

8 January 2013

Dear Councillor

COUNCIL - TUESDAY, 8TH JANUARY 2013

The following reports are tabled

Agenda No Item

11. **Calculation of the Council Tax Base 2013/14 (Pages 139 - 144)**

A revised report of the Chief Executive as Statutory 151 Officer is attached.

13. **Fairtrade : Proposed Resolution (Pages 145 - 146)**

A suggested resolution is attached.

Yours sincerely



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આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپکی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون
کیجئے: 01257 515823



Report of	Meeting	Date
Statutory Finance Officer	Council	8 January 2013

CALCULATION OF THE COUNCIL TAX BASE – 2013/14

PURPOSE OF REPORT

1. To determine the Council Tax Base for 2013/2014.

RECOMMENDATION(S)

2. It is recommended that in accordance with this report the tax base for the whole area for 2013/2014 shall be determined as 32,750.66 and the tax base for individual parishes be as set out in Appendix A.

EXECUTIVE SUMMARY OF REPORT

3. To enable council tax to be determined a number of formal procedures have to be followed. One of these is the approval of the tax base. This report gives the calculation of the Council tax Base for 2013/14 and recommends its approval.
4. The Council Tax Base must be notified to major preceptors and parishes between December 1st 2012 and January 31st 2013
5. This report also recommends the Council Tax base for each Parish/part of the Council's area for 2013/2014 and also shows the details of how this has been calculated.
6. The Council Tax Base is reducing, the reason for which are summarised below:
 - That new property has increased the base significantly.
 - The major reduction in the base for the local scheme discounts. This is based on an estimate that benefits would have totalled £6.9m in 2013/14 had the old system continued. This has been reduced to £6.6m because in the new regime many claimants now have to pay a minimum charge of 7.5%. £6.6m equates to 4,351 Band D properties.
 - This reduction in the base is partially offset by the technical changes, and the balance of the lost income will be made up by a specific grant to the Council.
 - It will also be seen that the provision for irrecoverable amounts has been reduced from 1.5% to 1.1%. The previous provision has proved to be excessive, leading to a surplus on the collection fund which is distributed retrospectively to the precepting authorities.
7. The key financial implications are as follows:-
 - Council tax income has reduced because the council tax base is so much lower, but this is more than offset by the new council tax support grant. Overall the Council's net income has increased by £104k
 - A particular issue is that the income raised by the parish element of the council tax charge only raises £529k in 2013/14, a reduction of £38k from the amount raised in the previous year. The Government has given the Council discretion to make this good from the Council tax Support Grant it receives. It will therefore be assumed in preparing the budget that parish income will be protected at its 2012/13 level of £567k.

Confidential report Please bold as appropriate		No
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CORPORATE PRIORITIES

8. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	X
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	

BACKGROUND

- 9. To enable council tax to be determined a number of formal procedures have to be followed. One of these is the approval of the tax base. This report gives the calculation of the Council tax Base for 2013/14 and recommends its approval.
- 10. The Council Tax Base must be notified to major preceptors and parishes between December 1st 2012 and January 31st 2013
- 11. This report also recommends the Council Tax base for each Parish/part of the Council's area for 2013/2014 and also shows the details of how this has been calculated.

THE PROPOSED COUNCIL TAX BASE

- 12. Council tax is a property based tax levied on all the 47,160 domestic properties in the Borough (as at October 2012). To convert these properties into a council tax base they are grouped into seven valuation bands (A to H) each of which is weighted, so that a large property is charged more than a smaller (e.g. a high value band H property pays twice as much tax as the middle band D property, whilst a lower value Band A property is only charged two thirds of a Band D). The weighted total for all properties is referred to as the Band D equivalent number of dwellings (Band D being the middle of the seven bands).
- 13. The resulting total is adjusted for discounts, exemptions and reliefs, and also for unrecoverable amounts.
- 14. In 2013/14, the Council tax Reforms ended the method of giving relief through council tax benefits, replacing it with a local scheme of discounts. These reduce the base. The reforms also required authorities to reduce the cost of these discounts by 10% or find other savings. This has been partly done by reducing the value of discounts for empty property and second homes etc. These "technical changes" offset the local scheme discounts in the following table.

15. The changes in the base, between the current year and next are as follows:

	Band D Equivalent		Change	Reason
	2012/13	2013/14		
Band D equivalent properties at count date	36,360.60	36,855.20		
Add provision for new properties	198.60	145.30		
	36,559.20	37,000.50	441	New property
Technical changes (see para.9).		513.90	514	C Tax reforms
Irrecoverables 1.5%	(545.40)	(562.76)	(17)	
Reduce irrecoverable to 1.1%		150.02	150	
		37,101.66		
Local scheme discounts		(4,351.00)	(4,351)	C Tax reforms
Council tax Base	36,013.80	32,750.66	(3,263)	

16. The above analysis shows:

- That new property has increased the base significantly.
- The major reduction in the base for the local scheme discounts.

This is based on an estimate that benefits would have totalled £6.9m in 2013/14 had the old system continued. This has been reduced to £6.6m because in the new regime many claimants now have to pay a minimum charge of 7.5%. £6.6m equates to 4,351 Band D properties.

This reduction in the base is partially offset by the technical changes, and the balance of the lost income will be made up by a specific grant to the Council.

- It will also be seen that the provision for irrecoverable amounts has been reduced from 1.5% to 1.1%. The previous provision has proved to be excessive, leading to a surplus on the collection fund which is distributed retrospectively to the precepting authorities.

TAX BASES FOR PARTS OF THE BOROUGH

17. Separate charges are levied on individual parts of the Borough, for special expenses and also for the Parish precept. It is necessary therefore to split the 32,750.66 Borough tax base between the different charging areas. The result is shown at Appendix A.

FINANCIAL IMPLICATIONS

18. This section of the report summarises the financial implications of the Council tax Reforms and the changes in the council tax base on Chorley Borough Council.

	2012/13	£'000		2013/14	£'000
Council tax income					
General charge	36,013* £158.39	(5,704)		32,750 * £158.39	(5,187)
Special expenses charge	36,013* £19.38	(698)		32,750 * £18.99 (see Note)	(622)
Parish charge	25,104 * £22.59	(567)		23,391 * £22.62 (see Note)	(529)
		(6,969)			(6,338)
Council Tax benefit exp.	£6.6m			0	
Council Tax benefit sub.	(£6.6m)	0		0	0
		0		Council Tax Support Grant	(735)
Payment to parish		567			567
Net income		(6,402)			(6,506)

Note – Not all parts of the Borough have a parish council. This explains the reduced Council Tax Base figures quoted above (e.g. 23,391 instead of 32,750 in 2013/14).

It will also be observed that the average council tax charges (for both special expenses and the parish precept) have changed between the years. This is the result of the uneven impact of discounts on different parts of the Borough. No changes in the actual charges levied in each parish or part of the Borough have been assumed.

19. The table shows that :

- Council tax income has reduced because the council tax base is so much lower, but this is more than offset by the new council tax support grant. Overall the Council’s net income has increased by £104k
- A particular issue is that the income raised by the parish element of the council tax charge only raises £529k in 2013/14, a reduction of £38k from the amount raised in the previous year. The Government has given the Council discretion to make this good from the Council tax Support Grant it receives. It will therefore be assumed in preparing the budget that parish income will be protected at its 2012/13 level of £567k.

IMPLICATIONS OF REPORT

20. This report has implications in the following areas and the relevant Directors’ comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

21. The financial implications for the Council’s budget are set out in the report above.

COMMENTS OF THE MONITORING OFFICER

22. The Council Tax base is set in accordance with the requirements of the legislation.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gordon Whitehead	5485	07/01/13	***

Appendix A Council Tax Base for parts of the Borough							
PARISH	ACTUAL No of PROPERTIES	BAND D EQUIVALENTS	PLUS NEW PROPERTY	TECHNICAL CHANGES	LESS BAD DEBT PROVISION 1.1%	LOCAL SCHEME DISCOUNTS	COUNCIL TAX BASE 2013/14
ADLINGTON	2,724	1,999.80	1.44	25.1	(22.29)	(251.58)	1,752.44
ASTLEY VILLAGE	1,420	1,098.60	0.00	11.5	(12.21)	(195.29)	902.60
ANDERTON	593	500.20	0.00	7.3	(5.58)	(39.44)	462.49
ANGLEZARKE	13	16.40	0.00	0.4	(0.18)	0	16.60
BRETHERTON	280	298.70	0.00	3.5	(3.32)	(19.89)	279.00
BRINDLE	500	465.00	1.22	7.1	(5.21)	(24.77)	443.38
CHARNOCK RICHARD	798	714.60	8.89	14.6	(8.12)	(50.21)	679.77
CLAYTON LE WOODS	6,338	4,851.70	8.44	47.3	(53.98)	(664.41)	4,189.08
COPPULL	3,390	2,386.00	1.50	29.2	(26.58)	(346.53)	2,043.55
CROSTON	1,296	1,054.70	0.78	15.8	(11.78)	(94.00)	965.49
CUERDEN	44	40.50	0.00	0.8	(0.45)	(0.81)	40.02
ECCLESTON	1,865	1,590.40	19.61	18.6	(17.91)	(104.46)	1,506.24
EUXTON	4,490	3,807.60	33.83	56.2	(42.87)	(257.37)	3,597.38
HEAPEY	378	385.70	0.00	6.0	(4.31)	(22.5)	364.93
HEATH CHARNOCK	856	806.80	3.28	7.7	(9.00)	(49.21)	759.55
HESKIN	377	349.40	0.00	5.2	(3.90)	(19.61)	331.05
HOGHTON	361	365.30	0.00	8.4	(4.11)	(23.13)	346.44
MAWDESLEY	739	760.90	0.83	8.8	(8.48)	(32.32)	729.76
RMINGTON	47	49.20	0.00	1.4	(0.56)	(2.66)	47.36
ULNES WALTON	308	255.90	0.72	4.1	(2.87)	(12.81)	245.01
WHEELTON	445	398.50	0.39	9.2	(4.49)	(25.03)	378.56
WHITTLE LE WOODS	2,531	2,237.10	31.33	33.1	(25.32)	(138.10)	2,138.14
WITHNELL	1,490	1,262.40	0.00	19.7	(14.10)	(95.57)	1,172.44
CHORLEY	15,877	11,159.80	33.00	172.9	(125.02)	(1881.31)	9,359.38
Totals by Parish	47,160	36,855.20	145.26	513.85	(412.64)	(4,351.01)	32,750.66



FAIRTRADE RESOLUTION

CHORLEY COUNCIL is striving to become a Fairtrade Town. As an important consumer and opinion leader, Chorley Council should research, develop, and support a strategy to facilitate the promotion and purchase of foods with the FAIRTRADE Mark as part of its commitment to becoming a Fairtrade Town and in pursuit of sustainable development and to give marginalised producers a fair deal.

Our aim is to be recognised by the residents and business community of CHORLEY, suppliers, employees and other local authorities, as a town that actively supports and promotes Fairtrade and to increase the sale of products with the FAIRTRADE Mark.

CHORLEY COUNCIL resolves to contribute to the campaign to increase sales of products with the FAIRTRADE Mark by striving to achieve Fairtrade status for CHORLEY as detailed Fairtrade Foundation's Fairtrade Towns Initiative.

The initiative involves a commitment to:

- Widely offer FAIRTRADE Marked food and drink options internally and make them available for internal meetings.
- Promote the FAIRTRADE Mark using Fairtrade Foundation materials in refreshment areas and promoting the Fairtrade Towns initiative in internal and communications and external newsletters.
- Use influence to urge local retailers to provide Fairtrade options for residents.
- Use influence to urge local business to offer Fairtrade options to their staff and promote the FAIRTRADE Mark internally.
- Engage in a media campaign to publicise the Fairtrade Towns initiative.
- Allocate responsibility for progression of the Fairtrade Town initiative to a member or group of staff.
- Organise events and publicity during national Fairtrade Fortnight - the annual national campaign to promote sales of products with the FAIRTRADE Mark.

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