



# Shadow Authority

## Bournemouth, Christchurch and Poole Shadow Authority

Report Subject	2019/20 Council Tax Resolution
Meeting date	21 February 2019
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Status	Public
Classification	For decision
Executive summary	<p>Under the Local Government Finance Act 1992 the Council as the billing authority must calculate a council tax requirement and basic amount of council tax for the following year. Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008 modifies the 1992 Act to permit an authority undergoing restructuring to calculate different basic amounts of council tax for its predecessor areas for up to seven years as part of a process of equalisation.</p> <p>Separate recommendations are before the Council regarding the Budget for 2019/20. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax for Bournemouth £1,473.40, Bournemouth (Holdenhurst) £1,471.30, Christchurch £1,598.30 and Poole £1,441.53.</p>
Recommendations	<b>It is recommended that Council:</b> <b>a) approves the Council Tax resolution as set out in Appendix A;</b>

Reasons for recommendations	<b>To enable the Council to calculate and approve the Council Tax requirement and amounts billed in each predecessor area for the new BCP Authority in 2019/20, and to make the determination of excessiveness required by legislation.</b>
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## **Background detail**

- 1 This report reflects the Local Government Finance Act 1992 (as amended by the Localism Act 2011 and modified by Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008), which requires billing authorities to calculate the Council Tax requirement and amounts to be charged from tax payers for the coming year.

## **Council Tax Equalisation**

- 2 BCP Council as a unitarising authority may calculate its basic amount of Council Tax for 2019/20 under section 31B(1) of the 1992 Act if completing equalisation of council tax across its predecessor areas in that year.
- 3 However, in order to equalise council tax levels over seven years as per the local preference of the Shadow Executive, BCP Council is instead calculating different basic amounts for each predecessor area under Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008.

## **Police and Fire Preceptors**

- 4 The information from the Police and Fire precepting bodies is as follows:
  - (a) On 7th February 2019 the Dorset Police and Crime Commissioner set its precept at £32,718,388, adjusted by a Collection Fund contribution of £28,600. This results in a Band D Council Tax of £230.58.
  - (b) On 12th February 2019 the Dorset and Wiltshire Fire and Rescue Authority set its precept at £10,624,535, adjusted by a Collection Fund contribution of £10,065. This results in a Band D Council Tax of £74.87.

## **Town, Neighbourhood and Parish Precepts**

- 5 The Town, Neighbourhood Parish Council Precepts for 2019/20 are detailed in Appendix C and total £545,285.
- 6 Christchurch Borough Council agreed on 22<sup>nd</sup> August 2018 to the establishment of two new local councils. These were the Christchurch Town Council and Highcliffe and Walkford Neighbourhood Council.

## **Special Item – Chartered Trustees**

- 7 For 2019/20 the BCP Authority under Section 34/35 of the Local Government Finance Act 1992 will, as a special item collect monies on behalf of two new Chartered Trustees for the Bournemouth and Poole area.

- 8 In 2020/21 the Bournemouth and Poole Chartered Trustees will precept as normal and be included as a separate item on the Council Tax bills.

### **Council Tax Bands**

- 9 If the formal Council Tax Resolution as Appendix B is approved the total Band D Council Tax charges are shown overleaf.

### **Background papers**

- 10 Report to Shadow Executive 12 February 2019 entitled '2019/20 Budget and Consolidated Medium Term Financial Plan (MTFP) Update.'

### **Appendices**

- 11 Appendix A – Council Tax Resolution for 2019/20

# Council Tax Bands

Ctax 2018/19 £	Ctax 2019/20 £	Increase 2019/20 %
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## Christchurch Area

BCP Unitary Charge	£1,607.16	£1,598.30	-0.55%
Dorset Police and Crime Commissioner	£206.58	£230.58	11.62%
Dorset and Wiltshire Fire and Rescue Authority	£72.70	£74.87	2.98%
<b>Christchurch Total</b>	<b>£1,886.44</b>	<b>£1,903.75</b>	<b>0.92%</b>

Christchurch Town Council	£0.00	£27.89	
Burton Parish	£13.08	£12.97	-0.84%
Hurn Parish	£27.93	£28.48	1.97%
Highcliffe and Walkford	£0.00	£27.59	

## Bournemouth Area (exc Holdenhurst)

BCP Unitary Charge	£1,438.92	£1,473.40	2.40%
Dorset Police and Crime Commissioner	£206.58	£230.58	11.62%
Dorset and Wiltshire Fire and Rescue Authority	£72.70	£74.87	2.98%
<b>Bournemouth Total</b>	<b>£1,718.20</b>	<b>£1,778.85</b>	<b>3.53%</b>

## Bournemouth Holdenhurst Area

BCP Unitary Charge	£1,438.92	£1,471.30	2.25%
Dorset Police and Crime Commissioner	£206.58	£230.58	11.62%
Dorset and Wiltshire Fire and Rescue Authority	£72.70	£74.87	2.98%
<b>Bournemouth Holdenhurst Total</b>	<b>£1,718.20</b>	<b>£1,776.75</b>	<b>3.41%</b>

## Poole Area

BCP Unitary Charge	£1,399.68	£1,441.53	2.99%
Dorset Police and Crime Commissioner	£206.58	£230.58	11.62%
Dorset and Wiltshire Fire and Rescue Authority	£72.70	£74.87	2.98%
<b>Poole Total</b>	<b>£1,678.96</b>	<b>£1,746.98</b>	<b>4.05%</b>

The BCP Shadow Authority Council is recommended to resolve as follows:

1. It be noted that on 19 December 2018 the BCP Shadow Authority calculated the Council Tax Base 2019/20:
  - a. For the BCP Council is split for the year 2019/20 as Bournemouth **63,723**, Christchurch **20,494** and Poole **57,555** (Item T in the formula in section 31B of the Local Government Finance Act 1992, as amended (the “Act”); and
  - b. For dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix C.
2. Calculate that the Council Tax requirement for the Council’s own purposes for 2019/20 (excluding parish, town and neighbourhood precepts) as **£209,612,183**.
3. That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Act:
  - a. **£800,675,467** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - b. **£590,518,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - c.

	Bournemouth	Poole	Christchurch	Total
Council Tax Requirement S31A	93,889,363	82,967,259	33,300,845	<b>210,157,467</b>

being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

d.

	Bournemouth	Poole	Christchurch
<b>Basic CT S31B</b>	1,473.40	1,441.53	1,624.91

being the amount at 3(c) above (Item R), all divided by the Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of Council Tax for the year (including parish precepts). Appendix B details Basic Council Tax by Parish Council.

e.

	<b>Bournemouth</b>	<b>Poole</b>	<b>Christchurch</b>
Remove Parish / Town / Neighbourhood Councils	0.00	0.00	26.61

**£545,285** being the aggregate amount of all special items (Parish, Town and Neighbourhood Council precepts) referred to in Section 34(1) of the Act (as per the attached Appendix C).

f.

	<b>Bournemouth</b>	<b>Poole</b>	<b>Christchurch</b>
<b>Basic Council Tax</b>	1,473.40	1,441.53	1,598.30

<b>Charter Trustee Adj</b>	<b>Bournemouth</b>	<b>Poole</b>	<b>Christchurch</b>
Where No Chartered Trustee Relates S34	1,471.30		
Where Chartered Trustee Relates S34	1,473.40		

being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(s) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no parish precept relates.

4. To note that the Dorset Police and Crime Commissioner and the Dorset and Wiltshire Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2019/20 for each part of its area and for each of the categories of dwellings.

#### **Precepts Issued by Major Precepting Authorities:**

	<b>Band A £</b>	<b>Band B £</b>	<b>Band C £</b>	<b>Band D £</b>	<b>Band E £</b>	<b>Band F £</b>	<b>Band G £</b>	<b>Band H £</b>
Dorset Police and Crime Commissioner	153.72	179.34	204.96	<b>230.58</b>	281.82	333.06	384.30	461.16
Dorset and Wiltshire Fire and Rescue Authority	49.91	58.23	66.55	<b>74.87</b>	91.51	108.15	124.78	149.74
Bournemouth - BCP Unitary Charge	982.27	1,145.98	1,309.69	<b>1,473.40</b>	1,800.82	2,128.24	2,455.67	2,946.80
Bournemouth (Holdenhurst Area) - BCP Unitary Charge	980.87	1,144.34	1,307.82	<b>1,471.30</b>	1,798.26	2,125.21	2,452.17	2,942.60
Christchurch - BCP Unitary Charge	1,065.53	1,243.12	1,420.71	<b>1,598.30</b>	1,953.48	2,308.66	2,663.83	3,196.60
Poole - BCP Unitary Charge	961.02	1,121.19	1,281.36	<b>1,441.53</b>	1,761.87	2,082.21	2,402.55	2,883.06

## Aggregate Amounts of Council Tax:

Location	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Bournemouth	1,185.90	1,383.55	1,581.20	1,778.85	2,174.15	2,569.45	2,964.75	3,557.70
Bournemouth - Holdenhurst Parish Area	1,184.50	1,381.91	1,579.33	1,776.75	2,171.59	2,566.42	2,961.25	3,553.50
Christchurch Town	1,287.75	1,502.38	1,717.01	1,931.64	2,360.90	2,790.16	3,219.39	3,863.28
Burton Parish	1,277.81	1,490.78	1,703.75	1,916.72	2,342.66	2,768.60	3,194.53	3,833.44
Hurn Parish	1,288.15	1,502.84	1,717.54	1,932.23	2,361.62	2,791.01	3,220.38	3,864.46
Highcliffe and Walkford	1,287.55	1,502.15	1,716.74	1,931.34	2,360.53	2,789.72	3,218.89	3,862.68
Christchurch Unparished Area	1,269.16	1,480.69	1,692.22	1,903.75	2,326.81	2,749.87	3,172.91	3,807.50
Poole	1,164.65	1,358.76	1,552.87	1,746.98	2,135.20	2,523.42	2,911.63	3,493.96

### Determination of Excessiveness

6. BCP Council must determine whether its 2019/20 council tax is excessive by reference to the referendum principles set by the Secretary of State and approved by the House of Commons on 5 February 2019. The measure of excessiveness is the 'relevant basic amount of council tax' (essentially the band D figure excluding local precepts). The Secretary of State may prescribe Alternative Notional Amounts (ANA) of RBA to be used in respect of the preceding year where there has been a change of local authority functions. The transfer of functions in the Christchurch predecessor area to new town and neighbourhood councils means that ANAs have been set for BCP Council to use in respect of 2018/19.

*Alternative Notional Amount as regards the financial year beginning 1 April 2018*

- (a) Christchurch predecessor area of new Bournemouth, Christchurch and Poole Council - **£1,598.30**
- (b) Bournemouth, Christchurch and Poole Council - **£1,445.61**

As BCP Council is calculating different amounts of council tax under Part 4 of the 2008 Regulations, it may apply the referendum principle to either the increase in the average ANA-adjusted RBA across the predecessor areas or - as is recommended here - to the increase in the ANA-adjusted RBA in each individual predecessor area.

As such the authority's relevant basic amount of council tax for 2019/20 is excessive if the amount mentioned in section 52ZC(3C)(a)(a) of the 1992 Act is 3%+A% (comprising A% for expenditure on adult social care and 3% for other expenditure), or more than 3%+A%, greater than the amount mentioned in section 52ZC(3C)(b) of that Act in one or more of its predecessor areas.

The value of the increase for Bournemouth is calculated as 2.40%, Christchurch as -0.55% and Poole as 2.99% and therefore the Council has determined that there is no excessive increase. For information the Bournemouth Holdenhurst area is 2.25%.

## Basic Council Tax

	<b>Band A £</b>	<b>Band B £</b>	<b>Band C £</b>	<b>Band D £</b>	<b>Band E £</b>	<b>Band F £</b>	<b>Band G £</b>	<b>Band H £</b>
Christchurch Town Council	1,084.12	1,264.81	1,445.50	1,626.19	1,987.57	2,348.95	2,710.31	3,252.38
Burton Parish	1,074.18	1,253.21	1,432.24	1,611.27	1,969.33	2,327.39	2,685.45	3,222.54
Hurn Parish	1,084.52	1,265.27	1,446.03	1,626.78	1,988.29	2,349.80	2,711.30	3,253.56
Highcliffe and Walkford	1,083.92	1,264.58	1,445.23	1,625.89	1,987.20	2,348.51	2,709.81	3,251.78
Christchurch Unparished	1,065.53	1,243.12	1,420.71	1,598.30	1,953.48	2,308.66	2,663.83	3,196.60
Bournemouth (exc Holdenhurst)	982.27	1,145.98	1,309.69	1,473.40	1,800.82	2,128.24	2,455.67	2,946.80
Bournemouth (Holdenhurst Parish Area)	980.87	1,144.34	1,307.82	1,471.30	1,798.26	2,125.21	2,452.17	2,942.60
Poole Area	961.02	1,121.19	1,281.36	1,441.53	1,761.87	2,082.21	2,402.55	2,883.06

## Town, Neighbourhood and Parish Precepts

	2018/19			2019/20		
	Precept £	Tax Base	Band D £	Precept £	Tax Base	Band D £
Christchurch Town				£342,009	12,263	£27.89
Burton Parish	£20,600	1,575	£13.08	£20,806	1,604	£12.97
Hurn Parish	£6,480	232	£27.93	£6,578	231	£28.48
Highcliffe and Walkford				£175,892	6,375	£27.59
<b>Total</b>	<b>£27,080</b>	<b>1,807</b>		<b>£545,285</b>	<b>20,473</b>	