

COUNCIL TAX RESOLUTION

Council

Date: 21st February 2013

Author: Cabinet Member, Finance and Board Director Resources
Wards: All Wards
Locality Affected: All Locality Areas
Parishes Affected: All Parishes

1. Purpose and Reasons

- 1.1 To enable Members to formally resolve the Borough's Council Tax for 2013-14 recognising that Billing Authorities have a statutory requirement to set the annual Council Tax bills by 11th March.

2. Recommendations

Council is recommended to:

- 2.1 Approve that there will be no increase in the Council Tax levels for the Borough Council element of the 2013/14 bills in accordance with the budget proposed by Cabinet on 6th February 2013;
- 2.2 Determine that the Basic Amount of Council Tax for the Financial Year 2013-14 is not excessive within the statutory definitions set out within part I of the Local Government Finance Act 1992 (as amended by the Localism Act 2011) and that therefore no referendum is required;
- 2.3 Pass the Resolution set out as Annex 2 to this report covering all aspects of the bills.

3. Detail

Council Tax Calculations

- 3.1 A number of changes have been made to the Council Tax calculations in recent years with further changes for 2013-14.
- The Localism Act 2011 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, rather than the previously required budget requirement, and determine whether the proposed level of Council Tax increase is excessive when compared to the previous year.
 - The Local Government Finance Act 2012 recognises the partial localisation of Business Rate income from 1st April 2013 introduced as part of the Local Government Finance Settlement for 2013-14, whereby Councils now have a base-line level of Business Rate income and are required to estimate the likely surplus or deficit at the end of the year against that base-line. For 2013-14, Swindon has estimated a Business

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Rates Retention Scheme Collection Fund Surplus of £0.45m for Swindon Borough Council and this is added to the surplus or deficit assumed on the Council Tax Collection Fund (a £2m surplus for 2013-14) as part of the Council Tax calculations.

- Changes to the Council Tax Support Scheme introduced from 1st April 2013 have had the impact of reducing the Tax Base of the Borough which is partly compensated by an increase in formula grant from the Government paid to the Borough Council, Police and Fire Authorities.
- 3.2 The calculations include precept figures from the Wiltshire Police Authority, the Wiltshire and Swindon Fire Authority and the Town and Parish Councils within the Borough as well as the Council's own budget.
- 3.3 The provisional 2013/14 Council Tax calculations and the formal Council Tax Resolution are set out as Appendix 1 and Annex 2 respectively. These proposals are based on the budget proposals agreed by Cabinet on 6th February 2013 resulting in a net budget for 2013/14 of £140,039,600 and a zero increase for the Swindon Borough Council (SBC) element of the Council Tax. Should the Council's Budget for 2013-14 be amended at the Council meeting or any proposed changes be made to the level of Council Tax for 2013-14, a revised Resolution and set of Council Tax calculations will be made available at the meeting.
- 3.4 The legal position is set out by the Director of Law and Democratic Services in Annex 1.
- 3.5 Table One sets out the provisional precept and budget figures for each element of the Council Tax bill with a comparison with the previous year. The increase in the amount of the Borough Council, Police and Fire Budgets is funded from an increase in the level of Government Grant paid to Councils in lieu of the reduction in Council Tax income generated as a result of the changes to the Council Tax Support Scheme and a rise in the number of households in the Borough when compared with the figures for 2012-13. The total bill including parish precepts shows a modest increase (0.1%) in the overall Band D bill due to the average reductions in parish precepts being higher than the reduction in the level of tax base reflecting changes to the Council Tax Support scheme.
- 3.6 In accordance with Schedule 5 of the Localism Act 2011, the Council has a duty to determine whether its Council Tax increase is considered to be excessive in which case it would be required to hold a referendum. For 2013/14, the Government has set the threshold at 2% for Swindon and, as the Council is proposing no change to the level of Council Tax in 2013/14, no referendum is necessary.

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Table One – Increase in Budgets and Precepts 2013-14

Element of Council Tax Bill	2013/14 £'000	2012/13 £'000	% Change
Amount of SBC Budget met from Council Tax	79,978	83,837	-10.6%
Wiltshire Police Authority Precept	10,321	11,541	-10.6%
Wiltshire and Swindon Fire Authority Precept	4,081	4,563	-10.6%
Total Town and Parish Precepts	1,857	1,946	-4.6%
Total	91,238	101,887	-10.5%
Tax Base	65,420.8	73,149.0	
Band D Average Council Tax	1,394.63	1,392.87	0.1%

3.7 The resulting Council Tax levels and percentage increases for a Band D property are summarised in Table Two.

Table Two – Headline Band D Council Tax Increases 2013/14

	Band D Council Tax 2013-14	% Increase
#Swindon Borough Council	£1,146.09	0.0%
Wilts & Swindon Fire Authority	£62.38	0.0%
Wiltshire Police Authority	£157.77	0.0%
*Average charge for Parish / Town Councils	£28.39	1.7%
Total Bill	£1,394.63	0.0%

*These figures will differ per parish as set out in Appendices Two and Three
The figure of £1,146.11 represents the average Council Tax levied by Swindon Borough Council, which differs between parished and non-parished areas (the Special Expense area). The Borough Council's element of the Council Tax bill will appear as two separate lines on the bill as follows:-

Table Three – Swindon Borough Council Elements of the Council Tax Bill

	Band D Council Tax 2013/14	% Increase
Swindon Borough Council (Basic Charge)	1,130.79	0.0%
~ Non-Parished Area (Special	27.81	0.0%

Further information on the subject of this report can be obtained from Kirsty Cole 01793 464610, kcole@swindon.gov.uk.

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Expenses Charge)		
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~ The Special Expenses element is only chargeable to households within the non-parished area.

4. Alternative Options

4.1 Not applicable.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

5.1 The starting position for the Council Tax calculations is the Council's budget for 2013/14. The Council Tax figures have been calculated based on the precepts agreed by the precepting bodies and the budget proposed by Cabinet on 6th February 2013. Should any change be made to the final budget agreed by Council on the night, the figures will be recalculated and an amended version of Appendices 1 and 2 and the formal Council Tax Resolution in Annex 2 will be circulated at the meeting.

Legal and Human Rights Implications

5.2 The implications of the Council's 2013/14 Budget are covered by the Revenue Budget report elsewhere on the agenda.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 This report recommends no changes to services and no changes to Council Tax levels so no other implications are envisaged as a result of the recommendations.

Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 A corporate priority is to have affordable Council Tax.

Diversity Impact Assessment

5.5 No diversity impact assessment has been undertaken for this report as a Council Tax has to be set by each Billing Authority and no increase is proposed for 2013-14.

Risk Management

5.6 This report recommends no changes to services and no changes to Council Tax levels so no new risks are envisaged as a result of the recommendations.

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6. Consultees

- 6.1 The Board Director Finance, Revenues, Benefits and Property (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

Revenue Budget Report to Cabinet – 6th February 2013

8. Appendices

- Annex 1 - Legal Position
- Annex 2 - Council Tax Resolution
- Appendix 1 - Council Tax Levels 2013/14
- Appendix 2 - Parish Precepts 2012/13 and 2013/14
- Appendix 3 – Council Tax Base 2012/13 and 2013/14

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Annex 1

COUNCIL TAX 2013/2014 - LEGAL POSITION

1. Introduction

- 1.1 A Member is not regarded as having a personal and prejudicial interest in a matter unless it affects the member "to a greater extent than other council tax payers, ratepayers or inhabitants" of Swindon, and is so significant that it is likely to prejudice the Member's judgment of the public interest. However any Member who is in arrears with their Council Tax payments needs to give careful consideration to the provisions of Section 106 of the Local Government Finance Act 1992. This states that if any arrears remain unpaid for at least 2 months, then the Member must disclose this at the beginning of any meeting which is to consider any Council Tax calculation or any matter which might affect the Council Tax calculation, and shall not vote on any such matter. If any Member is likely to be in such a position, or is concerned as to whether any interest should be declared, then advice should be sought as quickly as possible from the Director of Law and Democratic Services.

2 Statutory Position

- 2.1 The Borough Council is required to maintain a Collection Fund for both Council Tax and National Non-Domestic (Business) Rates. Any sums paid into an authority's Collection Fund shall be used in the making of payments which are to be met from that fund or transfers from it.
- 2.2 The Borough as "billing authority" for the Borough is required to set an amount of Council Tax for each financial year and for each category of buildings. The amounts of Council Tax must be set by billing authorities before 11 March in any financial year, but such amounts are not invalid merely because they are set on or after that date. No amount may be set before the earlier of the following:-
- (a) 1 March
 - (b) The date of issue to the Council of a precept for the relevant financial year from a "major precepting authority" (e.g. the Police Authority).
- 2.3 No amount may be set unless the Council has made the calculations required by the 1992 Act (as amended by Section 74 of the Localism Act 2011). Members will recall that one of the required steps was to determine the respective Council Tax Base for the Borough and for each parished and non-parished area. The Local Government Act 2003 (section 84) replaces section 67 Local Government Finance Act 1992 which required full Council to formally approve the Council Tax base for the whole of its area. Under the new regulations, it is now for each Local Authority to make its own arrangements for adopting the Council Tax base. The tax base for 2013/14 has been calculated in accordance with The Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended (the 1992 Regulations). The figures within Appendix 3 show the Tax Base for both 2012/13 and 2013/14 as a consequence of following these rules.
- 2.4 The 1992 Act provides that billing and precepting authorities may make substitute calculations of their budget requirements and amounts of Council Tax. Except in certain

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special cases (e.g. where the previous calculations have been quashed), the substitute budget requirement cannot be greater than the previous requirement. In the case of billing and major precepting authorities (e.g. the Police Authority), any substitute amount of tax calculation as applicable to any dwelling cannot exceed the previously calculated amount.

- 2.5 If the amount of Council Tax set as a result of substitute calculations is less than the original amount set, persons who have overpaid may require repayment or may allow the billing authority to choose whether to repay or credit the overpayment.
- 2.6 Differential charging is provided for within a billing authority's area. These provisions require the Council to set differential amounts of Council Tax for different parts of the Borough in response to precepts issued for parts from Parishes and for its own special expenses. The Borough's Special Expenses for 2013-14, under the 1992 Act, were agreed by Cabinet on 6th February 2013.
- 2.7 A "major precepting authority" under the 1992 Act includes a Police Authority and a Fire Authority whilst a "local precepting authority" includes a parish council and the chair of a parish meeting. In the case of a local precepting authority (e.g. a parish council) the billing authority has no power to set substitute amounts of Council Tax if the precept is issued late, but in this event regulations allow billing authorities to anticipate such precepts.
- 2.8 A billing authority, which has set amounts of Council Tax, is required to publish notice of the amounts within 21 days of setting them in at least one newspaper circulating in the area. Failure to do this does not make the amounts invalid.
- 2.9 In accordance with Schedule 5 of the Localism Act 2011, as a billing authority the Borough has a duty to determine whether its relevant basic amount of council tax for a financial year is excessive. If, according to the principles approved in Section 52ZB of the Local Government Act 1992 the Boroughs council tax for the year is deemed to be excessive the Borough will be required to hold a referendum. The Secretary of State has proposed the Council Tax principles he is minded to set for 2013-14. These are that authorities will be required to seek the approval of their local electorate if, compared with 2012-13, they set an increase in the basic amount of Council Tax that exceeds 2% for a billing authority like Swindon.

3 General Advice

- 3.1 In considering whether to approve any given level of expenditure, Members must be satisfied that there is evidence which establishes that such a level of expenditure is necessary to meet the needs of the Borough and to comply with the statutory duty to set amounts of Council Tax. Members should have particular regard to the effect on Council Tax payers of various expenditure levels.
- 3.2 Members should consider whether income can reasonably be increased commensurate with the responsibility to meet what Members perceive are the needs of the community.
- 3.3 Members are advised that the legislation enabling the Business Rates Retention Scheme and the Council Tax Support Scheme are as yet to be implemented although

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the Government expects to do this before the end of this financial year. The estimated provision in the budget for the retention is subject to the scheme being implemented in the form indicated by Government

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10th February 2013

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Annex 2

COUNCIL TAX RESOLUTION 2013/14

1 Legal Advice

That it be recorded that the Director of Law and Democratic Services' advice has been taken into account in the setting of the level of Council Tax for 2013/14.

2 Revenue Budget

That it be noted that the Council's revenue budget is £148,039,600, as recommended by the Cabinet to this Council on 6th February 2013.

3 Council Tax Base

That it be noted that in accordance with Section 31B of the Local Government Finance Act 1992 (as amended) the Council's Tax Base for 2012/13 is **65,420.8** in total with the breakdown by Parish set out in Appendix 3.

4 Borough / Parish Council Tax Rates

That the following amounts be calculated by the Council in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011:-

- (a) **Borough / Parish Gross Expenditure** £449,896, being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the 1992 Act taking into account all precepts issued to it by Parish Councils.
- (b) **Borough Gross Income plus Collection Fund Balance** £375,512,719 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) **Borough/Parish Net Expenditure** £74,383,661 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.
- (d) **Basic Amount of Tax (including average parish precepts)** £1174.47 being the amount at 4(c) above divided by the amount at 3 above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. In accordance with Schedule 5 of the Localism Act 2011, this sum is not considered to be excessive.
- (e) **Special Items** £2,858,168 being the aggregate of Special Expenses and Parish Precepts and collectively known as special items and referred to in Section 34(1) of the Act.
- (f) **Basic Amount of Tax (Unparished Area)** £1,130.79 being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by the amount at 3, calculated by the Council in accordance with Section 34(2) of the Act, as the

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basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.

- (g) **Basic Amount of Tax (Special and Parished Areas)** the amounts shown in Appendix 2, being the amounts given by adding to the amount at 4(f) above, the amounts of the special items relating to dwellings in the appropriate part of the Council's area - divided by the appropriate amount at 3 above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which a special item relates.
- (h) **Borough/Parish Council Tax Rates** the amounts shown in Appendix 1, being the amounts given by multiplying the amounts at 4(g) by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- 5 Wiltshire Joint Police Authority** That it be noted that for the year 2012/13 the Wiltshire Joint Police Authority has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£105.18	£122.71	£140.24	£157.77	£192.83	£227.89	£262.95	£315.54

- 6 Swindon and Wiltshire Fire Authority** That it be noted that for the year 2012/13 the Swindon and Wiltshire Joint Fire Authority has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£41.59	£48.52	£55.45	£62.38	£76.24	£90.10	£103.97	£124.76