

## Agenda



Listening Learning Leading

Contact Officer: Kathy Fiander

Tel: 01491 823649

E-mail: [kathy.fiander@southoxon.gov.uk](mailto:kathy.fiander@southoxon.gov.uk)

Date: 27 November 2013

Website: <http://www.southoxon.gov.uk>

## A MEETING OF THE

## Cabinet

**WILL BE HELD ON THURSDAY 5 DECEMBER 2013 AT 6.00 PM  
COUNCIL CHAMBER, COUNCIL OFFICES, CROWMARSH GIFFORD**

South Oxfordshire District Council aims to increase access to its public meetings. This meeting will be broadcast live on the council's website and the record archived for future viewing. You can view this broadcast at [www.southoxon.gov.uk](http://www.southoxon.gov.uk)

### Members of the Cabinet

Member	Portfolio
Mrs Ann Ducker, MBE (Chairman)	Leader of the Council - responsible for HR, customer services, legal and democratic (excl. community safety), Didcot, corporate strategy (excl. waste and parks and grants)
Ms Anna Badcock	Cabinet Member for health and housing
Mr David Dodds	Cabinet Member for finance, waste and parks
Mrs Judith Nimmo-Smith	Cabinet Member for economic development, property and technical services
Reverend Angie Paterson	Deputy Leader and Cabinet Member for planning incl. building control) and IT
Mr Bill Service	Cabinet Member for community safety, leisure and grants

**Alternative formats of this publication are available on request. These include large print, Braille, audio, email and easy read. 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.**

- 1 Apologies**
- 2 Declaration of disclosable pecuniary interest**
- 3 Minutes of the previous meeting, 17 October 2013**
- 4 Public participation**

***ITEMS TO BE CONSIDERED WITH THE PUBLIC PRESENT***

Reports considered with the public present are available on the council's website.

**RECOMMENDATIONS TO COUNCIL**

- 5 Delivering accelerated housing growth in Science Vale** (Pages 3 - 10)

Purpose: to ask Cabinet to approve a project that will accelerate housing growth across the Science Vale area of South and Vale and ask that both Councils establish budgets to allow the project to proceed

- 6 Council tax base 2014/15** (Pages 11 - 16)

Purpose: to ask Cabinet to recommend the Council to approve the council tax base for 2014/15.

- 7 Council tax reduction scheme grant for town and parish councils** (Pages 17 - 24)

Purpose: to ask Cabinet to recommend to Council the total amount of council tax reduction scheme grant that will be passed down to town and parish councils for 2014/15, how the grant amounts for individual town and parish councils will be calculated, and the actual amounts for town and parish councils.

MARGARET REED

Head of Legal and Democratic Services

# Joint Cabinet report

Report of Strategic Director

Author: Anna Robinson

Telephone: 01491 823702

E-mail: [anna.robinson@southandvale.gov.uk](mailto:anna.robinson@southandvale.gov.uk)

Wards affected: All in Science Vale

Cabinet member responsible (South) Cllr Anna Badcock

Telephone: 01491 614707

Email: [annabadcock1@gmail.com](mailto:annabadcock1@gmail.com)

Cabinet member responsible (Vale) Cllr Roger Cox

Telephone: 01367 243360

Email: [roger\\_e\\_cox@hotmail.com](mailto:roger_e_cox@hotmail.com)

## Delivering accelerated housing growth in Science Vale

### Recommendations

That South Cabinet:

- a) recommends to Council the approval of a revenue budget, in 2013/14, of £525,000, funded from a £1.025 million capacity fund grant
- b) recommends to Council the approval of a revenue budget, in 2014/15, of £500,000 funded from the second tranche of capacity fund grant.

Subject to Council approving the budget, that Cabinet:

- (b) approves the project to accelerate housing growth in the Science Vale Growth Area, funded by the DCLG capacity fund.
- (c) authorises the strategic director, in consultation with the head of legal and democratic services, if necessary as an exception to contracts procedure rules, to use the fund to commission and pay for works necessary to deliver the core objectives of the project as set out in the offer letter attached as an appendix to this report.
- (d) approves South Oxfordshire District Council as the accounting body for the administration of the capacity fund and as the accountable body to DCLG for appropriate use of the fund.

## Recommendations

That Vale Cabinet:

- a) recommends to Council the approval of a revenue budget, in 2013/14 of £500,000 funded from a £1.025 million capacity fund grant
- b) recommends to Council the approval of a revenue budget, in 2014/15 of £535,000 funded from the second tranche of capacity fund grant.

Subject to Council approving the budget, that Cabinet:

- (b) approves the project to accelerate housing growth in the Science Vale Growth Area, funded by the DCLG capacity fund
- (c) authorises the strategic director, in consultation with the head of legal and democratic services, if necessary as an exception to contracts procedure rules, to use the fund to commission and pay for works necessary to deliver the core objectives of the project as set out in the offer letter attached as an appendix to this report.
- (d) approves South Oxfordshire District Council as the accounting body for the administration of the capacity fund and as the accountable body to DCLG for appropriate use of the fund.

## Purpose of Report

1. The report seeks the approval of both cabinets to a project that will accelerate housing growth across the Science Vale area of South and Vale and asks that both Councils establish budgets to allow the project to proceed.

## Corporate Objectives

2. Our corporate priorities of building the local economy and meeting housing need are addressed by this housing acceleration programme. We commit in our corporate plan to supporting delivery of jobs, infrastructure and housing, to unblocking sites and to working with developers to overcome barriers to delivery.

## Background

3. The councils have been successful in securing a total of £2.06 million in grant funding from the Large Sites Programme Capacity Fund. This is a Government grant obtained by only a few local authorities to assist with accelerating the delivery of strategic housing sites.

4. The requirements of the project are that the councils will deliver a 30 % increase in the rate of housing delivery across the Science Vale area. To achieve this, a range of projects are planned that will remove barriers to delivery and, in particular, will bring forward delivery actions that could otherwise take many months. The programme agreed with DCLG is flexible and includes such activities as;
  - Appointment of consultants to produce a delivery plan that will tackle all the causes of under-delivery and to undertake elements of the work that emerges from the plan
  - Appointment of a programme manager to drive delivery plus three staff to bolster planning delivery
  - Specialist advice on section 106 negotiations
  - Specialist assistance to evaluate infrastructure and community needs across science vale to enable the production of an evidence base that supports negotiations on strategic and local infrastructure needs arising from housing development
  - Consultancy support on land and property negotiations
  - Modelling, design and technical appraisals on infrastructure projects
  - Site and area master planning
  - Marketing campaign for the Science Vale area
  - Legal support to expedite section 106 agreements and to advise on the appropriate actions to bring forward difficult sites
5. The grant of £1.025m for 2013/14 has already been received, on the basis set out in the offer letter attached as an appendix to this report. We must, however, demonstrate sufficient progress in accelerating housing delivery to receive the second tranche of £1.035m for 2014/15. Accelerating delivery is a challenge at this time due to sluggish progress on our large strategic sites; however, we expect to be able to show DCLG that many of the actions we are taking will make a significant contribution to accelerated housing growth in 2014. The entire 2013/14 grant must be spent or committed to projects by 31 March 2014.

### Options

6. Cabinet could choose to not approve the project and return the funding to the Department of Communities and Local Government

## Financial Implications

7. The expenditure of the grant requires both councils to establish budgets funded by the grant.
8. Officers recommend that the budgets established in 2013/14 are;
  - Vale £500,000
  - South Oxfordshire District Council £525,000
9. Officers believe that this should reasonably align with proposed spend in each district but that recharges will be calculated at year-end to reflect actual spend.
10. Officers also recommend that for ease of accounting that one council, South, be the accounting body for the grant and that South be the accountable body, reporting to DCLG as required on the appropriate use of the grant.
11. Because the grant is paid as part of the un-ring fenced grant it will also be necessary to establish budgets at both councils in 2014/15 for the projects. This report recommends that a 2014/15 revenue budget of £500,000 and £535,000 is approved for South and Vale respectively.

## Legal Implications

12. It is a requirement of the grant that the councils use the Homes and Communities Agency (HCA) Procurement Panel (or that costs are cross-referenced against those of the panel consultants) when contracting out specific specialist or technical advice. In view of the limited time available to commit the money before the end of this financial year, I recommend that the Cabinets agree that, if necessary, the strategic director may commission and pay for work as an exception to the contracts procedure rules provided that the grant and EU requirements are met. This may include entering into agreements with Oxfordshire County Council and commissioning and paying for work through its appointed contractors.
13. There has been no requirement to sign a legal agreement for this grant and no claw back requirements have been applied. The terms of the grant are as set out in the offer letter attached as an appendix to this report.

## Risks

14. There is a risk that if sufficient progress isn't made against the project plan and/ or the funding is not fully committed by 31 March 2014, CLG will;
  - ask for uncommitted funds to be returned, or,
  - decide not to provide the second tranche of the funding, £1.035m, due for the year 2014/15

## **Conclusion**

15. The project is designed to accelerate housing growth and provides the councils with an opportunity to understand the barriers to housing development and put in place the actions required to overcome these that will speed up housing delivery. The DCLG capacity fund provides this opportunity without cost to the councils.

## **Background Papers**

None.

Appendix one



Anna Robinson  
Strategic Director  
South Oxfordshire District Council and  
Vale of White Horse District  
Council

12 July 2013

Dear Anna,

**Didcot - Confirmation of Capacity Funding.**

I am writing to confirm that following your request for resource funding to assist with the delivery of housing development across the Science Vale, we have made available up to £2,060,000 to South Oxfordshire District Council through the Large Sites Programme Capacity Fund. A breakdown of the funding you have requested and its intended purpose is included at Annex A.

The headline profile of this funding is as follows:

	2013/14	2014/15
Resource	£1,025,000	£1,035,000

Funding will be made available on the basis that it is intended to support the development of housing across the identified sites within the Science Vale. Payment will be provided as an annual section 31 un-ring fenced grant to South Oxfordshire District Council, and a grant determination has been issued to you alongside this letter confirming the relevant payment. The 2013/14 payment for £1,025,000 will be made shortly, with confirmation of the payment date and relevant documentation to be provided under separate cover.

The next payment for £1,035,000 will be made at the beginning of 2014/15, subject to Ministers being content that satisfactory progress has been made with the overall development in the current financial year, and subject to HM Treasury approval

We anticipate that Progress on the scheme will be measured against the core objectives set out in your capacity funding bid (key objectives set out below) and will be reviewed and confirmed by the Homes and Communities Agency:

Department for Communities and Local Government      Tel 0303 444 3111  
Zone B6  
Eland House  
Bressenden Place  
London  
SW1E 5DU



- To recruit / appoint staff including: Programme Manager, Strategic Planning and Delivery Managers x 2 and a Community Development worker to manage the project, produce supplementary planning documents, master plan major projects and carry out successful negotiations and broker agreements between communities and developers.
- Procure delivery of transport design and planning, technical studies, financial appraisals and where necessary legal advice to secure CPOs.
- Carry out marketing and research to optimise the right development.

In order to ensure value for money, we expect you to use the HCA procurement panel or to benchmark your costs against this panel, when contracting out specific specialist or technical advice.

Finally, because no further funds are available after 2014/15, we would like to see transition plans outlining how work on the scheme will continue, ensuring momentum is not adversely impacted when DCLG funding ends.

Yours Sincerely,

Jane Sweeney

Department for Communities and Local Government  
Zone B6  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Tel 0303 444 3111

This page is intentionally left blank

# Cabinet Report



Report of Head of Finance

Author: Ben Watson

Telephone: 01491 823834

Textphone: 18001 01491 823834

E-mail: ben.watson@southandvale.gov.uk

Cabinet member responsible: David Dodds

Tel: 01844 212891

E-mail: david.dodds@southoxon.gov.uk

To: Cabinet on: 5 December 2013

To: Council on: 12 December 2013

## Council tax base 2014/15

### Recommendations

Council be recommended to agree:

1. That, in accordance with the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012) and the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended)
  - i. from 1 April 2014 the council tax discount to be applied on unoccupied and substantially unfurnished dwellings (Class C in the Regulations) be 100 per cent for one calendar month and zero per cent thereafter. Where an unoccupied and unfurnished dwelling has already received the current 25 per cent discount for more than one calendar month on 1 April 2014, it shall receive zero discount. Where an unoccupied and unfurnished dwelling has received a 25 per cent discount for less than one calendar month on 1 April 2014, it shall receive a 100 per cent discount for the number of days required to reach one calendar month and then zero per cent discount thereafter. In considering whether a dwelling has been unoccupied and substantially unfurnished for any period, any one period not exceeding six weeks, during which it was not unoccupied and substantially unfurnished shall be disregarded.
2. That the report of the head of finance for the calculation of the council's tax base and the calculation of the tax base for each parish area for 2014/15 be approved

3. That, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by South Oxfordshire District Council as its council tax base for the year 2014/15 be 53,217.1
4. That, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by South Oxfordshire District Council as the council tax base for the year 2014/15 for each parish be the amount shown against the name of that parish in Appendix 1 of the report of the head of finance to Cabinet on 5 December 2013.

### **Purpose of Report**

1. The purpose of this report is to ask Cabinet to recommend the council tax base for 2014/15 to Council for approval.

### **Corporate Objectives**

2. The calculation of the tax base is a legal requirement and an essential part of the tax setting process which helps to achieve the council's corporate objective of effectively managing its resources.

### **Background**

3. Before the council tax can be set by the council, a calculation has to be made of the council tax base, which is an estimate of the taxable resources for the district as a whole and for each parish area.
4. The council tax base for the district has to be notified to Oxfordshire County Council and the Police and Crime Commissioner by 31 January 2014. Each parish and town council is also notified of the figure for its area.
5. The legislation requires that the council tax base is approved by full council or a non-executive body with delegated powers. No such delegation exists, so cabinet is therefore asked to recommend to council the schedule set out in **Appendix 1** as the council tax base for the district as a whole and for each parish area.

### **Calculation of the tax base**

6. The starting point for the calculation is the total number of dwellings and their council tax band.
7. The council then allows for the following information, for each band:
  - (a) dwellings which will be entirely exempt so no tax is payable (e.g. those occupied entirely by students)

- (b) dwellings which will attract a 25 per cent reduction (e.g. those with a single adult occupier)
  - (c) dwellings which will attract a 50 per cent reduction (e.g. those where all of the adult residents qualify for a reduction)
  - (d) dwellings which will be treated as being in a lower band because they have been adapted for a severely disabled person. The regulations provide methodology to take account of the reduction available to those in band A dwellings
  - (e) dwellings which will be on the valuation list but which attract discounts or disablement relief or are exempt, for only part of the year
  - (f) dwellings which will attract a reduction through the council tax reduction scheme
8. Each band is then converted into "band D equivalents" by applying the factor laid down by legislation. For example, a band A dwelling is multiplied by 2/3 to arrive at the band D equivalent figure, whilst a band H dwelling is multiplied by two. All these are then added together to give a total of band D equivalents.
9. A final adjustment is required to allow for non-collection. The council is required to decide what its collection rate is likely to be and apply this to its council tax base. For the 2013/14 tax the council assumed 98 per cent would eventually be collected and it is proposed to use 98 per cent again in 2014/15.

### **Changes for 2014/15**

10. For 2013/14 the council resolved to award a discount of 25 per cent for a maximum of six months where dwellings are unoccupied and unfurnished. These types of dwelling had previously been subject to an exemption and paid no council tax (for up to six months). The discounts are awarded under Class C of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended).
11. However, as a consequence of this many small debts are being created where dwellings are unoccupied and unfurnished for short periods (less than one month). It is therefore proposed to amend the discount awarded under Class C of the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003 (as amended) to a 100 per cent discount for one calendar month with effect from 1 April 2014.
12. There will be some unoccupied and unfurnished dwellings that will have received a 25 per cent discount for more than one calendar month on 1 April 2014, but have not reached six months. It is proposed that these dwellings will not receive any discount from 1 April 2014.
13. There will be some unoccupied and unfurnished dwellings that will have received a 25 per cent discount for less than one calendar month on 1 April 2014. It is

proposed that these unoccupied and unfurnished dwellings will receive a 100 discount from 1 April 2014 for the number of days required to take their discount period to one calendar month e.g. if a dwelling has received a 25 per cent discount from 20 March 2014 to 31 March 2014 it will receive a 100 per cent discount from 1 April 2014 until 19 April 2014. After this time it will receive no discount.

14. When considering whether a dwelling is unoccupied and unfurnished, any period of less than six weeks where it is not unoccupied and unfurnished shall be disregarded. This is to prevent a council taxpayer from receiving a 100 per cent discount for one month, moving furniture into the dwelling for a few days, and then moving the furniture back out and claiming another month's 100 per cent discount.
15. Because the taxbase is calculated by looking at the state of a dwelling on a particular day there is a small impact on the taxbase by this discount change. For council taxbase purposes these dwellings are no longer making a contribution because they are receiving a 100 per cent discount whereas in the 2013/14 taxbase calculation they would have been contributing 0.75 of a dwelling. The estimated impact on the taxbase is 236 band D equivalents.
16. However, in practical terms, after a maximum of one month these dwellings will be subject to 100 per cent council tax. Therefore, whilst there is a small impact on the taxbase, in cash collected terms the council should see an increase which will make a positive contribution to the end of year collection fund calculation.

### **Taxbase for 2014/15**

17. Based on the assumptions detailed above, and the proposed change to Class C discounts, the council tax base for 2014/15 is 53,217.1.
18. Similar calculations are required for each parish in order to calculate the proportion of the district's tax base which relates to its area. A schedule of the tax base for each parish is set out in **Appendix 1**.
19. To calculate the council tax requirement (ie: the amount of council tax to be raised) the council tax base is multiplied by the Band D equivalent. This will be finalised during January and February, culminating in the council tax being set by council on 20 February 2014 (this date is subject to the council being notified of the major precepting authorities' council tax requirements).

### **Financial Implications**

20. These are set out in the body of the report.

### **Legal Implications**

21. These are set out in the body of the report.

**Background Papers**

None

PARISH COUNCIL TAX BASES - 2014-15

PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2014-15	PARISH TAX BASE 2014-15	PARISH TAX BASE 2013-14	PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS 2014-15	PARISH TAX BASE 2014-15	PARISH TAX BASE 2013-14
Adwell	13	12.8	13.7	Sandford on Thames	584	491.2	486.8
Aston Rowant	347	421.6	416.5	Shiplake	679	889.6	879.8
Aston Tirrold	147	170.3	171.1	Shirburn	55	58.9	54.7
Aston Upthorpe	71	82.2	80.3	Sonning Common	1,595	1,549.3	1,535.0
Beckley & Stowood	248	272.3	274.6	South Moreton	144	137.8	135.1
Benson	1,742	1,691.3	1,706.0	South Stoke	213	219.5	217.9
Berinsfield	1,101	626.6	615.2	Stadhampton	322	322.4	316.1
Berrick Salome	121	158.3	161.6	Stanton St John	188	216.4	215.9
Binfield Heath	276	309.6	305.2	Stoke Row	263	297.7	307.0
Bix & Assendon	254	323.2	320.2	Stoke Talmage	22	27.3	28.3
Brightwell Baldwin	82	99.0	98.7	Swyncombe	117	133.2	136.4
Brightwell cum Sotwell	613	639.6	637.0	Sydenham	147	153.4	150.7
Britwell Salome	87	99.0	101.7	Tetsworth	291	284.4	279.5
Chalgrove	1,126	1,028.1	1,028.5	Thame	4,979	4,225.7	4,195.8
Checkendon	205	229.3	227.3	Tiddington with Albury	276	265.2	260.4
Chinnor	2,532	2,314.6	2,267.0	Toot Baldon	57	70.6	69.9
Cholsey	1,597	1,426.6	1,337.5	Towersey	176	176.0	170.4
Clifton Hampden	250	277.9	277.2	Wallingford	3,442	2,669.0	2,650.2
Crowell	47	58.2	57.1	Warborough	435	469.4	466.5
Crowmarsh	691	650.4	617.4	Waterperry with Thomley	68	76.5	77.7
Cuddesdon & Denton	199	161.1	164.2	Waterstock	40	42.9	44.3
Culham	169	170.8	167.0	Watlington	1,208	1,115.6	1,117.6
Cuxham with Easington	60	59.6	57.6	West Hagbourne	113	121.8	117.9
Didcot	10,423	7,757.4	7,551.0	Wheatfield	11	12.8	13.9
Dorchester	476	520.9	527.8	Wheatley	1,742	1,611.4	1,601.5
Drayton St Leonard	116	128.4	126.2	Whitchurch on Thames	335	393.0	389.3
East Hagbourne	803	738.2	724.8	Woodcote	1,033	1,011.0	997.3
Elsfield	48	53.9	53.3	Woodeaton	30	38.8	38.8
Ewelme	426	368.6	370.2				
Eye & Dunsden	148	176.2	177.6	<b>TOTAL</b>	<b>57,491</b>	<b>53,217.1</b>	<b>52,607.0</b>
Forest Hill with Shotover	365	325.6	328.0				
Garsington	760	668.0	665.5				
Goring	1,491	1,681.4	1,653.0				
Goring Heath	494	582.8	583.4				
Great Haseley	237	247.9	248.9				
Great Milton	334	307.5	304.5				
Harpsden	210	296.3	303.0				
Henley on Thames	5,739	5,536.7	5,493.0				
Highmoor	133	159.2	160.3				
Holton	240	229.4	231.5				
Horspath	613	592.5	594.9				
Ipsden	150	161.7	160.8				
Kidmore End	516	662.5	662.2				
Lewknor	280	295.8	291.9				
Little Milton	207	211.2	211.6				
Little Wittenham	28	34.3	34.3				
Long Wittenham	359	344.4	340.6				
Mapledurham	130	122.8	122.5				
Marsh Baldon	119	125.2	124.7				
Moulsford	215	249.6	243.9				
Nettlebed	331	348.2	344.6				
Newington	47	54.9	55.5				
North Moreton	139	175.4	173.7				
Nuffield	217	227.9	225.4				
Nuneham Courtenay	87	85.7	87.7				
Pishill with Stonor	146	187.5	187.5				
Pyrton	91	108.6	110.1				
Rotherfield Greys	152	197.7	195.2				
Rotherfield Peppard	678	889.6	880.6				



# Cabinet Report



Report of Head of Finance

Author: Ben Watson

Telephone: 01491 823834

Textphone: 18001 01491 823834

E-mail: ben.watson@southandvale.gov.uk

Cabinet member responsible: David Dodds

Tel: 01844 212891

E-mail: david.dodds@southoxon.gov.uk

To: CABINET

DATE: 5 December 2013

## Council tax reduction scheme grant for town and parish councils

### Recommendations

That Cabinet recommends to Council:

(a) that the total council tax reduction scheme grant to be passed down to town and parish councils for 2014/15 be **£212,252**

(b) that the individual amounts for town and parish councils be calculated based on their relative need after considering the negative impact of the council tax reduction scheme on parish taxbases

(c) that the individual grant amounts for towns and parishes are as set out in **Appendix 2** to this report.

### Purpose of Report

1. The purpose of this report is for Cabinet to recommend to council the total amount of council tax reduction scheme grant that will be passed down to town and parish council for 2014/15; how the grant amounts for individual town and parish councils will be calculated; and, the actual amounts for town and parish councils.

## Corporate Objectives

2. The council receives an annual grant from central government which can be passed down to town and parish councils to mitigate the impact of the council tax reduction scheme on their taxbases. Passing down the grant can help keep down the town and parish element of council tax bills. Distributing the grant will help meet the objective of excellent delivery of key services.

## 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, or if council tax was not increased the income generated would reduce. This applies to both billing authorities (South) 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, each year the Government is distributing, via revenue support grant and business rates retention, 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 given to billing authorities includes an amount "*attributable to local precepting authorities*". There is no legal obligation for the council to pass on this grant and indeed some district councils elsewhere in the country did not pass the grant to towns and parishes.
5. For 2013/14 the council received a sum of £245,946 to be passed down to town and parish councils. The mechanism for allocating the funding was approved at full Council on 13 December 2012. The full amount of the grant was passed down to South Oxfordshire towns and parishes, based upon their relative need following the reduction in their respective taxbases.
6. Although the Government identified the specific amount attributable to local precepting authorities in 2013/14 it has said it will not do so for 2014/15. In its 2013 Spending Review the Government indicated that funding for the council is reducing by 13.7 per cent in 2014/15. Therefore, assuming all components of the overall Government funding – including the towns and parishes CTR grant component - reduce equally by the same 13.7 per cent, the 2013/14 town and parish grant figure of £245,946 becomes **£212,252** for 2014/15.

## Options for distributing the grant

7. For 2013/14, for each parish taxbase, a calculation was undertaken to look at the negative effect of the council tax reduction scheme in isolation; a further calculation to look at the positive effect of increasing charges for second homes and empty properties in isolation; and, one further calculation which looked at the net effect of both changes combined.

8. The net effect of the two changes (i.e. the net amount of band D equivalents removed from taxbases) was then multiplied by the individual town and parish band D council tax amounts for 2012/13. This gave a notional council tax “shortfall” figure and towns and parishes were then given a grant equal to 87.3 per cent of the notional shortfall. This was because the parish element of the grant (£245,946) only covered 87.3 per cent of the total notional shortfall. A worked example of this is in **Appendix 1**.
9. There are two different options for distributing the grant in 2014/15, both with their own pros and cons.

#### OPTION 1

10. For 2014/15 the council could decide to distribute the pot of money by the same proportions as 2013/14 e.g. if Parish A received 2.2 per cent of the total grant of £245,946 (£5,410), then it would receive 2.2 per cent of the **£212,252** grant for 2014/15 (£4,669).
11. This would be the simplest method administratively and would also provide stability for town and parish councils. However, if any town or parish has had an increase in residents claiming CTRS during 2013/14, this will not be taken into account in the 2014/15 grant. Also, some towns and parishes did not receive any grant at all during 2013/14 because they had not been impacted by the introduction of CTRS (either because none of their residents were claiming, or the positive impact of council tax discount changes was greater than the negative effect of CTRS). If circumstances have changed in these particular towns and parishes, this would not be taken into account under this proposal.

#### OPTION 2

12. Alternatively, the CTRS effect could be recalculated again for 2014/15 using up to date CTRS figures. This would involve more administration for the council but would mean that the grant is based on current circumstances. However, it would introduce an element of volatility for town and parish councils if circumstances in their area have changed significantly.
13. The council would then use the 2012/13 town and parish band D figures to calculate the notional shortfall upon which their share of the grant would be based.
14. The Government’s model for calculating the amount of grant attributable to town and parish councils was based on 2012/13 council tax levels and this is why the council will continue to use 2012/13 as the baseline. Also, by continuing to use the 2012/13 band D council tax figures there will be an element of consistency to help negate the potential volatility of recalculating the CTRS effect.

#### Views from town and parish councils

15. Briefing sessions were held with town and parish councils on 16 October 2013 and 23 October 2013. These were very well attended events with 39 towns and parishes represented. Options 1 and 2 were put to the towns and parishes and

the favoured option (both at the meeting and from subsequent contact from town and parishes) was option 2.

### **View from Scrutiny Committee**

16. A report was taken to Scrutiny Committee on 5 November 2013 which set out the options detailed above. The recommendation from Scrutiny to the Cabinet Member for Finance was that option 2 should be implemented.

### **Preferred option**

17. Taking into account the views from town and parish councils and Scrutiny Committee the preferred option for Council to adopt is option 2. Based on this the proposed 2014/15 council tax reduction scheme grant allocations for town and councils are set out in **Appendix 2**.

18. Under this option the total grant figure of **£212,252** is enough to fund **70.4 per cent** of the notional council tax shortfall after taking into account the negative impact of the council tax reduction scheme on town and parish taxbases.

### **Financial Implications**

19. The council tax reduction scheme grant from the government is contained within the council's revenue support grant and the council's baseline funding level for business rates retention. Overall funding is reducing by 13.7 per cent therefore, by reducing the grant to be distributed to town and parish councils by 13.7 per cent there is a neutral financial impact on the council.

### **Legal Implications**

20. Whilst the council tax reduction scheme 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.

### **Risks**

21. There is a risk that some town and parish councils may challenge the methodology if they believe that they have not received what they think is 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**

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

### **Conclusion**

23. The council will receive funding during 2014/15 that is attributable to town and parish councils to mitigate the impact of the council tax reduction scheme on their taxbases. A decision is required on how that funding should be distributed.

24. This paper sets out options for Cabinet to consider and recommend to Council.

**Background Papers**

- None

**Worked example of 2013/14 grant allocation calculation**

<b>A</b>	Original 2013/14 taxbase	4,000
<b>B</b>	Dwellings gained through CT reform	50
<b>C</b>	Dwellings lost through CTRS	200
<b>D</b>	Revised taxbase (A + B – C)	3,850
<b>E</b>	<b>Band D equivalentents lost (A – D)</b>	<b>150</b>
<b>F</b>	2012/13 band D council tax	£30
<b>G</b>	Lost income (E x F)	£4,500
<b>H</b>	<b>Grant paid (G x 87.3%)</b>	<b>£3,928.50</b>

Proposed 2014/15 council tax reduction scheme grant allocations

Town/parish	A Unadjusted 2014/15 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)	F 70.4% of shortfall
Adwell	13.6	12.8	0.8	£0.00	£0.00	£0
Aston Rowant	431.9	421.6	10.3	£39.52	£407.06	£287
Aston Tirrold	181.2	170.3	10.9	£50.17	£546.85	£385
Aston Upthorpe	86.9	82.2	4.7	£58.30	£274.01	£193
Beckley & Stowood	287.1	272.3	14.8	£118.77	£1,757.80	£1,238
Benson	1,765.2	1,691.3	73.9	£68.57	£5,067.32	£3,570
Berinsfield	801.5	626.6	174.9	£142.75	£24,966.98	£17,590
Berrick Salome	161.2	158.3	2.9	£36.56	£106.02	£75
Binfield Heath	325.2	309.6	15.6	£28.42	£443.35	£312
Bix & Assendon	331.9	323.2	8.7	£21.34	£185.66	£131
Brightwell Baldwin	99.0	99.0	0.0	£10.06	£0.00	£0
Brightwell cum Sotwell	672.1	639.6	32.5	£44.33	£1,440.73	£1,015
Britwell Salome	103.3	99.0	4.3	£4.85	£20.86	£15
Chalgrove	1,103.7	1,028.1	75.6	£83.74	£6,330.74	£4,460
Checkendon	242.4	229.3	13.1	£40.43	£529.63	£373
Chinnor	2,447.0	2,314.6	132.4	£109.52	£14,500.45	£10,216
Cholsey	1,535.2	1,426.6	108.6	£61.78	£6,709.31	£4,727
Clifton Hampden	288.1	277.9	10.2	£26.22	£267.44	£188
Crowell	59.7	58.2	1.5	£0.00	£0.00	£0
Crowmarsh	693.4	650.4	43.0	£55.98	£2,407.14	£1,696
Cuddesdon & Denton	173.4	161.1	12.3	£40.89	£502.95	£354
Culham	183.1	170.8	12.3	£84.74	£1,042.30	£734
Cuxham with Easington	66.9	59.6	7.3	£0.00	£0.00	£0
Didcot	8,612.8	7,757.4	855.4	£97.25	£83,187.65	£58,610
Dorchester	546.2	520.9	25.3	£71.92	£1,819.58	£1,282
Drayton St Leonard	133.5	128.4	5.1	£21.72	£110.77	£78
East Hagbourne	781.1	738.2	42.9	£47.16	£2,023.16	£1,425
Eisfield	56.4	53.9	2.5	£17.64	£44.10	£31
Ewelme	377.5	368.6	8.9	£45.18	£402.10	£283
Eye & Dunsden	179.6	176.2	3.4	£54.37	£184.86	£130
Forest Hill with Shotover	358.5	325.6	32.9	£34.52	£1,135.71	£800
Garsington	714.0	668.0	46.0	£29.57	£1,360.22	£958
Goring	1,738.7	1,681.4	57.3	£51.70	£2,962.41	£2,087
Goring Heath	603.6	582.8	20.8	£29.42	£611.94	£431
Great Haseley	259.5	247.9	11.6	£48.38	£561.21	£395
Great Milton	334.1	307.5	26.6	£43.88	£1,167.21	£822
Harpden	300.1	296.3	3.8	£16.49	£62.66	£44
Henley on Thames	5,954.8	5,536.7	418.1	£83.49	£34,907.17	£24,594
Highmoor	165.0	159.2	5.8	£30.86	£178.99	£126
Holton	238.0	229.4	8.6	£58.99	£507.31	£357
Horspath	619.3	592.5	26.8	£53.92	£1,445.06	£1,018
Ipsden	172.8	161.7	11.1	£26.44	£293.48	£207
Kidmore End	671.5	662.5	9.0	£53.56	£482.04	£340
Lewknor	314.3	295.8	18.5	£43.38	£802.53	£565
Little Milton	224.4	211.2	13.2	£46.85	£618.42	£436
Little Wittenham	34.3	34.3	0.0	£0.00	£0.00	£0
Long Wittenham	358.7	344.4	14.3	£45.32	£648.08	£457
Mapledurham	134.7	122.8	11.9	£37.20	£442.68	£312
Marsh Baldon	130.2	125.2	5.0	£31.88	£159.40	£112
Moulsoford	257.4	249.6	7.8	£47.30	£368.94	£260
Nettlebed	376.5	348.2	28.3	£29.65	£839.10	£591
Newington	56.7	54.9	1.8	£15.26	£27.47	£19
North Moreton	179.5	175.4	4.1	£28.74	£117.83	£83
Nuffield	240.2	227.9	12.3	£23.94	£294.46	£207
Nuneham Courtenay	94.5	85.7	8.8	£50.00	£440.00	£310
Pishill with Stonor	189.7	187.5	2.2	£25.44	£55.97	£39
Pyrton	114.6	108.6	6.0	£7.09	£42.54	£30
Rotherfield Greys	202.7	197.7	5.0	£38.88	£194.40	£137
Rotherfield Peppard	908.5	889.6	18.9	£24.84	£469.48	£331
Sandford on Thames	521.8	491.2	30.6	£48.66	£1,489.00	£1,049
Shiplake	916.6	889.6	27.0	£27.51	£742.77	£523
Shirburn	63.6	58.9	4.7	£9.93	£46.67	£33
Sonning Common	1,654.1	1,549.3	104.8	£40.05	£4,197.24	£2,957
South Moreton	148.9	137.8	11.1	£44.19	£490.51	£346
South Stoke	235.1	219.5	15.6	£52.40	£817.44	£576
Stadhampton	336.8	322.4	14.4	£34.23	£492.91	£347
Stanton St John	223.9	216.4	7.5	£43.28	£324.60	£229
Stoke Row	309.6	297.7	11.9	£31.61	£376.16	£265
Stoke Talmage	27.3	27.3	0.0	£0.00	£0.00	£0
Swyncombe	141.9	133.2	8.7	£34.39	£299.19	£211
Sydenham	159.0	153.4	5.6	£51.12	£286.27	£202
Tetsworth	306.1	284.4	21.7	£35.77	£776.21	£547
Thame	4,532.3	4,225.7	306.6	£112.22	£34,406.65	£24,241
Tiddington with Albury	283.6	265.2	18.4	£41.86	£770.22	£543
Toot Baldon	72.9	70.6	2.3	£29.34	£67.48	£48
Towersey	191.1	176.0	15.1	£56.98	£860.40	£606
Wallingford	2,984.0	2,669.0	315.0	£95.66	£30,132.90	£21,230
Warborough	487.3	469.4	17.9	£62.57	£1,120.00	£789
Waterperry with Thomley	79.0	76.5	2.5	£19.74	£49.35	£35
Waterstock	44.1	42.9	1.2	£13.54	£16.25	£11
Watlington	1,205.8	1,115.6	90.2	£71.92	£6,487.18	£4,571
West Hagbourne	125.8	121.8	4.0	£48.83	£195.32	£138
Wheatfield	13.8	12.8	1.0	£0.00	£0.00	£0
Wheatley	1,699.3	1,611.4	87.9	£62.53	£5,496.39	£3,872
Whitchurch on Thames	409.6	393.0	16.6	£59.66	£990.36	£698
Woodcote	1,083.9	1,011.0	72.9	£52.84	£3,852.04	£2,714
Wood Eaton	38.8	38.8	0.0	£20.41	£0.00	£0
Total	56,982.9	53,217.1	3,765.8	£301,259.02	£212,252	

