

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
<b>COUNCIL</b>	<b>6 MARCH 2013</b>

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
<b>COUNCIL TAX FIXING 2013/14</b>	<b>FINANCE &amp; RESOURCES</b>	<b>MICHAEL FISHER</b>	<b>4</b>

## **SUMMARY AND LINK TO CORPORATE PRIORITIES**

This report is presented to allow determination of the Council Tax requirement and Council Tax for South Ribble Borough Council for 2013/14. The Council Tax provides the financial resources to help pay for all of the Council's services. It is fundamental in supporting the delivery of all our corporate priorities.

## **PURPOSE**

The purpose of this report is to enable the Council to calculate and set the Council Tax for 2013/14.

## **RECOMMENDATIONS**

That the Council approve the formal Council Tax resolution appended to this report. In doing so, approve the revised budget for 2012/13 along with the Council's budget for 2013/14.

## **DETAILS AND REASONING**

The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not it's budget requirement as previously.

In addition, the Local Government Finance Act 2012 sees the replacement of Council Tax Benefit with Localised Support for Council Tax and introduced the retention of Business Rates. These reforms have been introduced to incentivise Local Authorities to encourage economic activity within their areas.

Council Tax Benefit was on the whole fully funded by central government and paid directly to South Ribble Borough Council. Funding for Council Tax Support is split in proportion between all the Major Precepting Authorities (Lancashire County Council, Lancashire Combined Fire and Rescue Authority, Police and Crime Commissioner for Lancashire and South Ribble Borough Council). Council Tax Support funding is fixed at a level of approximately 90% of 2012/13 level of Council Tax Benefit. South Ribble Council's element of this grant is £ 767,134 in 2013/14 and is included with Paragraph 4(b) of Appendix A.

Business Rate Retention will see Local Authorities either rewarded for any growth or penalised for any reduction in the amount of business rates collected within its area. The risks and rewards of this scheme will become clearer in future years as the system develops.

At its meeting on 6<sup>th</sup> February 2013, the Cabinet considered the updated financial strategy and draft budget proposals for the coming year. The Cabinet made a number of recommendations concerning the budget for 2013/14, which included a proposal to freeze Council Tax. The Band D council tax will remain £208.38 (excluding parish and town council precepts) therefore, the draft resolution, incorporating the recommendations from the Cabinet, is now appended to this report for consideration and approval.

All capital projects which are included in the MyNeighbourhood area plans and have been formally approved will be incorporated in the Council's Capital Programme.

As the "Billing Authority" for the South Ribble area, we also collect the council tax on behalf of the County Council, Police and Crime Commissioner, Combined Fire Authority and Parish/Town councils. The appropriate share of the money collected is paid over to these organisations to help pay for the services they are responsible for delivering. The council tax already agreed separately by each of these organisations, and for which they are individually accountable, is set out below and in the draft resolution.

### **Town & Parish Councils**

The Town & Parish Council Precepts for 2013/14 are detailed in Appendix C and total £249,050.

As result of the changes included within The Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012, this precept will be met as follows; £230,151.45 from Council Tax and £18,898.55 from Localised Support For Council Tax grant from South Ribble Borough Council. The changes contained in the above mentioned regulations came into force after a number of the parish councils had set their precepts.

The approach adopted by South Ribble Borough Council of awarding a grant has enabled broadly a like for like comparison between 2012/13 and 2013/14 Council Tax levels using 2012/13 precept amounts. Therefore any increase in the level of precept set by a Town/Parish Council will result in an increase in the amount of Council Tax payable in that Parish.

The increase in the average Band D Council Tax for Town and Parish Councils is 8.66 % and this results in an average Band D Council Tax figure of £ 6.90 for 2013/14.

### **Lancashire County Council**

Lancashire County Council met on 21<sup>st</sup> February 2013 and set their precept at £ 36,252,619, adjusted by a contribution to the Collection Fund of £ 344,809. This results in a Band D Council Tax of £ 1,086.13.

### **Police and Crime Commissioner for Lancashire**

Lancashire Police Authority met on 15<sup>th</sup> February 2013 and set their precept at £ 5,104,133, adjusted by a contribution to the Collection Fund of £ 46,644. This results in a Band D Council Tax of £152.92.

### **Lancashire Combined Fire Authority**

Lancashire Combined Fire Authority met on 11<sup>th</sup> February 2013 and set their precept at £2,124,489, adjusted by a contribution to the Collection Fund of £ 19,802. This results in a Band D Council Tax of £ 63.65.

	<b>2012-13</b>	<b>2013-14</b>	<b>Increase/Decrease</b>
South Ribble Borough Council	£ 208.38	£ 208.38	0.00%
Lancashire County Council	£1,108.30	£1,086.13	-2.00%
Police and Crime Commissioner for Lancashire	£ 149.93	£152.92	1.99%
Lancashire Combined Fire and Rescue Authority	£ 63.65	£ 63.65	0.00%
<b>Sub Total</b>	<b>£1,530.26</b>	<b>£ 1,511.08</b>	<b>-1.25%</b>
Town & Parish Council Average	£ 6.35	£ 6.90	8.66%
<b>Total</b>	<b>£1,536.61</b>	<b>£1,517.98</b>	<b>-1.21%</b>

## WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas shown below. A risk assessment has also been carried out. The table shows the implications in respect of each of these.

<b>FINANCIAL</b>	The draft resolution in the appendix to the report comprises the formal approval the council's Council Tax requirement for 2013/14.
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<b>LEGAL</b>	The Local Government Finance Act 1992 requires billing authorities to fix the council tax for a financial year by 11 March in the preceding financial year.
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<b>RISK</b>	None.
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<b>THE IMPACT ON EQUALITY</b>	The setting of Council Tax is a legal requirement, and funds the services provided by all the precepting bodies as well as South Ribble Borough Council. Failure to set the Council Tax would adversely affect provision of these services to some of the most vulnerable in society.
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<b>OTHER (see below)</b>	None
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

## BACKGROUND DOCUMENTS

Budget report as approved by Cabinet on 6<sup>th</sup> February 2013.  
Council Tax Base 2013/2014 Delegated Decision on 24<sup>th</sup> January 2013

Precept letters/emails from:

- Lancashire County Council;
- Lancashire Police Authority;
- Lancashire Combined Fire Authority; and
- Parish/Town Councils.

**THE COUNCIL IS RECOMMENDED TO RESOLVE AS FOLLOWS**

1. That the following be approved:-
  - (a) the revised revenue estimates for the year 2012/2013 and the revenue estimates for 2013/2014.
  - (b) the revised capital budget for the year 2012/2013 and the capital programme for 2013/2014.
  
2. It be noted that on the 24<sup>th</sup> January 2013 the Council calculated the Council Tax Base under a delegated decision for 2013/14 as follows:-
  - (a) For the whole of Council area as 33,377.68 [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 Parish precepts relates as attached in Appendix C.
  
3. Calculate that the Council Tax requirement for the Council's own purposes for 2013/14 (excluding Parish precepts) is £ 208.38.
  
4. The following amounts be calculated for the 2013/14 in accordance with Sections 31 to 36 of the Act:
  - (a) £ 54,152,661      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 and Town Councils. (This expenditure includes the government tariff payable in respect of business rates of £11,411,359)
  - (b) £ 46,967,269      being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. (This income includes business rates baseline funding of £13,461,179).
  - (c) £ 7,185,392        being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(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) £ 215.28            being the amount at 4(c) above (Item R), all divided by Item T (2(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - (e) £ 230,151            being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).
  - (f) £ 208.38             being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by Item T (2(a) above), calculated by the Council, in accordance with Section 34(2) 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.

5. To note that the County Council, the Police Authority and the Fire 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.
6. 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 2013/14 for each part of its area and for each of the categories of dwellings.

**South Ribble Borough Council**

Valuation Bands							
A	B	C	D	E	F	G	H
£138.92	£162.07	£185.23	£208.38	£254.69	£300.99	£347.30	£416.76

**Lancashire County Council**

Valuation Bands							
A	B	C	D	E	F	G	H
£724.09	£844.77	£965.45	£1,086.13	£1,327.49	£1,568.85	£1,810.22	£2,172.26

**Police and Crime Commissioner for Lancashire**

Valuation Bands							
A	B	C	D	E	F	G	H
£101.95	£118.94	£135.93	£152.92	£186.90	£220.88	£254.87	£305.84

**Lancashire Combined Fire Authority**

Valuation Bands							
A	B	C	D	E	F	G	H
£42.43	£49.51	£56.58	£63.65	£77.79	£91.94	£106.08	£127.30

7. South Ribble Borough Councils basic amount of Council Tax for 2013/14 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

APPENDIX B

Council Tax Schedule 2013/14	Bands							
	A	B	C	D	E	F	G	H
South Ribble Borough Council	£138.92	£162.07	£185.23	£208.38	£254.69	£300.99	£347.30	£416.76
Lancashire County Council	£724.09	£844.77	£965.45	£1,086.13	£1,327.49	£1,568.85	£1,810.22	£2,172.26
Lancashire Police Authority	£101.95	£118.94	£135.93	£152.92	£186.90	£220.88	£254.87	£305.84
Lancashire Combined Fire Authority	£42.43	£49.51	£56.58	£63.65	£77.79	£91.94	£106.08	£127.30
<b>Total Unparished Areas</b>	<b>£1,007.39</b>	<b>£1,175.29</b>	<b>£1,343.19</b>	<b>£1,511.08</b>	<b>£1,846.87</b>	<b>£2,182.66</b>	<b>£2,518.47</b>	<b>£3,022.16</b>
Farington	£15.27	£17.81	£20.36	£22.90	£27.99	£33.08	£38.17	£45.80
Farington and South Ribble BC	£154.19	£179.88	£205.59	£231.28	£282.68	£334.07	£385.47	£462.56
<b>Farington Total</b>	<b>£1,022.66</b>	<b>£1,193.10</b>	<b>£1,363.55</b>	<b>£1,533.98</b>	<b>£1,874.86</b>	<b>£2,215.74</b>	<b>£2,556.64</b>	<b>£3,067.96</b>
Hutton	£15.24	£17.78	£20.32	£22.86	£27.94	£33.02	£38.10	£45.72
Hutton and South Ribble BC	£154.16	£179.85	£205.55	£231.24	£282.63	£334.01	£385.40	£462.48
<b>Hutton Total</b>	<b>£1,022.63</b>	<b>£1,193.07</b>	<b>£1,363.51</b>	<b>£1,533.94</b>	<b>£1,874.81</b>	<b>£2,215.68</b>	<b>£2,556.57</b>	<b>£3,067.88</b>
Longton	£4.65	£5.43	£6.20	£6.98	£8.53	£10.08	£11.63	£13.96
Longton and South Ribble BC	£143.57	£167.50	£191.43	£215.36	£263.22	£311.07	£358.93	£430.72
<b>Longton Total</b>	<b>£1,012.04</b>	<b>£1,180.72</b>	<b>£1,349.39</b>	<b>£1,518.06</b>	<b>£1,855.40</b>	<b>£2,192.74</b>	<b>£2,530.10</b>	<b>£3,036.12</b>
Penwortham	£10.61	£12.37	£14.14	£15.91	£19.45	£22.98	£26.52	£31.82
Penwortham and South Ribble BC	£149.53	£174.44	£199.37	£224.29	£274.14	£323.97	£373.82	£448.58
<b>Penwortham Total</b>	<b>£1,018.00</b>	<b>£1,187.66</b>	<b>£1,357.33</b>	<b>£1,526.99</b>	<b>£1,866.32</b>	<b>£2,205.64</b>	<b>£2,544.99</b>	<b>£3,053.98</b>
Much Hoole	£8.16	£9.52	£10.88	£12.24	£14.96	£17.68	£20.40	£24.48
Much Hoole and South Ribble BC	£147.08	£171.59	£196.11	£220.62	£269.65	£318.67	£367.70	£441.24
<b>Much Hoole Total</b>	<b>£1,015.55</b>	<b>£1,184.81</b>	<b>£1,354.07</b>	<b>£1,523.32</b>	<b>£1,861.83</b>	<b>£2,200.34</b>	<b>£2,538.87</b>	<b>£3,046.64</b>
Little Hoole	£14.37	£16.76	£19.16	£21.55	£26.34	£31.13	£35.92	£43.10
Little Hoole and South Ribble BC	£153.29	£178.83	£204.39	£229.93	£281.03	£332.12	£383.22	£459.86
<b>Little Hoole Total</b>	<b>£1,021.76</b>	<b>£1,192.05</b>	<b>£1,362.35</b>	<b>£1,532.63</b>	<b>£1,873.21</b>	<b>£2,213.79</b>	<b>£2,554.39</b>	<b>£3,065.26</b>
Samlesbury and Cuerdale	£5.74	£6.70	£7.65	£8.61	£10.52	£12.44	£14.35	£17.22
Samlesbury and Cuerdale and South Ribble BC	£144.66	£168.77	£192.88	£216.99	£265.21	£313.43	£361.65	£433.98
<b>Samlesbury and Cuerdale Total</b>	<b>£1,013.13</b>	<b>£1,181.99</b>	<b>£1,350.84</b>	<b>£1,519.69</b>	<b>£1,857.39</b>	<b>£2,195.10</b>	<b>£2,532.82</b>	<b>£3,039.38</b>

## Parish and Parish Precepts

South Ribble BC Parish Precepts	2012-2013			2013-2014					% Change
Parish	Precept amount	Tax Base	Band D	Precept amount	SRBC Grant*	Council Tax**	Tax Base***	Band D	
Farington	£50,000.00	2,209.66	£22.63	£50,000.00	£4,312.11	£45,687.89	1,994.91	£22.90	1.2%
Hutton	£16,000.00	910.52	£17.57	£21,000.00	£1,081.96	£19,918.04	871.45	£22.86	30.1%
Longton	£21,100.00	3,119.43	£6.76	£21,100.00	£528.00	£20,572.00	2,949.30	£6.98	3.2%
Penwortham	£127,600.00	8,123.22	£15.71	£127,600.00	£11,497.59	£116,102.41	7,298.80	£15.91	1.3%
Much Hoole	£9,000.00	738.32	£12.19	£9,000.00	£690.01	£8,309.99	678.75	£12.24	0.4%
Little Hoole	£9,000.00	772.56	£11.65	£16,000.00	£596.99	£15,403.01	714.73	£21.55	85.0%
Samlesbury and Cuerdale	£4,350.00	512.53	£8.49	£4,350.00	£191.89	£4,158.11	482.97	£8.61	1.4%

\* Calculated Parish element of Localised Council Tax Support Grant awarded by South Ribble BC

\*\* Balance of parish precept to be collected via Council Tax

\*\*\* Council Tax Base reduced to take into account Cost of Council Tax Support.