
SETTING THE COUNCIL TAX FOR 2005/06

**Responsible Cabinet Member(s) - Councillor Don Bristow,
Resource Management Portfolio**

Responsible Director(s) - Paul Wildsmith, Director of Corporate Services

Purpose of Report

1. Section 30 of the Local Government Finance Act 1992 (referred to as “the Act” in this report) requires the Council to set its council tax for 2005/06 before 11th March 2005.

Summary

2. In setting the council tax, the Council is required to make certain calculations and to approve a number of resolutions in accordance with the Act. The calculations are complex and details are set out in **Appendices 1 to 4**. The recommended basic Council Tax including Fire and Police Precepts for a Band D property is £1,146.97. There will also be an additional council tax in any parish area where a precept has been issued.

Background

3. The Act requires authorities to calculate their net budget requirement for the coming financial year and to determine the demand on the Collection Fund, from which council tax levels are calculated. The details of these calculations are set out in **Appendix 1**.
4. The Council’s Medium Term Financial Plan was considered by Cabinet on 3rd February and 1st March 2005 and by Resources Scrutiny Committee on 10th February 2005. The total budget requirement for 2005/06 is £111,905,683. This figure includes parish precepts of £37,481. The budget is due to be confirmed by this Council meeting prior to the setting of the council tax contained in this report.
5. The Government has announced the level of grant support for 2005/06 and notified the authority that the Revenue Support Grant will be £47,456,680 and the Business Rate Grant will be £32,727,645. The Council’s Revenue Support Grant for 2003-04 has been reduced by £162,387 as a result of the Local Government Finance Report (England) 2003/2004: Amending Report 2005.
6. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March, 2005. The Act requires authorities to transfer the estimated surplus or deficit to or from the General Fund and to include it in the calculation of the council tax. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2004/05 demands/precepts. It is estimated that there will be a deficit of £100,000 on the Collection Fund at 31st March, 2005.

- The Council's demand on the Collection Fund for council tax purposes for 2005/06, as calculated in accordance with Section 32 of the Act, is £31,983,745.

The Council Tax Calculations

Basic Council Tax

- The Council set its tax base at 32,681.60 at the meeting on 27th January, 2005 along with the tax bases for various parish councils and meetings. These are shown in **Appendix 2** (column 2).
- The basic council tax must first be calculated by dividing the demand on the Collection Fund by the approved tax base as follows :-

$$\frac{£31,983,745}{32,681.60} = £978.65$$

- From this figure the parish precepts, which the Act refers to as special items, are deducted as follows :-

$$\frac{£37,481}{32,681.60} = £1.15$$

- The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £977.50 (£978.65 - £1.15). This also excludes the Police Authority and Fire Authority precepts. It represents an increase of £44.77 (or 4.8%) compared with the council tax in 2004/05.

Parish Council Taxes

- The calculation of the additional tax for areas where special items, i.e. parish precepts, apply is based on the precepts submitted by each parish council and parish meeting divided by the tax base approved at the Council meeting on 27th January 2005. The council tax in relation to the parish precepts is shown in **Appendix 2** (column 3). When added to the basic council tax, as calculated in paragraph 9, this provides the Billing Authority's council tax for each parish area (**Appendix 2**, column 5).
- Section 30(1) of the Act requires a council tax to be set for each category of dwelling for its area. This is the Billing Authority's council tax for each parish area and the basic council tax for the rest of the authority's area, multiplied by the ratio of each band using the following:-

Band	A	B	C	D	E	F	G	H
Proportion	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

- The council tax set will relate to band D which is 9/9 or 1. For other bands the above proportions will apply. For example, band A properties will be charged 6/9 or two thirds whilst band H will be double the charge.

- The Billing Authority's council taxes for each band of property are shown in **Appendix 3**.
- The Durham Police Authority is a separate body responsible for its own financial affairs. The council tax for the Police Authority has increased by £4.5 (or 4.9%) compared with 2004/05 and was confirmed on 17th February, 2005: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	64.02	74.69	85.36	96.03	117.37	138.71	160.05	192.06

- Durham and Darlington Fire and Rescue Authority is also a separate body responsible for its own financial affairs. The council tax for the Durham and Darlington Fire and Rescue Authority has decreased by £0.81 (or -1.1%) compared with 2004/05 and was confirmed on 17th February, 2005 :-

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	48.96	57.12	65.28	73.44	89.76	106.08	122.40	146.88

Overall Council Tax

- The total council tax for each of the parish areas and the remaining area of the Borough is calculated by adding the charges for the Billing Authority to those of the Fire Authority and the Police Authority. These are shown in **Appendix 4**. The overall increase in council tax next year for a Band D property is £48.46 (or 4.4 %), the attribution of the increase is set out below :-

	£'s	%
Darlington Borough Council	44.77	4.1
Durham Police Authority	4.50	0.4
Durham and Darlington Fire and Rescue Authority	-0.81	-0.1
Total	48.46	4.4

Consultation

- The content of this report was not subject to consultation. Consultation has taken place with employees, Trade Unions, Headteachers, Darlington Partnership and the Chamber of Commerce in preparing the Medium Term Financial Plan. Support for the proposed approach to the budget was received in all meetings.

Legal Implications

- This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

21. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

22. The issues contained within this report are required to be considered by Council.

Recommendations

23. The Council is asked to approve the following recommendations: -

(a) that the following amounts be calculated by the Council for 2005/06 in accordance with sections 32 to 36 of the Act and relevant regulations:-

- | | | |
|-------|---|--------------|
| (i) | being the aggregate of the amount which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act, which is its expenditure | £196,438,683 |
| (ii) | being the aggregate of the amounts which the Council estimates for the items set out in Sections 32(3) (a) to (c) of the Act, which is its income | £84,533,000 |
| (iii) | being the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 32(4) of the Act as its budget requirement | £111,905,683 |
| (iv) | being the aggregate of the sums which the Council estimates will be payable into the General Fund in respect of Revenue Support Grant £47,456,680 and redistributed Business Rate Grant £32,727,645, reduced by the amount the Council estimates will be transferred from the Collection Fund to the General Fund as its deficit in respect of Council Tax as at 31 st March 2005, £100,000, in accordance with section 97(3) of the Local Government Finance Act 1988 and the Local Government Changes for England (Collection Fund Surpluses and Deficits) Regulations 1995 as amended and the amount of the adjustment to the Revenue Support Grant for 2003-04, £162,387, as a result of The Local Government Finance Report (England) 2003-04 Amending Report 2005 under the Local Government Finance Act 1988. | £79,921,938 |
| (v) | being the amount calculated by the Council in accordance with Section 33 of the Act, as the basic amount of council tax for the year | £978.65 |
| (vi) | being the aggregate amount of all special items referred to in | |

Section 34(1) of the Act £37,481

(vii) being the basic council tax for 2005/06 calculated in accordance with Section 34(2) for dwellings in those areas that have no parish precepts or other special items £977.50

(viii) the basic council tax for 2005/06 calculated in accordance with Section 34(3) for dwellings in those areas that have parish precepts be as set out in **Appendix 2**, column 5.

(ix) the amounts of council tax at items (vii) and (viii) multiplied by the proportion set out in paragraph 13 which is applicable to each category of dwelling in its area, in accordance with Section 36 of the Act be as set out in **Appendix 3**

(b) That it be noted that for the year 2005/06 Durham Police Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	64.02	74.69	85.36	96.03	117.37	138.71	160.05	192.06

(c) That it be noted that for the year 2005/06 County Durham and Darlington Fire and Rescue Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	48.96	57.12	65.28	73.44	89.76	106.08	122.40	146.88

(d) That the Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 4** as the amounts of council tax for 2005/06 for each of the categories of dwellings.

Reasons

24. The recommendations are supported to set the Council Tax for the Council's area in accordance with statutory requirements.

Paul Wildsmith
Director of Corporate Services

Background Papers

No Background papers were used in the preparation of this report.

David Hall : Extension 2303

DEMAND ON THE COLLECTION FUND 2005/06

	£
(a) Council's Net Spending	111,868,202
(b) Add Parish Precepts	37,481
(c) Net Budget Requirement	<u>111,905,683</u>
Deduct	
(d) Revenue Support Grant	47,456,680
(e) Business Rate Grant	32,727,645
	<u>31,721,358</u>
Add	
(f) Estimated Net Deficit on the Collection Fund at 31st March 2005	100,000
(g) Adjustment to 2003-04 Revenue Support Grant	162,387
(h) DEMAND ON COLLECTION FUND	<u>31,983,745</u>

COUNCIL TAX FOR PARISH AUTHORITIES 2005/06

	Precept	Parish Tax Base	Parish Council Tax	Basic Council Tax	Billing Authority's Council Tax
	(1)	(2)	(3)	(4)	(5)
	£		£ p	£ p	£ p
Archdeacon Newton	728	151.20	4.81	977.50	982.31
Bishopton	2,654	161.80	16.40	977.50	993.90
Heighington	11,169	904.70	12.35	977.50	989.85
High Coniscliffe	283	95.30	2.97	977.50	980.47
Hurworth	7,315	1220.60	5.99	977.50	983.49
Low Coniscliffe / Merrybent	965	229.70	4.20	977.50	981.70
Low Dinsdale	1,500	214.60	6.99	977.50	984.49
Middleton St. George	9,500	1298.90	7.31	977.50	984.81
Neasham	772	157.90	4.89	977.50	982.39
Piercebridge	595	56.10	10.61	977.50	988.11
Sadberge	2,000	285.20	7.01	977.50	984.51

APPENDIX 3

BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	654.87	764.02	873.16	982.31	1,200.60	1,418.89	1,637.18	1,964.62
Bishopton	662.60	773.03	883.47	993.90	1,214.77	1,435.63	1,656.50	1,987.80
Heighington	659.90	769.88	879.87	989.85	1,209.82	1,429.78	1,649.75	1,979.70
High Coniscliffe	653.65	762.59	871.53	980.47	1,198.35	1,416.23	1,634.12	1,960.94
Hurworth	655.66	764.94	874.21	983.49	1,202.04	1,420.60	1,639.15	1,966.98
Low Coniscliffe / Merrybent	654.47	763.54	872.62	981.70	1,199.86	1,418.01	1,636.17	1,963.40
Low Dinsdale	656.33	765.71	875.10	984.49	1,203.27	1,422.04	1,640.82	1,968.98
Middleton St. George	656.54	765.96	875.39	984.81	1,203.66	1,422.50	1,641.35	1,969.62
Neasham	654.93	764.08	873.24	982.39	1,200.70	1,419.01	1,637.32	1,964.78
Piercebridge	658.74	768.53	878.32	988.11	1,207.69	1,427.27	1,646.85	1,976.22
Sadberge	656.34	765.73	875.12	984.51	1,203.29	1,422.07	1,640.85	1,969.02
All other parts of the Council's area	651.67	760.28	868.89	977.50	1,194.72	1,411.94	1,629.17	1,955.00

APPENDIX 4

OVERALL COUNCIL TAX FOR EACH PROPERTY BAND

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	767.85	895.83	1,023.80	1,151.78	1,407.73	1,663.68	1,919.63	2,303.56
Bishopton	775.58	904.84	1,034.11	1,163.37	1,421.90	1,680.42	1,938.95	2,326.74
Heighington	772.88	901.69	1,030.51	1,159.32	1,416.95	1,674.57	1,932.20	2,318.64
High Coniscliffe	766.63	894.40	1,022.17	1,149.94	1,405.48	1,661.02	1,916.57	2,299.88
Hurworth	768.64	896.75	1,024.85	1,152.96	1,409.17	1,665.39	1,921.60	2,305.92
Low Coniscliffe / Merrybent	767.45	895.35	1,023.26	1,151.17	1,406.99	1,662.80	1,918.62	2,302.34
Low Dinsdale	769.31	897.52	1,025.74	1,153.96	1,410.40	1,666.83	1,923.27	2,307.92
Middleton St. George	769.52	897.77	1,026.03	1,154.28	1,410.79	1,667.29	1,923.80	2,308.56
Neasham	767.91	895.89	1,023.88	1,151.86	1,407.83	1,663.80	1,919.77	2,303.72
Piercebridge	771.72	900.34	1,028.96	1,157.58	1,414.82	1,672.06	1,929.30	2,315.16
Sadberge	769.32	897.54	1,025.76	1,153.98	1,410.42	1,666.86	1,923.30	2,307.96
All other parts of the Council's area	764.65	892.09	1,019.53	1,146.97	1,401.85	1,656.73	1,911.62	2,293.94