|  |  |
| --- | --- |
| **REPORT TO** | **ON** |
| **COUNCIL** | **27 FEBRUARY 2019** |
|  | |
| **TITLE** | **PORTFOLIO** | **REPORT OF** |
| Council Tax Setting 2019-20 | Finance | Director of Customer and Digital |

|  |  |
| --- | --- |
|  | |
| Is this report a **KEY DECISION** (i.e. more than £100,000 or impacting on more than 2 Borough wards?)  Is this report on the **Statutory Cabinet Forward Plan**?  Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?  Is this report confidential? | **Yes**  **Yes**  **Yes**  **No** |

**1. PURPOSE OF THE REPORT**

* 1. The purpose of this report is to enable the Council to calculate and set the Council Tax for 2019/20.

1. **COUNCIL RECOMMENDATIONS**
   1. That the Council approve the formal Council Tax resolution appended to this report and in doing so, approve the Council’s budget for 2019/20.
2. **REASONS FOR THE DECISION**

3.1 At its meeting on 13th February 2019, the Cabinet considered the updated financial strategy and draft budget proposals for the coming year. The Cabinet has made a number of recommendations concerning the budget for 2019/20, which included a proposal to increase the Council Tax by 1.99%. Taking into consideration the proposal to increase the Band D Council Tax by 1.99% to £218.88 (excluding parish and town council precepts), the draft resolution, incorporating the recommendations from the Cabinet, is now appended to this report for consideration and approval.

As the “Billing Authority” for the South Ribble area, the Council also collects 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 which is 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 2019/20 are detailed together with a comparison with 2018/19 in Appendix C and total £397,104.

The changes included within The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, mean that these precepts take into account the cost of localised Council Tax Support.

There has been an overall increase in the average Band D Council Tax for Town and Parish Councils of 8.1% and this results in an average Band D Council Tax figure of £11.10 for 2019/20.

**Lancashire County Council**

Lancashire County Council met on 14th February 2019 and set their precept at £48,190,955, in addition a contribution of £566,190 will be made from the surplus in the Collection Fund. This results in a Band D Council Tax of £1,346.59, which is an increase of 3.99% when compared to the current year’s charge. Following an offer from the Secretary of State for Communities and Local Government, Lancashire County Council has decided to increase their 2019/20 Council Tax by an additional 1% (up to a total of 3.99%) without being required to hold a referendum, to assist the authority in meeting expenditure on adult social care.

**Police and Crime Commissioner for Lancashire**

The Police and Crime Commissioner for Lancashire on 13th February 2019 agreed a precept of £7,209,371, in addition a contribution of £77,622 will be made from the surplus in the Collection Fund. This results in a Band D Council Tax of £201.45, an increase of 13.53% on the current year’s charge.

**Lancashire Combined Fire Authority**

Lancashire Combined Fire Authority met on 18th February 2019 and set their precept at £2,486,509, in addition a contribution of £29,475 will be made from the surplus in the Collection Fund. This results in a Band D Council Tax of £69.48, an increase of 2.99% when compared to the current year’s charge.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2018/19** | **2019/20** | **Increase/Decrease** |
| South Ribble Borough Council | £214.61 | £218.88 | 1.99% |
| Lancashire County Council | £1,294.92 | £1,346.59 | 3.99% |
| Police and Crime Commissioner for Lancashire | £177.45 | £201.45 | 13.53% |
| Lancashire Combined Fire and Rescue Authority | £67.46 | £69.48 | 2.99% |
| **Sub Total** | **£1,754.44** | **£1,836.40** | **4.67%** |
| Town & Parish Council Average | £10.27 | £11.10 | 8.10% |
| **Total** | **£1,764.71** | **£1,847.50** | **4.69%** |

1. **CORPORATE PRIORITIES**

4.1 The report relates to the following corporate priorities:

|  |  |
| --- | --- |
| Excellence and Financial Sustainability | X |
| Health and Wellbeing | X |
| Place | X |

Projects relating to People in the Corporate Plan:

|  |  |
| --- | --- |
| People | X |

1. **BACKGROUND TO THE REPORT**
   1. This report is presented to allow determination of the Council Tax requirement and Council Tax for South Ribble Borough Council for 2019/20. 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.
2. **PROPOSALS**
   1. See Appendix A for the full list and breakdown of proposals.
3. **Financial implications**
   1. The draft resolution in appendix A to the report comprises the formal approval the Council’s Council Tax requirement for 2019/20.
4. **LEGAL IMPLICATIONS**

8.1 The Local Government Finance Act 1992 requires billing authorities to fix the council tax for a financial year by 11th March in the preceding financial year.

1. **Human Resources and Organisational Development implications**
   1. Failure to set the Council Tax would adversely affect any organisational development through the lack of financial resource.
2. **ICT/technology implications**
   1. None
3. **Property and Asset Management implications**
   1. None
4. **RISK MANAGEMENT**
   1. Any failure to set the Council Tax could result in loss of income, significant administrative costs as well as reputational damage. There is a further risk that a failure to set a Council Tax in a timely fashion could result in intervention from the Secretary of State
5. **EQUALITY AND DIVERSITY IMPACT**
   1. Failure to set the Council Tax would adversely affect provision of these services to some of the most vulnerable in society.
6. **RELEVANT DIRECTORS RECOMMENDATIONS** 
   1. 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.
7. **COMMENTS OF THE STATUTORY FINANCE OFFICER**

15.1The 2019/20 budget for approval includes a proposal to increase the Council Tax for South Ribble Borough Council by 1.99%. The Council Tax Requirement for 2019/20 is £8,230,250 (as set out in Appendix A). This is the forecast amount to be raised from Council Tax in 2019/20 and includes Parish Precepts.

1. **COMMENTS OF THE MONITORING OFFICER**
   1. Obviously it is imperative that the council sets a Council Tax – please see the Risk Management section above. Any failure in this regard could result in major adverse consequences for the council – both in terms of reputational damage as well as loss of income.
2. **BACKGROUND DOCUMENTS**
   1. Budget report as approved by Cabinet on 13th February 2019
   2. Localisation of Council Tax Support Scheme report as approved by Council on 6th February 2019.
   3. Council Tax Base 2019/20 Delegated Decision on 16th January 2019.
   4. South Ribble Borough Council’s Council Tax Support Scheme.
   5. Precept letters/emails from:

Lancashire County Council;

The Police and Crime Commissioner for Lancashire;

Lancashire Combined Fire Authority; and

Parish/Town Councils

1. **APPENDICES**
   1. Appendix A – Council Tax Setting Resolution
   2. Appendix B – Council Tax Totals (inc. parishes)
   3. Appendix C – Parish Precepts

|  |  |  |
| --- | --- | --- |
| **Report Author:** | **Telephone:** | **Date:** |
| Andy Bamber | 01772 625346 | 19/02/2019 |

**APPENDIX A**

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

1. That the following be approved:-
2. The revenue estimates for 2019/20.
3. The capital programme for 2019/20.

2. It be noted that on the 16th January 2019 under a delegated decision the Council calculated the Council Tax Base based on information held as at the 30th November 2018 as required by legislation for 2019/20 as follows:-

1. For the whole of Council area as 35,787.4 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the “Act”)]; and
2. 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 2019/20 (excluding Parish precepts) is £218.88.
4. The following amounts be calculated for the 2019/20 in accordance with Sections 31 to 36 of the Act:
5. £54,744,611 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 £15,149,823)
6. £46,514,361 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 £17,458,653).
7. £8,230,250 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).
8. £229.98 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).
9. £397,104 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).
10. £218.88 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.
11. To note that the County Council, the Lancashire Police and Crime Commissioner and the Fire Authority have issued Precepts to the Council in accordance with Section 42A of the Local Government Finance Act 1992 for each category of dwellings in the Council’s area as indicated in the table below.
12. 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.

**South Ribble Borough Council**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Valuation Bands | | | | | | | |
| **A** | **B** | **C** | **D** | **E** | **F** | **G** | **H** |
| £145.92 | £170.24 | £194.56 | £218.88 | £267.52 | £316.16 | £364.80 | £437.76 |

**Lancashire County Council**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Valuation Bands | | | | | | | |
| **A** | **B** | **C** | **D** | **E** | **F** | **G** | **H** |
| £897.73 | £1,047.35 | £1,196.97 | £1,346.59 | £1,645.83 | £1,945.07 | £2,244.32 | £2,693.18 |

**Police and Crime Commissioner for Lancashire**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Valuation Bands | | | | | | | |
| **A** | **B** | **C** | **D** | **E** | **F** | **G** | **H** |
| £134.30 | £156.68 | £179.07 | £201.45 | £246.22 | £290.98 | £335.75 | £402.90 |

**Lancashire Combined Fire Authority**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Valuation Bands | | | | | | | |
| **A** | **B** | **C** | **D** | **E** | **F** | **G** | **H** |
| £46.32 | £54.04 | £61.76 | £69.48 | £84.92 | £100.36 | £115.80 | £138.96 |

1. In accordance with Section 59A of South Ribble Borough Council’s Council Tax Support Scheme and the decision taken by Council on 6th February 2019 that the weekly deduction should be between £3.00 and £5.00 per week, that Council determine the reduction in Council Tax Support applicable to working age claimants with effect from the 1st April 2019 as being £3.50 plus RPI per week.
2. South Ribble Borough Council’s basic amount of Council Tax for 2019/20 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992

**APPENDIX B**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Council Tax Schedule** | **Bands** | | | | | | | |
| **2019/20** | **A** | **B** | **C** | **D** | **E** | **F** | **G** | **H** |
| South Ribble Borough Council | £145.92 | £170.24 | £194.56 | £218.88 | £267.52 | £316.16 | £364.80 | £437.76 |
| Lancashire County Council | £897.73 | £1,047.35 | £1,196.97 | £1,346.59 | £1,645.83 | £1,945.07 | £2,244.32 | £2,693.18 |
| Lancashire Police Authority | £134.30 | £156.68 | £179.07 | £201.45 | £246.22 | £290.98 | £335.75 | £402.90 |
| Lancashire Combined Fire Authority | £46.32 | £54.04 | £61.76 | £69.48 | £84.92 | £100.36 | £115.80 | £138.96 |
| **Total Unparished Areas** | **£1,224.27** | **£1,428.31** | **£1,632.36** | **£1,836.40** | **£2,244.49** | **£2,652.57** | **£3,060.67** | **£3,672.80** |
|  |  |  |  |  |  |  |  |  |
| Farington | £14.51 | £16.93 | £19.35 | £21.77 | £26.61 | £31.45 | £36.28 | £43.54 |
| Farington and South Ribble BC | £160.43 | £187.17 | £213.91 | £240.65 | £294.13 | £347.61 | £401.08 | £481.30 |
| **Farington Total** | **£1,238.78** | **£1,445.24** | **£1,651.71** | **£1,858.17** | **£2,271.10** | **£2,684.02** | **£3,096.95** | **£3,716.34** |
|  |  |  |  |  |  |  |  |  |
| Hutton | £16.10 | £18.78 | £21.47 | £24.15 | £29.52 | £34.88 | £40.25 | £48.30 |
| Hutton and South Ribble BC | £162.02 | £189.02 | £216.03 | £243.03 | £297.04 | £351.04 | £405.05 | £486.06 |
| **Hutton Total** | **£1,240.37** | **£1,447.09** | **£1,653.83** | **£1,860.55** | **£2,274.01** | **£2,687.45** | **£3,100.92** | **£3,721.10** |
|  |  |  |  |  |  |  |  |  |
| Little Hoole | £15.05 | £17.55 | £20.06 | £22.57 | £27.59 | £32.60 | £37.62 | £45.14 |
| Little Hoole and South Ribble BC | £160.97 | £187.79 | £214.62 | £241.45 | £295.11 | £348.76 | £402.42 | £482.90 |
| **Little Hoole Total** | **£1,239.32** | **£1,445.86** | **£1,652.42** | **£1,858.97** | **£2,272.08** | **£2,685.17** | **£3,098.29** | **£3,717.94** |
|  |  |  |  |  |  |  |  |  |
| Longton | £18.57 | £21.66 | £24.76 | £27.85 | £34.04 | £40.23 | £46.42 | £55.70 |
| Longton and South Ribble BC | £164.49 | £191.90 | £219.32 | £246.73 | £301.56 | £356.39 | £411.22 | £493.46 |
| **Longton Total** | **£1,242.84** | **£1,449.97** | **£1,657.12** | **£1,864.25** | **£2,278.53** | **£2,692.80** | **£3,107.09** | **£3,728.50** |
|  |  |  |  |  |  |  |  |  |
| Much Hoole | £7.94 | £9.26 | £10.59 | £11.91 | £14.56 | £17.20 | £19.85 | £23.82 |
| Much Hoole and South Ribble BC | £153.86 | £179.50 | £205.15 | £230.79 | £282.08 | £333.36 | £384.65 | £461.58 |
| **Much Hoole Total** | **£1,232.21** | **£1,437.57** | **£1,642.95** | **£1,848.31** | **£2,259.05** | **£2,669.77** | **£3,080.52** | **£3,696.62** |
|  |  |  |  |  |  |  |  |  |
| Penwortham | £24.79 | £28.92 | £33.05 | £37.18 | £45.44 | £53.70 | £61.97 | £74.36 |
| Penwortham and South Ribble BC | £170.71 | £199.16 | £227.61 | £256.06 | £312.96 | £369.86 | £426.77 | £512.12 |
| **Penwortham Total** | **£1,249.06** | **£1,457.23** | **£1,665.41** | **£1,873.58** | **£2,289.93** | **£2,706.27** | **£3,122.64** | **£3,747.16** |
|  |  |  |  |  |  |  |  |  |
| Samlesbury and Cuerdale | £10.60 | £12.37 | £14.13 | £15.90 | £19.43 | £22.97 | £26.50 | £31.80 |
| Samlesbury and Cuerdale and South Ribble BC | £156.52 | £182.61 | £208.69 | £234.78 | £286.95 | £339.13 | £391.30 | £469.56 |
| **Samlesbury and Cuerdale Total** | **£1,234.87** | **£1,440.68** | **£1,646.49** | **£1,852.30** | **£2,263.92** | **£2,675.54** | **£3,087.17** | **£3,704.60** |

**APPENDIX C**

**Parish Precepts**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **2018/19** | | | **2019/20** | | |
| **Parish/ Town Council** | **Precept** | **Tax Base** **Band D** | **Band D Equivalent** |  | **Tax Base** **Band D** | **Band D Equivalent** |
| **Equivalent** | **Precept** | **Equivalent** |
| **Properties** |  | **Properties** |
|  | **£** |  | **£** | **£** |  | **£** |
| Farington | 50,000 | 2,196.9 | 22.76 | 50,000 | 2,297.0 | 21.77 |
| Hutton | 22,000 | 886.9 | 24.81 | 22,000 | 910.9 | 24.15 |
| Little Hoole | 22,500 | 817.3 | 27.53 | 22,500 | 807.8 | 27.85 |
| Longton | 73,200 | 3,108.3 | 23.55 | 116,000 | 3,119.6 | 37.18 |
| Much Hoole | 19,353 | 707.2 | 27.37 | 8,604 | 722.6 | 11.91 |
| Penwortham | 170,000 | 7,510.1 | 22.64 | 170,000 | 7,532.3 | 22.57 |
| Samlesbury & Cuerdale | 8,000 | 501.3 | 15.96 | 8,000 | 503.0 | 15.90 |
| **Total** | **365,053** | **15,728.0** |  | **397,104** | **15,893.2** |  |