should that appear to be in the council's interests on receipt of the settlement.

Town and parish council tax bases

8. From 1 April 2013 council tax benefit will be replaced by a new council tax reduction scheme (CTRS) which will take the form of a discount. Like other council tax discounts, the new support scheme will have a direct impact on the "council tax base" for the district as a whole, and individual towns and parishes. This will impact on town and parish councils' individual council tax levels for 2013/14 and beyond.
9. During the summer the Government issued a consultation paper which gave an option that would remove this problem for town and parish councils. The majority of respondents favoured the alternative approach. However the Government has decided to implement its original proposal.
10. The government will be giving billing authorities, including this council, an amount of specific funding which can be passed down to town and parish councils to help mitigate the negative impact of the new council tax reduction scheme on council tax levels. We won't know how much this funding will be until the local government grant settlement is announced in late December. We will communicate with the town and parish councils once we have more details. In the meantime we will be calculating the individual tax bases for town and parish councils and informing them accordingly. It is possible that decisions will need to be taken on the allocation of this funding to town and parish councils before Council meets to set the budget and council tax. If necessary the leader and chief executive will invoke the urgency procedures in the constitution to deal with this.

Financial Implications

11. There are no immediate direct financial implications arising from this report as it deals with procedural issues arising from the budget and council tax setting timetable. The financial implications of any decisions taken under the delegated powers requested in this report will be fully considered before those decisions are taken and will be explained in the budget report coming to Council in February.

Legal Implications

12. This report seeks Council's approval of a waiver of the consultation period specified in the budget and policy framework procedure rules and delegations to the strategic director (section 151 officer) to ensure that the council complies with constitutional and legislative requirements in the steps required to set the budget and council tax for 2013/14.

Risks

13. There is a risk that further government guidance will be issued which changes the requirements set out in this report. If necessary a special Council meeting will be held and/or the council's urgency procedures will be used if any decisions are required that are not covered in this report.

Other Implications

14. There are no other implications arising directly from this report.

Conclusion

9. Council is asked to waive the consultation period specified in the budget and policy framework procedure rules for the budget setting process for 2013/14 and to delegate authority to the strategic director (section 151 officer), in consultation with the Cabinet member for finance, to approve and submit the NNDR1 and to sign up to an Oxfordshire business rates pooling arrangement if it is in the council's interests to do so.

Background Papers

None

Council



Report of Head of Finance
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To: Council
DATE: 13 December 2012

Urgent item

Distribution of council tax reduction scheme grant

Recommendations

Leader urgent decision to recommend council to:

- (a) pay over the full council tax reduction scheme (CTRS) grant attributed to local precepting authorities, but should the total grant exceed local precepting authorities' requirements, payment will only be made up to the level of the total shortfall of each local precepting authority calculated as in Appendix 1.
- (b) approve the methodology for distributing the CTRS grant attributed to local precepting authorities as set out in paragraphs 10 to 15 and exemplified in Table 2.
- (c) direct the section 151 officer, on receipts of the actual CTRS grant attributed to local precepting authorities, to calculate the grant due to each local precepting authority based on the methodology agreed in (b) above and notify each local precepting authority of the amount they are to receive.
- (d) direct the section 151 officer to pay over the sums calculated as a consequence of (c) to local precepting authorities on 3 April 2013.

Purpose of Report

1. This report sets out the council's approach to distributing the grant attributable to local precepting authorities (i.e. town and parish councils) that it will receive from the Government to offset the impact of the new council tax reduction scheme.

Strategic Objectives

2. The method of distributing the grant will ensure it is cost neutral for the council and will help to achieve the council's strategic objective of managing its business effectively.

Background

3. The new council tax reduction scheme (CTRS) takes the form of a discount on the council tax bill and, like other discounts (e.g. the single person's 25 per cent discount), has the effect of reducing the council's council tax base. Reducing the tax base means that, if the council's budget requirement remained the same, the amount of council tax charged would increase. This applies to both billing authorities (South and Vale) and major precepting authorities (Oxfordshire County Council and the Police and Crime Commissioner), as well as local precepting authorities (town and parish councils).
4. To mitigate the impact of the reduced council tax base the Government will be distributing, via Revenue Support Grant, a grant that is not ringfenced to billing authorities and major precepting authorities. Because the Government does not have a method for passing down funding direct to town and parish councils the grant that will be given to billing authorities will include an amount "*attributable to local precepting authorities*".
5. As well as the negative impact on council tax bases of CTRS for the billing authorities, major precepting authorities and local precepting authorities that will take effect from 1 April 2013, there is a positive impact arising from the changes to council tax discounts from the same date.

Amount of grant to be received from the Government

6. The total amount of funding for distribution in England will be based on forecasted subsidised council tax benefit expenditure for 2013/14. This funding will then be distributed between billing authority areas according to shares of annual subsidised council tax benefit expenditure. Funding will then be distributed between billing and major precepting authorities within a billing authority area, according to shares of council tax in each authority.
7. However, as part of its deficit reduction programme, the Government will only make funding available based on 90 per cent of what subsidised council tax benefit expenditure would have been in 2013/14. This means that no authority (billing, major precepting, or local) will receive funding to compensate for 100 per cent of the impact of CTRS.
8. For local precepting authorities, the amount allocated to the billing authority will be based on the estimated amount of subsidised council tax benefit expenditure attributable to the local precept, less ten per cent as explained above.

9. The actual amount of grant to be received will not be known until the draft Local Government Finance Settlement is announced later this month. However, indicative figures were released by the Department for Communities and Local Government earlier this year and are set out in Table 1 below. It should be noted that the actual amount of funding received may be less than the indicative amount.

Table 1

Billing Authority	Amount of grant for the billing authority	Amount attributable to local precepting authorities	Total grant
South Oxfordshire	£423,000	£248,000	£671,000
Vale of White Horse	£381,000	£197,000	£578,000

Proposed methodology for distribution of the grant

10. As explained above, there will be a negative impact on tax bases as a result of CTRS, but there will also be a positive impact from changes to council tax discounts. A decision is therefore required on whether the amount of funding to be distributed to local precepting authorities should solely relate to the impact of CTRS, or the overall net position when changes to discounts are applied.
11. Neither the new CTRS nor the changes to council tax discounts have been influenced by town and parish councils (notwithstanding any consultation responses that may have been evaluated). Nor has any decision been made by town and parish councils relating to these changes. Therefore, it is felt no town or parish council should be unduly advantaged, or disadvantaged, by these decisions.
12. It is therefore proposed that the grant be distributed relative to individual town and parish councils' 2012/13 band D council tax rate, after the impact of both CTRS and discount changes are applied.
13. Based on the indicative funding amount, this will equate to town and parish councils receiving 82.5 per cent (Vale) and 88 per cent (South) of the overall shortfall in their tax bases. An example is set out in Table 2 below.

Table 2

Town/parish	A	B	C	D	E	F	G	H	I	J
	Unadjusted 2013/14 tax base	Revised tax base after all changes	Difference (A-B)	2012/13 band D council tax	Council tax "shortfall" (C x D)	90% of shortfall	88% of shortfall	"cost" to parish council (E-G)	Cost at band D (H ÷ B)	% increase in band D required
Council A	421.5	416.5	5.0	£39.52	£197.60	£177.84	£173.89	£23.71	£0.06	0.14%
Council B	179.7	171.1	8.6	£50.17	£431.46	£388.32	£379.69	£51.78	£0.30	0.60%

14. However, should the amount of grant received exceed the local precepting authorities' requirements, payment will only be made up to the total shortfall for each local precepting authority (column E in Table 2). Any grant left over will be placed in an earmarked reserve and may be distributed to towns and parishes in future years.

15. Another option considered was to distribute the grant relative to town and parish councils' reduction in tax base as a proportion of the total tax base reduction for the districts. This would have resulted in the grant being based on the average town and parish council tax level, rather than individual levels. However, this option was discounted on the basis that the amount of grant to be received will be based on the estimated amount of subsidised council tax benefit expenditure attributable to the local precept, so the method of distribution ought to also reflect the individual local precepts.

Financial Implications

16. Because the methodology ensures that the proposal is cost neutral to the council there are no direct financial implications arising from this report.

Legal Implications

17. Whilst CTRS grant is not ringfenced, there is an expectation that councils will use it to mitigate the effect on local precepting authorities of the reduced council tax base. An urgent Council decision is needed on the methodology for distribution of CTRS grant to enable the section 151 officer to notify local precepting authorities of their share at the earliest opportunity. This in turn will enable local precepting authorities to meet the council's deadline for receipt of precepts to avoid delays in setting the council tax and starting the billing process.

Risks

18. There is a risk that some town and parish councils may challenge the methodology if they believe that they have not received an appropriate share. However, the Government has not specified any methodology to follow and there is no legal requirement for any of the funding to be passed on.

Other Implications

19. There are no other implications arising directly from this report.

Conclusion

20. The proposed methodology is considered to be the fairest, taking all factors into account, and should be adopted by the Council.

Background Papers

Grant modelling spreadsheet

South Oxfordshire					
Town/parish	A Unadjusted 2013/14 tax base	B Revised tax base after all changes	C Difference (A-B)	D 2012/13 band D council tax	E Council tax "shortfall" (C x D)
Adwell	12.6	13.7	-1.1	£0.00	£0.00
Aston Rowant	421.5	416.5	5.0	£39.52	£197.60
Aston Tirrold	179.7	171.1	8.6	£50.17	£431.46
Aston Upthorpe	85.3	80.3	5.0	£58.30	£291.50
Beckley & Stowood	287.4	274.6	12.8	£118.77	£1,520.26
Benson	1,773.8	1,706.0	67.8	£68.57	£4,649.05
Berinsfield	799.0	615.2	183.8	£142.75	£26,237.45
Berrick Salome	162.4	161.6	0.8	£36.56	£29.25
Binfield Heath	321.1	305.2	15.9	£28.42	£451.88
Bix & Assendon	328.7	320.2	8.5	£21.34	£181.39
Brightwell Baldwin	97.7	98.7	-1.0	£10.06	£-10.06
Brightwell cum Sotwell	669.3	637.0	32.3	£44.33	£1,431.86
Britwell Salome	102.8	101.7	1.1	£4.85	£5.34
Chalgrove	1,102.2	1,028.5	73.7	£83.74	£6,171.64
Checkendon	240.0	227.3	12.7	£40.43	£513.46
Chinnor	2,390.5	2,267.0	123.5	£109.52	£13,525.72
Cholsey	1,439.1	1,337.5	101.6	£61.78	£6,276.85
Clifton Hampden	284.6	277.2	7.4	£26.22	£194.03
Crowell	56.8	57.1	-0.3	£0.00	£0.00
Crowmarsh	658.1	617.4	40.7	£55.98	£2,278.39
Cuddesdon & Denton	172.6	164.2	8.4	£40.89	£343.48
Culham	178.1	167.0	11.1	£84.74	£940.61
Cuxham with Easington	64.0	57.6	6.4	£0.00	£0.00
Didcot	8,378.2	7,551.0	827.2	£97.25	£80,445.20
Dorchester	548.8	527.8	21.0	£71.92	£1,510.32
Drayton St Leonard	130.9	126.2	4.7	£21.72	£102.08
East Hagbourne	763.9	724.8	39.1	£47.16	£1,843.96
Elsfield	54.1	53.3	0.8	£17.64	£14.11
Ewelme	374.6	370.2	4.4	£45.18	£198.79
Eye & Dunsden	178.0	177.6	0.4	£54.37	£21.75
Forest Hill with Shotover	363.1	328.0	35.1	£34.52	£1,211.65
Garsington	709.0	665.5	43.5	£29.57	£1,286.30
Goring	1,701.9	1,653.0	48.9	£51.70	£2,528.13
Goring Heath	599.3	583.4	15.9	£29.42	£467.78
Great Haseley	255.4	248.9	6.5	£48.38	£314.47
Great Milton	330.1	304.5	25.6	£43.88	£1,123.33
Harpsden	303.7	303.0	0.7	£16.49	£11.54
Henley on Thames	5,861.8	5,493.0	368.8	£83.49	£30,791.11
Highmoor	163.3	160.3	3.0	£30.86	£92.58
Holton	238.5	231.5	7.0	£58.99	£412.93
Horspath	614.3	594.9	19.4	£53.92	£1,046.05
Ipsden	171.6	160.8	10.8	£26.44	£285.55
Kidmore End	667.8	662.2	5.6	£53.56	£299.94
Lewknor	310.8	291.9	18.9	£43.38	£819.88
Little Milton	223.7	211.6	12.1	£46.85	£566.89
Little Wittenham	34.3	34.3	0.0	£0.00	£0.00
Long Wittenham	355.2	340.6	14.6	£45.32	£661.67
Mapledurham	134.0	122.5	11.5	£37.20	£427.80
Marsh Baldon	128.7	124.7	4.0	£31.88	£127.52
Moulsford	250.8	243.9	6.9	£47.30	£326.37
Nettlebed	369.2	344.6	24.6	£29.65	£729.39
Newington	56.9	55.5	1.4	£15.26	£21.36
North Moreton	175.1	173.7	1.4	£28.74	£40.24
Nuffield	239.6	225.4	14.2	£23.94	£339.95
Nuneham Courtenay	95.3	87.7	7.6	£50.00	£380.00
Pishill with Stonor	190.2	187.5	2.7	£25.44	£68.69
Pyrtton	115.4	110.1	5.3	£7.09	£37.58
Rotherfield Greys	198.2	195.2	3.0	£38.88	£116.64
Rotherfield Peppard	891.0	880.6	10.4	£24.84	£258.34
Sandford on Thames	519.4	486.8	32.6	£48.66	£1,586.32
Shiplake	901.9	879.8	22.1	£27.51	£607.97
Shirburn	56.7	54.7	2.0	£9.93	£19.86
Sonning Common	1,643.5	1,535.0	108.5	£40.05	£4,345.43
South Moreton	146.2	135.1	11.1	£44.19	£490.51
South Stoke	231.4	217.9	13.5	£52.40	£707.40
Stadhampton	332.2	316.1	16.1	£34.23	£551.10
Stanton St John	222.9	215.9	7.0	£43.28	£302.96
Stoke Row	315.0	307.0	8.0	£31.61	£252.88
Stoke Talmage	27.4	28.3	-0.9	£0.00	£0.00
Swyncombe	144.2	136.4	7.8	£34.39	£268.24
Sydenham	157.3	150.7	6.6	£51.12	£337.39
Tetsworth	295.3	279.5	15.8	£35.77	£565.17
Thame	4,471.2	4,195.8	275.4	£112.22	£30,905.39
Tiddington with Albury	281.6	260.4	21.2	£41.86	£887.43
Toot Baldon	70.9	69.9	1.0	£29.34	£29.34
Towersey	182.6	170.4	12.2	£56.98	£695.16
Wallingford	2,953.4	2,650.2	303.2	£95.66	£29,004.11
Warborough	478.0	466.5	11.5	£62.57	£719.56
Waterperry with Thomley	78.4	77.7	0.7	£19.74	£13.82
Waterstock	45.5	44.3	1.2	£13.54	£16.25
Watlington	1,197.7	1,117.6	80.1	£71.92	£5,760.79
West Hagbourne	123.2	117.9	5.3	£48.83	£258.80
Wheatfield	13.6	13.9	-0.3	£0.00	£0.00
Wheatley	1,676.6	1,601.5	75.1	£62.53	£4,696.00
Whitchurch on Thames	404.6	389.3	15.3	£59.66	£912.80
Woodcote	1,059.0	997.3	61.7	£52.84	£3,260.23
Woodeaton	38.8	38.8	0.0	£20.41	£0.00

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