

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

05 February 2008

Supplementary Report of the Chief Executive, Director of Finance, Leader of the Council and Cabinet Member for Finance

Part 1- Public

Matters for Recommendation to Council

1 SETTING THE COUNCIL TAX 2008/09

This report takes Cabinet through the process of setting the level of Council Tax for the financial year 2008/09. Cabinet is asked to RECOMMEND the draft resolution, as it relates to the Borough Council's level of Council Tax, to the meeting of the full Council on 20 February 2008.

1.1 Introduction

- 1.1.1 The legislative framework for the setting of Council Tax is Chapter III of the Local Government Finance Act 1992. Section 30 requires that for each financial year and for each category of dwelling in its area, a billing authority shall set an amount of Council Tax.
- 1.1.2 The amount set will be the aggregate of the amount set by the billing authority under Sections 32 and 36 of the Act and the amounts set by major precepting authorities under Sections 43 to 47 of the Act.

1.2 Amounts of Council Tax to be set by the Billing Authority

- 1.2.1 Having determined the billing authority's tax requirement (see preceding report Setting the Budget 2008/09 paragraph 1.12.2), this sum is initially divided by the tax base to determine the overall level of tax, inclusive of Parish Precepts for the billing authority. The tax base for 2008/09 is set out at **[Annex 1]** for information.
- 1.2.2 The resultant figure represents an average charge within the Borough for both Borough and Parish Council requirements. As part of the statutory process, this average is recorded on the Council's council tax resolution, which we refer to later. As Cabinet is aware, however, the average charge does not apply to any of the areas within the Borough other than by coincidence. In order to calculate the levels of tax for each of the areas within the Borough, it is necessary to determine the basic level of Council Tax that will apply to the whole of the Borough, and then calculate the additional charges relating to particular areas (i.e. parishes). This process determines the tax for Band D properties in each of those areas.

- 1.2.3 The tax for the full range of Band A to H properties is then established by using the ratios for each of the Bands as they relate to Band D. The relevant statutory ratios are as follows:

Table 1 - Band Ratio Relative to Band D

Band	Ratio to Band D
A	6/9
B	7/9
C	8/9
D	9/9
E	11/9
F	13/9
G	15/9
H	18/9

- 1.2.4 The level of tax set by the major precepting authorities, Kent County Council, Kent Police Authority and the Kent & Medway Fire & Rescue Authority, is then added to establish the overall tax for each band in each part of the area.

1.3 Kent County Council / Kent Police / Kent & Medway Fire & Rescue Precept

- 1.3.1 At the time of writing, none of the major precepting authorities has met to determine their respective precepts for 2008/09.
- 1.3.2 The Kent Police Authority's precept and level of Council Tax is due to be agreed on 13 February.
- 1.3.3 Kent County Council's Cabinet meeting will take place on 6 February, at which a recommendation concerning its precept is expected to be made. The County Council's full Council meeting to confirm the precept is to be held on 19 February.
- 1.3.4 The Kent & Medway Fire & Rescue Authority's precept and level of Council Tax is due to be agreed on 20 February (on the same day as our own).

1.4 Draft Resolution

- 1.4.1 Attached at **[Annex 2]** is a draft resolution which seeks to identify for Cabinet the figures which have been calculated and the processes which have to be

undertaken to arrive at the levels of Council Tax applicable to each part of the Borough. The parts in bold type seek to explain each calculation.

- 1.4.2 Given that the County Council, the Police Authority and the Kent & Medway Fire & Rescue Authority will not have met to determine their precepts, it will not be possible to circulate to Cabinet a draft resolution incorporating the Council Tax levels for all major precepting authorities. The draft resolution, therefore, only incorporates the Borough Council's budget and Parish Council precept information. Members will be advised of the levels of Council Tax to be set by Kent County Council, Kent Police Authority and the Kent & Medway Fire & Rescue Authority at full Council on 20 February 2008.

1.5 Legal Implications

- 1.5.1 There are a number of legislative requirements to consider in setting the Budget which will be addressed as we move through the budget cycle.

1.6 Financial and Value for Money Considerations

- 1.6.1 As set out above.

1.7 Risk Assessment

- 1.7.1 The Local Government Act 2003 requires the Chief Financial Officer, when calculating the Budget Requirement and Council Tax Requirement, to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. Consideration will and is given to the risks associated with any budget setting process where various financial and other assumptions have to be made. To mitigate the risks detailed estimates are formulated in conjunction with Services taking into account past outturn, current spending plans and likely future demand levels / pressures and external advice on assumptions obtained where appropriate.

1.8 Recommendations

- 1.8.1 Cabinet is **RECOMMENDED** to refer the draft resolution, as it relates to the Borough Council's level of Council Tax, to full Council at its meeting on 20 February 2008 for approval.

Background papers:

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Nil

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