

COUNCIL TAX 2013/14

EXECUTIVE MEMBER: Councillor Gillian Troughton

LEAD OFFICER: Darienne Law, Head of Corporate Resources

REPORT AUTHOR: Angela Brown, Finance Manager
Carol Edgar, Financial Reporting & Technical Accountant

SUMMARY

Following approval of the Revenue Budget for 2013/14, together with the Tax Base calculation, as set out in the Budget Report considered earlier on the agenda, the purpose of this report is to set out the formal calculations to be made in setting the Council Tax for 2013/14.

As well as Copeland Borough Council's (CBC) tax requirement, the resolution must also take account of the tax requirements of the Parish Councils, the Cumbria Police and Crime Commissioner, and Cumbria County Council.

It should be noted however that the Cumbria Police and Crime Commissioner have now notified CBC that they will not be setting their precepts until 22nd February 2013 and so the figures with respect to the Police are missing at this stage.

The Council Tax must be set by the 11th March 2013 and therefore it cannot be postponed until the next Council Meeting. As the Council has no control over the precepts that the major preceptors it is a formality and is therefore not appropriate to hold a special Full Council.

In these circumstances, it is appropriate to delegate the setting of Council Tax to a special committee established specifically for this purpose under section 67(3) Local Government & Finance Act 1992. There will be a need to convene a meeting of this Council Tax Setting Committee for 1st March 2013 (to ensure the appropriate length of public notice and issuing of reports as well as allowing sufficient time for printing, postage and delivery of Council Tax bills).

It is therefore necessary to approve and appoint individual named members to the Council Tax Setting Committee. This Committee should comprise of 3 members under Copeland's constitution, this is proposed to be the Leader of Council, Leader of the Opposition, and the Finance Portfolio holder.

Essentially the Council Tax Setting Committee is needed as a technical requirement.

RECOMMENDATION:

1. That Council notes the **DRAFT** council tax requirement for its own purposes and the precepts notified to it by Cumbria County Council, the Cumbria Police and Crime Commissioner and individual parish precepts as contained in the report and;
2. That Council resolves to appoint a Committee of Council of at least three Members under Section 67(3) of the Local Government Finance Act 1992 to set the final level of Council Tax for the year under Chapter III of the 1992 Act in accordance with the **DRAFT** figures shown at **Appendix A** to this report, which will be finalised once the Cumbria Police and Crime Commissioner precepts have been received.

1. INTRODUCTION

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2013/14.
- 1.2 The setting of the Council Tax is the final stage of the budget setting process introduced by the Local Government Act 1992. The Localism Act 2011 made changes to the Local Government Finance Act 1992 and now requires Council's to calculate its council tax requirement as well as its budget requirement. There have been a number of changes in the Local Government Act 2012 that have further impacted on the calculation of the tax base for all precepting authorities including Parishes.
- 1.3 The basic process is as set out below:
 - Stage 1 requires the Council to calculate its Tax Base – this is delegated to the Head of Corporate Resources and the Tax Base for 2013/14 has been set at 19,540.33 as set out in the Budget Proposals 2013/14 report considered earlier on the agenda.
 - Stage 2 requires the Council to set its budget and this was set by the Council in the previous agenda item; Budget Proposals 2013/14
 - Stage 3 requires the Council to calculate its own basic amount of Council Tax and the amount of Council Tax in different parishes.
- 1.3 Cumbria County Council is similarly required to calculate its budget requirement and associated Council Tax and this was determined at its meeting on 14 February.
- 1.4 The Cumbria Police and Crime Commissioner is similarly required to calculate its budget requirement and associated Council Tax and this will be determined at its meeting on 22 February. Because the precepts for the PCC have not yet been received, this report does not include any figures in relation to the PCC at this stage.

- 1.5 Finally, the Council as 'Billing Authority' is required to set an overall amount of Council Tax, by reference to the aggregate of its own Council Tax and that set by Cumbria County Council and the Cumbria Police and Crime Commissioner.
- 1.6 The legislation is framed in such a way that requires the relevant calculations to be made by Copeland Borough Council and the resolutions to be made by the Council in this respect are contained in **Appendix A** to this report.

2. COPELAND BOROUGH COUNCIL TAX REQUIREMENT

- 2.1 The Council Tax Base is a measure of the Council's taxable resources and is expressed in terms of the equivalent number of 2 person Band D properties. This was calculated to be 19,540.33 for the whole of the area. Using this Council Tax Base, the Band D equivalent for council tax calculated for the whole area and each parish is set out in **Appendix B**.
- 2.2 The revenue budget proposals considered elsewhere on the agenda set the Council's Council Tax requirement for 2013/14 as £3,589,363.
- 2.3 With a Tax Base of 19,540.33, this means that the Council has increased its Council Tax for 2013/14 for a Band D equivalent from £180.27 to £183.69.

3. PARISH PRECEPTS

- 3.1 The Council has been notified of parish precepts totalling £453,788 for financial year 2013/14. The individual precepts, together with comparisons with 2012/13 are shown in **Appendix B** to this report. The average Band D Council Tax for parishes for 2013/14 is £23.22, an increase of 12% over 2012/13.

4. CUMBRIA COUNTY COUNCIL PRECEPT

- 4.1 Cumbria County Council met on 14 February 2013 and set their precept at £22,696,093 inclusive of a contribution of £256,836 from the forecast Collection Fund surplus at 31 March 2013. This results in a Band D Council Tax of £1161.50, which is the same level as 2012/13.

5. CUMBRIA POLICE AND CRIME COMMISSIONER PRECEPT

- 5.1 **The Cumbria Police and Crime Commissioner will meet on 22 February 2013 where they will set their precept requirement.**

6.0 CONCLUSIONS

- 6.1 The recommendations of the Executive are set out in the formal Council Tax Resolution contained in **Appendix A, with the exception of the Police figures which have not yet been set.**

6.2 If the formal Council Tax Resolution is approved, the total Band D Council Tax will be as follows;

	2012/13 £	2013/14 £	Increase %
Copeland Borough Council	180.27	183.69	1.9
Cumbria County Council	1,161.50	1161.50	-
Cumbria Police & Crime Commissioner			
Sub-total			
Average for parishes	20.81	23.22	11.58
Total			

7 WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

- 7.1 The Council, as billing authority, is required by statute to set its Council Tax by 11 March each year.
- 7.2 The Localism Act 2011 included powers to abolish Government Council Tax capping in England and instead allow local residents to veto excessive Council Tax rises. For the financial year 2012/13 the Government confirmed the introduction of arrangements for a Council Tax referendum if an authority set a Council Tax which exceeds levels set by Government. For 2012/13 the limit for excessive increases relative to District Council's Relevant Basic Amount of Council Tax was set at 3.5%; for 2013/14 that limit has been reduced to 2%. The Council must therefore determine if increases in its own Council Tax are excessive, and if so, then the Council will be required to hold a local referendum on the proposed increases. The current proposals are not calculated to be excessive as shown in **Appendix E** and therefore there is no requirement to hold a referendum. The Localism Act also required the calculation of the Council Tax Requirement with effect from April 2013 and this is shown in **Appendix E**.
- 7.3 The Government have confirmed that there are no equivalent principles applying to Parish Councils for 2013/14 although they have indicated that there may in future years.
- 7.4 The Government has offered a further two year freeze grant equivalent to a 1% increase on the Council Tax to Council's freezing their Council Tax in 2013/14. As set out in the budget report considered earlier in the agenda, the indicative amount of freeze grant for Copeland would be in the regions of £40,000 however there is no on-going funding and there would be a resulting further loss of income of c £40,000 to CBC from 2013/14 onwards.
- 7.5 The DCLG is providing funding to the Billing Authorities to help offset the loss of Council Tax Income and part of this funding is attributable to Parish Councils. The amount of funding that has been allocated to Copeland Borough Council attributable to parishes is £65,607. A proportion of the Transitional Grant awarded to Copeland Borough Council of

£17,076 is also attributable to Parishes and this proportion is £1,767. The total grant to be awarded to Parishes is therefore £67,374 for 2013/14. The allocation of this funding is shown in **Appendix F**

8 STATUTORY OFFICER COMMENTS

8.1 The Monitoring Officer's comments are:

Whilst setting of Council Tax is normally a full Council function, Section 67(3) of the Local Government Finance Act 1992 provides authority for the Council to appoint a Committee for the specific purpose of setting a Council Tax under Chapter III of the 1992 Act. The number of Members on the Committee and their terms of office must be fixed by the Council.

8.2 The Section 151 Officer's comments are;

All comments are contained within the report.

8.3 Other consultee comments, if any;

Consultation on proposals for Council Tax increases was carried out as part of the budget consultation process

List of Appendices

- Appendix A – Council Tax Resolution 2013/14 (table to follow)
- Appendix B – Parish Council comparator precepts 2012/13 – 2013/14
- Appendix C – Parish & Borough Council Band D equivalent
- Appendix D - Parish & Borough Council by category of dwelling
- Appendix E – % increase in relevant basic amount of Council Tax
- Appendix F - Amount of DCLG funding and transitional grant awarded to Parishes

List of Background Documents:

Revenue Budget Report.

Precept notifications from Parishes, Cumbria County Council and the Cumbria Police & Crime Commissioner

Please say if this report will require the making of a Key Decision **YES**

Please say if this is to be Part I or Part II report- **Part I**

The Council is recommended to resolve as follows:

1. It be noted that on 31 January 2013 the Council calculated the Council Tax Base for 2013/14;
 - (a) For the whole Council area as **19,540.33** [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. The Council Tax Requirement calculated for the Council's own purposes for 2013/14 (excluding Parish precepts) is **£3,589,363**.
 3. That the following amounts be calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:
 - (a) **£42,350,576** 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) **£38,307,425** being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - (c) **£4,043,151** 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) **£206.91** being the amount at 3(c) above (Item R), all divided by Item T (1(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) **£453,788** being the aggregate amount of all Parish Precepts referred to in Section 34(1) of the Act (as per the attached Appendix C).
 - (f) **£183.69** 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(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.
- Copeland Borough Council's Council Tax Requirement split by each category of dwelling is shown in the following table;

Council Tax Requirement £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
3,589,363	122.46	142.87	163.28	183.69	224.51	265.33	306.15	367.38

The Council's basic amount of Council Tax for 2013/14 at £183.69 is increased from the level set in 2012/13.

4. To note that the County Council and the Cumbria Police and Crime Commissioner 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.

Cumbria County Council

Precept £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
22,696,093	774.33	903.39	1,032.44	1,161.50	1,419.61	1,677.72	1,935.83	2,323.00

Cumbria Police & Crime Commissioner

Precept £	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £

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 overleaf as the amounts of Council Tax for 2013/14 for each part of its area and for each of the categories of dwellings.

NB: The Table will be completed once the Cumbria Police & Crime Commissioner figures have been received.

PARISH COUNCIL PRECEPTS

APPENDIX B

Parish Council	2012/13			2013/14			Council Tax Increase / (Decrease)	Council Tax Increase / (Decrease)
	Tax Base	Precepts	Council Tax Band D	Tax Base	Precepts	Council Tax Band D		
	£	£	£	£	£	£		
Arlecdon and Frizington	1187.68	33,000	27.79	1015.39	27,450	27.03	(0.76)	(0.03)
Beckermet with Thornhill	561.63	14,000	24.93	525.07	12,750	24.28	(0.65)	(0.03)
Bootle	269.49	7,250	26.90	258.00	9,000	34.88	7.98	0.30
St Bees	700.39	26,160	37.35	695.25	33,065	47.56	10.21	0.27
Cleator Moor	2036.30	70,000	34.38	1675.56	75,000	44.76	10.38	0.30
Distington	678.22	12,000	17.69	555.26	14,000	25.21	7.52	0.43
Drigg and Carleton	202.80	3,250	16.03	196.60	3,250	16.53	0.50	0.03
Egremont	2526.79	103,500	40.96	2164.66	96,851	44.74	3.78	0.09
Eskdale	146.73	3,500	23.85	143.19	3,800	26.54	2.69	0.11
Ennerdale and Kinniside	160.11	3,390	21.17	162.74	3,390	20.83	(0.34)	(0.02)
Gosforth	519.17	19,310	37.19	512.40	19,182	37.44	0.25	0.01
Haile and Wilton	171.61	4,500	26.22	168.26	3,500	20.80	(5.42)	(0.21)
Irton with Santon	129.13	1,000	7.74	132.72	1,200	9.04	1.30	0.17
Lowside Quarter	240.19	3,500	14.57	230.84	5,000	21.66	7.09	0.49
Lamplugh	291.77	10,625	36.42	281.25	9,925	35.29	(1.13)	(0.03)
Lowca	231.37	4,000	17.29	209.24	4,000	19.12	1.83	0.11
Millom	2203.24	77,000	34.95	1878.71	65,018	34.61	(0.34)	(0.01)
Moresby	608.57	13,500	22.18	579.95	13,905	23.98	1.80	0.08
Muncaster	137.95	3,976	28.82	136.34	4,444	32.59	3.77	0.13
Millom Without	336.69	5,500	16.34	332.28	5,076	15.28	(1.06)	(0.06)
Ponsonby	112.81	4,700	41.66	109.94	4,200	38.20	(3.46)	(0.08)
Parton	256.90	10,000	39.93	191.98	10,000	52.09	12.16	0.30
Seascale	614.21	17,100	27.84	593.62	17,442	29.38	1.54	0.06
Ulpha	74.66	50	0.67	77.43	50	0.65	(0.02)	(0.03)
Waberthwaite & Corney	100.70	1,100	10.92	97.08	1,100	11.33	0.41	0.04
Wasdale	75.93	1,200	15.80	77.09	1,200	15.57	(0.23)	(0.01)
Whicham	185.34	6,550	35.34	187.18	6,240	33.33	(2.01)	(0.06)
Weddicar	161.63	3,750	23.20	161.78	3,750	23.18	(0.02)	0.00
Sub-Total	14922.01	463411	31.05	13349.81	453788	33.99	2.94	0.09
Whitehaven (unparished)	7342.79			6190.52				
Total/Average	22264.80	463,411	20.81	19540.33	453,788	23.22	2.41	0.12

Borough and Council Parishes
Band D Equivalent

Parish	Parish Precept Band D £	Unparished Band D £	Basic Amount £
Arlecdon and Frizington	27.03	183.69	210.72
Beckermest with Thornhill	24.28	183.69	207.97
Bootle	34.88	183.69	218.57
St Bees	47.56	183.69	231.25
Cleator Moor	44.76	183.69	228.45
Distington	25.21	183.69	208.9
Drigg and Carleton	16.53	183.69	200.22
Egremont	44.74	183.69	228.43
Eskdale	26.54	183.69	210.23
Ennerdale and Kinniside	20.83	183.69	204.52
Gosforth	37.44	183.69	221.13
Haile and Wilton	20.80	183.69	204.49
Irton with Santon	9.04	183.69	192.73
Lowside Quarter	21.66	183.69	205.35
Lamplugh	35.29	183.69	218.98
Lowca	19.12	183.69	202.81
Millom	34.61	183.69	218.3
Moresby	23.98	183.69	207.67
Muncaster	32.59	183.69	216.28
Millom Without	15.28	183.69	198.97
Ponsonby	38.20	183.69	221.89
Parton	52.09	183.69	235.78
Seascale	29.38	183.69	213.07
Ulpha	0.65	183.69	184.34
Waberthwaite	11.33	183.69	195.02
Wasdale	15.57	183.69	199.26
Whicham	33.33	183.69	217.02
Weddicar	23.18	183.69	206.87
Whitehaven	0.00	183.69	183.69

Borough and Council Parishes
By each category of dwelling

PARISH	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Arlecdon and Frizington	140.48	163.89	187.31	210.72	257.55	304.37	351.20	421.44
Beckermet with Thornhill	138.65	161.75	184.86	207.97	254.19	300.40	346.62	415.94
Bootle	145.71	170.00	194.28	218.57	267.14	315.71	364.28	437.14
St Bees	154.17	179.86	205.56	231.25	282.64	334.03	385.42	462.50
Cleator Moor	152.30	177.68	203.07	228.45	279.22	329.98	380.75	456.90
Distington	139.27	162.48	185.69	208.90	255.32	301.74	348.17	417.80
Drigg and Carleton	133.48	155.73	177.97	200.22	244.71	289.21	333.70	400.44
Egremont	152.29	177.67	203.05	228.43	279.19	329.95	380.72	456.86
Eskdale	140.15	163.51	186.87	210.23	256.95	303.67	350.38	420.46
Ennerdale and Kinniside	136.35	159.07	181.80	204.52	249.97	295.42	340.87	409.04
Gosforth	147.42	171.99	196.56	221.13	270.27	319.41	368.55	442.26
Haile and Wilton	136.33	159.05	181.77	204.49	249.93	295.37	340.82	408.98
Irton with Santon	128.49	149.90	171.32	192.73	235.56	278.39	321.22	385.46
Lowside Quarter	136.90	159.72	182.53	205.35	250.98	296.62	342.25	410.70
Lamplugh	145.99	170.32	194.65	218.98	267.64	316.30	364.97	437.96
Lowca	135.21	157.74	180.28	202.81	247.88	292.95	338.02	405.62
Millom	145.53	169.79	194.04	218.30	266.81	315.32	363.83	436.60
Moresby	138.45	161.52	184.60	207.67	253.82	299.97	346.12	415.34
Muncaster	144.19	168.22	192.25	216.28	264.34	312.40	360.47	432.56
Millom Without	132.65	154.75	176.86	198.97	243.19	287.40	331.62	397.94
Ponsonby	147.93	172.58	197.24	221.89	271.20	320.51	369.82	443.78
Parton	157.19	183.38	209.58	235.78	288.18	340.57	392.97	471.56
Seascale	142.05	165.72	189.40	213.07	260.42	307.77	355.12	426.14
Ulpha	122.89	143.38	163.86	184.34	225.30	266.27	307.23	368.68
Waberthwaite	130.01	151.68	173.35	195.02	238.36	281.70	325.03	390.04
Wasdale	132.84	154.98	177.12	199.26	243.54	287.82	332.10	398.52
Whicham	144.68	168.79	192.91	217.02	265.25	313.47	361.70	434.04
Weddicar	137.91	160.90	183.88	206.87	252.84	298.81	344.78	413.74
Whitehaven	122.46	142.87	163.28	183.69	224.51	265.33	306.15	367.38

Calculation of the % increase in the relevant basic amount of council tax

	2012/13	2013/14
Council tax base	22264.80	19540.33
Council tax requirement with parish precepts	4,477,086	4,043,151
Basic amount of council tax (note 1)	201.08	206.91
Parish precepts	463,411	453,788
Council tax requirement without parishes	4,013,675	3,589,363
Relevant basic amount of council tax	180.27	183.69
% increase in relevant basic amount of council tax		1.90%

Note 1: The basic amount of council tax equals the total of the council tax requirement with parish precepts (£4,043,151) divided by the council tax base (19,540.33). The amount is also included at paragraph 3 (d) of the formal council tax resolution at Appendix A. For 2013/14, this comprises the Council's own Council Tax Band D equivalent of £183.69 plus the average Band D equivalent of all the parish precepts (Appendix B) of £23.22, a total of £206.91.

**Amount of DCLG Funding and Transitional
Grant Awarded to Parishes**

Parish Council	Grant
Arlecdon and Frizington	5,599.62
Beckermest with Thornhill	1,261.33
Bootle	682.69
St Bees	1,097.32
Cleator Moor	14,818.58
Distington	2,647.67
Drigg and Carleton	161.95
Egremont	16,840.64
Eskdale	118.45
Ennerdale and Kinniside	90.21
Gosforth	983.44
Haile and Wilton	145.14
Irton with Santon	25.21
Lowside Quarter	233.01
Lamplugh	700.17
Lowca	527.01
Millom	15,093.72
Moresby	825.71
Muncaster	336.16
Millom Without	427.71
Ponsonby	406.36
Parton	2,857.82
Seascale	948.13
Ulpha	2.13
Waberthwaite & Corney	84.00
Wasdale	7.99
Whicham	310.06
Weddicar	141.77
Total	67,374.00