

Motions Submitted to Council

In accordance with Chapter 2, Part 2 (Rule 15) of the Council's Constitution

Motion 2

Submitted by Councillor Duffin

Thurrock Council will write to the Chancellor of the Exchequer calling on the Government to reverse its policy of placing Authorities who do not increase Council Tax to the maximum level at a financial disadvantage by assuming such a notional increase have been made when calculating the amount of business rates they will be allowed to retain.

Statement

When Government determines the amount business rates an Authority will be able to keep they first determine how much the Council is already raising. Government does not use an Authority's actual council tax levels but rather a notional level that would assume a council tax increase has happened. Thurrock Council is already below the notional level assumed for next year and the government notional level for Thurrock will fall still further behind in this year.

Monitoring Officer Comments:

This motion relates to a matter which affects the Authority or the Authority's area and for which there is a relevant function.

Section 151 Officer Comments:

The allocation of funding from Central Government takes account of assumed levels of local council taxation raised. The funding calculated assumes the Council would raise council tax up to the level above which a local referendum would be required (currently 3%). Therefore, where a Council decides to set a lower level of council tax, this is not factored in to the Central Government funding settlement calculations. Consequently Council's core funding from grants and business rates will be lower as the calculation will have assumed a higher level of locally raised funding.

As part of the budget setting process the s151 officer highlights this impact to ensure that members can make an informed decision when setting the proposed level of council tax.

Is the above motion within the remit of Council to approve?

Yes