
SETTING THE COUNCIL TAX FOR 2013/14

**Responsible Cabinet Member – Councillor Steve Harker,
Efficiency & Resources Portfolio**

Responsible Director – Paul Wildsmith, Director of Corporate Services

SUMMARY REPORT

Purpose of the Report

1. The Local Government Finance Act 1992, as amended (referred to as “the Act” in this report) requires the Council to calculate and set its council tax for 2013/14 before 11 March 2013.

Summary

2. The Localism Act 2011 made significant changes to the Act and requires the billing authority to calculate a Council Tax requirement for the year.
3. The budget recommended to Council by Cabinet on 19 February 2013 will result in Band D council tax of £1,215.08 (a 2% increase), if approved by Council. Durham Police Authority has set its Band D council tax for 2013/14 at £156.47 (a 2 % increase). County Durham and Darlington Fire and Rescue Service has set its Band D council tax for 2013/14 at £90.45 (a 0% increase). Therefore the recommended council tax for a Band D property will be £1,462.00. There will also be an additional council tax in any parish where a precept has been issued.
4. The increase for 2013/14 for the Council is within the limit set by Government.
5. The Council has calculated that the Council Tax requirement is £36,164,755 which includes Parish Precepts of £102,876. The Council Tax requirement for the Council’s own purposes for 2013/14 (excluding Parish Precepts) is therefore £36,061,879.

Recommendation

6. It is recommended that
 - (a) the following amounts be calculated by the Council for 2013/14 in accordance with sections 31 to 36 of the Act and relevant regulations:-

(i)	the aggregate of the amount 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, which is its expenditure	£260,921,876
(ii)	the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act, which is its income	£224,757,121
(iii)	the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 31A(4) of the Act as its Council Tax Requirement	£36,164,755
(iv)	The amount at item 5(iii) above, divided by the council tax base in paragraph 14 below, 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)	£1,218.55
(v)	the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached Appendix 1	£102,876
(vi)	the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at paragraph 14 below, 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	£1,215.08
(vii)	That the basic council tax for 2013/14 calculated for dwellings in those areas that have parish precepts be as set out in Appendix 1, column 5.	
(viii)	That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in Appendix 2 as the amount of Council Tax for 2013/14 for each part of its area and for each of the categories of dwellings	

(b) It be noted that for the year 2013/14 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	104.31	121.70	139.08	156.47	191.25	226.02	260.79	312.95

(c) It be noted that for the year 2013/14 County Durham and Darlington Fire and Rescue Service 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	60.30	70.35	80.40	90.45	110.55	130.65	150.75	180.90

(d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 3** as the amounts of council tax for 2013/14 for each of the categories of dwellings.

Reasons

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

Paul Wildsmith
Director of Resources

Background Papers

- Local Government Finance Settlement 2013/14
- Police Authority Precept notification.
- Fire Authority Precept notification.
- Parish Council Precept notifications.

Elizabeth Davison : Extension 2601

S17 Crime and Disorder

The report does not contain any Crime and

	Disorder implications
Health and Well Being	The report does not contain any proposals relating to the health and well being of residents
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity implications in this report
Wards Affected	All Wards are affected equally
Groups Affected	All Groups are affected equally
Budget and Policy Framework	This report must be considered by Council
Key Decision	This report must be considered by Council
Urgent Decision	The Council's Medium Term Financial Plan, Budget and Council Tax require approval by full Council
One Darlington: Perfectly Placed	This report follows from the Corporate Plan and Financial Plan and budget reports, which specifically addresses key issues involved in the Council's contribution to delivering the Sustainable Community Strategy vision.
Efficiency	There are no efficiency implications in this report

MAIN REPORT

Information and Analysis

7. The Act, as amended by the Localism Act 2011, requires authorities to calculate their Council Tax requirement for the year. The Council tax requirement is equal to the Council's net budget requirement less Formula Grant (Revenue Support Grant, Business Rates Scheme Grant and Top Up Grant) less any contribution to the Collection Fund in respect of any prior year's deficit. The details of these calculations are set out in paragraph 3(i) to (iii) above.
8. The recommended basic council tax including Fire and Police Precepts for a Band D property is £1,462.00. There will also be an additional council tax in any parish where a precept has been issued.
9. Cabinet considered the draft Medium Term Financial Plan (MTFP) on 15 January 2013 and approved it for consultation. After review by the relevant Scrutiny Committees, Cabinet considered the MTFP again on 19 February 2013.
10. The Government has announced the level of grant support for 2013/14 and notified the authority that the Formula Grant will be £50,090,524.
11. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2013. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2012/13 demands/precepts. It is estimated that there will be no surplus or deficit on the Collection Fund at 31st March 2013.
12. The Council has determined that its basic amount of Council Tax for 2013/14, excluding Precepts and Special Expenses, is not excessive in accordance with principles approved under Section 52ZB of the Act.
13. The Council's Council Tax Requirement (including Parish Precepts) for council tax purposes for 2013/14, as calculated in accordance with Section 31A(4) of the Act, is £36,164,755.

The Council Tax Calculations

Basic Council Tax

14. The Council set its tax base at 29,678.5 at the meeting on 31 January 2013 along with the tax bases for various parish councils and meetings. These are shown in **Appendix 1** (column 4).
15. The basic council tax must first be calculated by dividing the Council Tax requirement by the approved tax base as follows:-

$$\frac{£36,164,755}{29,678.5} = £1,218.55$$

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

$$\frac{£102,876}{29,678.5} = £3.47$$

17. The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £1,215.08 (£1,218.55 - £3.47). This also excludes the Police Authority and Fire Service precepts. It represents a 2% increase compared with the council tax in 2012/13.

Parish Council Taxes

18. 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 31 January 2013. The Parish Council Precepts for 2013/14 are detailed in Appendix 1 and total £115,279.
19. As part of the 2013/14 settlement, the Government identified part of the Council Tax Benefit Support Grant as being for Parishes. The Council has decided to passport the relevant amount of £12,403 (Appendix 1 column 2) on to the Parishes to reduce the amount levied on the Parish Council Taxpayer.
20. The council tax in relation to the parish precepts is shown in Appendix 1 (column 5). When added to the basic council tax, as calculated in paragraph 15, this provides the Billing Authority's basic council tax for each parish area (Appendix 1, column 7).
21. The increase in the average Band D Council Tax for Parish Councils is 28.26% and results in an average Band D Council Tax figure of £3.47 for 2013/14.

Billing Authority Council Tax

22. 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

23. 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 of the Band D tax whilst band H will be charged double the Band D tax.
24. The Billing Authority's council taxes for each band of property are shown in **Appendix 2**.

Police and Fire Authority Council Taxes

25. The Durham Police Authority is a separate body responsible for its own financial affairs. The Authority met on 4 February 2013 and set their precept at £4,643,790. This results in a Band D Council Tax of £156.47, a 2% increase from 2012/13 as shown below:-

	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Police Authority	104.31	121.71	139.09	156.47	191.25	226.02	260.79	312.96

26. County Durham and Darlington Fire and Rescue Service met on 15 Feb 2013 and set their precept at £2,684,418. This results in a Band D Council Tax of £90.45, unchanged from 2012/13.

	A £ p	B £ p	C £ p	D £ p	E £ p	F £ p	G £ p	H £ p
Fire Authority	60.30	70.35	80.40	90.45	110.55	130.65	150.75	180.90

Overall Council Tax

27. 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 Police Authority and the Fire and Rescue Service. The overall council tax for each category of dwelling in each parish area and the remaining areas of the Borough where there are no parish precepts is set out in **Appendix 3**. There is a 2% increase in the Billing Authority Council Tax next year, with changes in the amounts of some parish precepts. The Police Authority has increased its Council tax by 2% and the Fire and Rescue Service has maintained its Council Tax at 2012/13 levels.

Consultation

28. The content of this report was not subject to consultation. Extensive consultation has, however, taken place with a wide range of stakeholders, during which all households in the Borough have had the opportunity to comment, in preparing the Corporate Plan and Medium Term Financial Plan. The outcomes of consultation are included in those plans.

COUNCIL TAX FOR PARISH AUTHORITIES 2013/14

	Precept payable to Parish Council	Council Tax Support Grant	Precept levied upon Council Taxpayers	Parish Tax Base	Parish Council Tax	Basic Council Tax	Billing Authority's Council Tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	£	£	£		£ p	£ p	£ p
Archdeacon Newton	1,400	(351)	1,049	362.22	2.90	1,215.08	1,217.98
Bishopton	6,400	(447)	5,953	156.53	38.03	1,215.08	1,253.11
Heighington	14,642	(1,645)	12,997	861.81	15.08	1,215.08	1,230.16
High Coniscliffe	500	(261)	239	103.42	2.31	1,215.08	1,217.39
Hurworth	38,285	(3,678)	34,607	1,217.40	28.43	1,215.08	1,243.51
Low Coniscliffe / Merrybent	5,050	(200)	4,850	280.25	17.31	1,215.08	1,232.39
Low Dinsdale	4,955	(986)	3,969	267.63	14.83	1,215.08	1,229.91
Middleton St. George	32,682	(2,516)	30,166	1,344.32	22.44	1,215.08	1,237.52
Neasham	1,300	(299)	1,001	151.39	6.61	1,215.08	1,221.69
Piercebridge	1,565	(213)	1,352	58.43	23.14	1,215.08	1,238.22
Sadberge	4,100	(767)	3,333	278.56	11.97	1,215.08	1,227.05
Walworth	-	0	0	47.37	0.00	1,215.08	1,215.08
Whessoe	4,400	(1,040)	3,360	522.92	6.43	1,215.08	1,221.51
	115,279	(12,403)	102,876				

APPENDIX 2

BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND 2013/14

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	811.99	947.32	1,082.65	1,217.98	1,488.64	1,759.30	2,029.97	2,435.96
Bishopton	835.41	974.64	1,113.88	1,253.11	1,531.58	1,810.05	2,088.52	2,506.22
Heighington	820.11	956.79	1,093.48	1,230.16	1,503.53	1,776.90	2,050.27	2,460.32
High Coniscliffe	811.59	946.86	1,082.12	1,217.39	1,487.92	1,758.45	2,028.98	2,434.78
Hurworth	829.01	967.17	1,105.34	1,243.51	1,519.85	1,796.18	2,072.52	2,487.02
Low Coniscliffe /								
Merrybent	821.59	958.53	1,095.46	1,232.39	1,506.25	1,780.12	2,053.98	2,464.78
Low Dinsdale	819.94	956.60	1,093.25	1,229.91	1,503.22	1,776.54	2,049.85	2,459.82
Middleton St. George	825.01	962.52	1,100.02	1,237.52	1,512.52	1,787.53	2,062.53	2,475.04
Neasham	814.46	950.20	1,085.95	1,221.69	1,493.18	1,764.66	2,036.15	2,443.38
Piercebridge	825.48	963.06	1,100.64	1,238.22	1,513.38	1,788.54	2,063.70	2,476.44
Sadberge	818.03	954.37	1,090.71	1,227.05	1,499.73	1,772.41	2,045.08	2,454.10
Walworth	810.05	945.06	1,080.07	1,215.08	1,485.10	1,755.12	2,025.13	2,430.16
Whesoe	814.34	950.06	1,085.79	1,221.51	1,492.96	1,764.40	2,035.85	2,443.02
All other parts of the Council's area	810.05	945.06	1,080.07	1,215.08	1,485.10	1,755.12	2,025.13	2,430.16

APPENDIX 3

OVERALL COUNCIL TAX FOR EACH PROPERTY BAND 2013/14

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	976.60	1,139.36	1,302.13	1,464.90	1,790.44	2,115.97	2,441.50	2,929.80
Bishopton	1,000.02	1,166.69	1,333.36	1,500.03	1,833.38	2,166.72	2,500.06	3,000.07
Heighington	984.72	1,148.84	1,312.96	1,477.08	1,805.33	2,133.57	2,461.81	2,954.17
High Coniscliffe	976.21	1,138.91	1,301.61	1,464.31	1,789.72	2,115.13	2,440.53	2,928.63
Hurworth	993.62	1,159.22	1,324.82	1,490.43	1,821.64	2,152.85	2,484.05	2,980.86
Low Coniscliffe /								
Merrybent	986.20	1,150.57	1,314.94	1,479.31	1,808.05	2,136.79	2,465.52	2,958.62
Low Dinsdale	984.55	1,148.65	1,312.74	1,476.83	1,805.02	2,133.21	2,461.39	2,953.67
Middleton St. George	989.63	1,154.56	1,319.50	1,484.44	1,814.33	2,144.20	2,474.08	2,968.89
Neasham	979.07	1,142.25	1,305.43	1,468.61	1,794.98	2,121.34	2,447.70	2,937.23
Piercebridge	990.09	1,155.11	1,320.12	1,485.14	1,815.18	2,145.21	2,475.24	2,970.29
Sadberge	982.64	1,146.42	1,310.19	1,473.97	1,801.52	2,129.07	2,456.62	2,947.94
Walworth	974.67	1,137.11	1,299.56	1,462.00	1,786.90	2,111.79	2,436.68	2,924.01
Whesoe	978.95	1,142.11	1,305.27	1,468.43	1,794.75	2,121.07	2,447.39	2,936.86
All other parts of the Council's area	974.67	1,137.11	1,299.56	1,462.00	1,786.90	2,111.79	2,436.68	2,924.01