



TO: COUNCIL

FROM: DIRECTOR OF FINANCIAL SERVICES

DATE: 3 MARCH 2008

PORTFOLIOS AFFECTED: ALL

WARDS AFFECTED: ALL

TITLE OF BRIEFING PAPER COUNCIL TAX FOR 2008/09

1. PURPOSE

1.0 SETTING THE COUNCIL TAX FOR 2008/09

1.1 The Council has to set a Council Tax for the financial year 2008/09. The Council Tax is set on the basis of:

- (a) The precept on the Collection Fund issued by the Lancashire Police Authority
- (b) The precept on the Collection Fund issued by the Lancashire Combined Fire Authority and
- (c) The Borough Council's precept on the Collection Fund, which is dependent on four factors:
 - (i) the amount of net expenditure approved for the revenue budget in 2008/09 (gross expenditure less gross income);
 - (ii) Aggregate External Finance i.e. Formula Grant, which is made up of Revenue Support Grant and National Non-Domestic Rates;
 - (iii) Blackburn's share of the deficit/surplus on the Collection Fund;
 - (iv) the precepts issued by the six Parish Councils.

These are discussed in more detail later in the report.

1.2 The details are as follows:

	£M
Council's Gross Expenditure	367.389
Council's Gross Income	246.552
Net Revenue Expenditure (BwDBC)	120.837
Parish Council Precepts	0.056
Lancashire Police Authority Precept	5.321
Lancashire Combined Fire Authority Precept	2.354
Deficit on the Collection Fund (Blackburn's share)	0.370
Aggregate External Finance	73.481

2. RECOMMENDATIONS

- 2.1 The Council is recommended to approve the draft resolution setting the Council Tax, as set out in the Appendix, or as amended at the meeting.

3. KEY ISSUES

- 3.1 The consideration of the budget for 2008/09 and the setting of the Council Tax.

4. RATIONALE

- 4.1 To ensure that sufficient Council Tax is generated to meet all precepts.

5. POLICY IMPLICATIONS

- 5.1 None applicable.

6. FINANCIAL IMPLICATIONS

6.0 Calculation

- 6.1 The calculation necessary to determine the Council Tax is illustrated here in relation to Band D properties for that part of the Borough having no Parish Councils.

	£M	£M
Council's Net Expenditure		120.837
Less:		
Revenue Support Grant	8.979	
NNDR	64.502	
	<u>73.481</u>	
Deficit on Collection Fund (Blackburn's share)	<u>(0.370)</u>	
		<u>73.111</u>
Borough Council's Net requirement		47.726
Lancashire Police Authority Precept		5.321
Lancashire Combined Fire Authority		2.354
Total Council Tax requirement:		<u>55.401</u>

Council Tax Base: 39,137.01

Aggregate Council Tax
At Band D £1,415.56

- 6.2 The Council Tax levels for the other bands and for areas of the Borough having Parish Councils will be different, and these are shown in detail on the attached draft resolution.

6.3 Parish Councils Precepts

The Parish Councils have submitted Precepts as follows:

	£
Eccleshill Parish Council	1,532
Livesey Parish Council	14,000
North Turton Parish Council	31,625
Pleasington Parish Council	1,350
Tockholes Parish Council	5,229
Yate and Pickup Bank Parish Council	2,862
Total Parish Precepts	<u>56,598</u>

- 6.4 Members should be aware that the Parish Council Precepts form part of the Council's expenditure for the purposes of the Council Tax i.e. the Parish Precepts are added to the Council's expenditure and the payments to Parishes are met from the General Fund. Subsequently, there is no adjustment to it, even though the Council may collect more or less from the Parish by way of Council Tax.

6.5 Collection Fund

Members will note from the calculation shown in paragraph 6.1 above, Blackburn's share of the deficit on the Collection Fund is £0.370M. It is a requirement of the legislation that this must be reflected in the Council Tax, which results in an increase in Band D tax by £9.45 (Band A £6.30). The deficit has come about due to a higher level of exempt properties than was originally anticipated when setting the 07/08 council tax amount.

6.6 Draft Resolution

The draft resolution is shown in the appendix to this report. Paragraph 1.1 above shows the factors which are used in the calculations, and Paragraph 6.1 exemplifies the calculation. The "basic amount" of Blackburn's element of the Council Tax for 2008/09 is £1,220.89. The average of the Parishes element (£1.45) is then deducted to give the Council Tax at Band D for those parts of the Borough not having a Parish Council (£1,219.44). The calculation for all other Bands then follows e.g. Band A is 66.67% of Band D, Band H is 200% of Band D.

- 6.7 For those parts of the Borough which have a Parish Council, a higher tax is levied to finance the Parish Council Precept as well. It follows therefore that the Borough will have 56 different Tax Rates i.e. 8 bands for 7 areas. (6 Parish Councils and the area of the Borough having no Parish.)

7. LEGAL IMPLICATIONS

- 7.1 The Council is required to set the Council Tax on or before 11 March each year.

8. RESOURCE IMPLICATIONS

- 8.1 Not applicable

9. CONSULTATIONS

9.1 Not applicable

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DATE: 21st February 2008

BACKGROUND PAPER: Budget Documentation and reports previously issued

Blackburn with Darwen Borough CouncilCouncil Tax 2008/09Draft Resolution – Council Meeting – 3 March 2008**RESOLVED**

- 1) That it be noted that the Council calculated the following amounts for the year 2008/09 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:

- a) 39,137.01 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as its Council Tax base for the year.

- b) Parts of the Council's area

Eccleshill Parish	95.67
Livesey Parish	2,009.56
North Turton Parish	1,633.39
Pleasington Parish	253.53
Tockholes Parish	197.31
Yate and Pickup Bank Parish	148.77

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. That the following amounts be now calculated by the Council for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:

- a) £367,445,358 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act
- b) £246,552,172 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act
- c) £120,893,186 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year

- d) £73,111,057 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year from its general fund to its collection fund in accordance with Section 97 (4) of the Local Government Finance Act 1988 (Council Tax Deficit).
- e) £1,220.89 being the amount at 2 (c) above less the amount at 2 (d) above, all divided by the amount at 1 (a) above, calculated by the Council, in accordance with Section 33 (1) of the Act, as the basic amount of its Council Tax for the year
- f) £56,598 being the aggregate amount of all special items referred to in Section 34 (1) of the Act
- g) £1,219.44 Being the amount at 2 (e) above less the result given by dividing the amount at 2 (f) above by the amount at 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 special item relates
- h) **PART OF THE COUNCIL'S AREA**
- | | |
|------------------------------------|-----------|
| ECCLESHILL PARISH | £1,235.45 |
| LIVESEY PARISH | £1,226.41 |
| NORTH TURTON PARISH | £1,238.80 |
| PLEASINGTON PARISH | £1,224.76 |
| TOCKHOLES PARISH | £1,245.94 |
| YATE AND PICKUP BANK PARISH | £1,238.68 |

being the amounts given by adding to the amount at 2 (g) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1 (b) 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 one or more special items relate.

i)

<u>Part of the Council's Area</u>	<u>Valuation Bands</u>							
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Eccleshill Parish	£823.63	£960.91	£1,098.18	£1,235.45	£1,509.99	£1,784.54	£2,059.08	£2,470.90
Livesey Parish	£817.61	£953.87	£1,090.14	£1,226.41	£1,498.95	£1,771.48	£2,044.02	£2,452.82
North Turton Parish	£825.87	£963.51	£1,101.16	£1,238.80	£1,514.09	£1,789.38	£2,064.67	£2,477.60
Pleasington Parish	£816.51	£952.59	£1,088.68	£1,224.76	£1,496.93	£1,769.10	£2,041.27	£2,449.52
Tockholes Parish	£830.63	£969.06	£1,107.50	£1,245.94	£1,522.82	£1,799.69	£2,076.57	£2,491.88
Yate and Pickup								
Bank Parish	£825.79	£963.42	£1,101.05	£1,238.68	£1,513.94	£1,789.20	£2,064.47	£2,477.36
All other parts of the Council's area	£812.96	£948.45	£1,083.95	£1,219.44	£1,490.43	£1,761.41	£2,032.40	£2,438.88

being the amounts given by multiplying the amounts at 2 (g) and 2 (h) above 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 categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2008/09 the Lancashire Police Authority has stated the following amounts in precepts 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:

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Lancashire Police Authority	£90.64	£105.75	£120.85	£135.96	£166.17	£196.39	£226.60	£271.92

4. That it be noted that for the year 2008/09 the Lancashire Combined Fire Authority has stated the following amounts in precepts 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:

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Lancashire Combined Fire Authority	£40.11	£46.79	£53.48	£60.16	£73.53	£86.90	£100.27	£120.32

5. That, having calculated the aggregate in each case of the amounts at 2 (i), 3 and 4 above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2008/09 for each of the categories of dwellings shown below:-

<u>Part of the Council's Area</u>	<u>Valuation Bands</u>							
	A	B	C	D	E	F	G	H
Eccleshill Parish	£954.38	£1,113.45	£1,272.51	£1,431.57	£1,749.69	£2,067.83	£2,385.95	£2,863.14
Livesey Parish	£948.36	£1,106.41	£1,264.47	£1,422.53	£1,738.65	£2,054.77	£2,370.89	£2,845.06
North Turton Parish	£956.62	£1,116.05	£1,275.49	£1,434.92	£1,753.79	£2,072.67	£2,391.54	£2,869.84
Pleasington Parish	£947.26	£1,105.13	£1,263.01	£1,420.88	£1,736.63	£2,052.39	£2,368.14	£2,841.76
Tockholes Parish	£961.38	£1,121.60	£1,281.83	£1,442.06	£1,762.52	£2,082.98	£2,403.44	£2,884.12
Yate and Pickup								
Bank Parish	£956.54	£1,115.96	£1,275.38	£1,434.80	£1,753.64	£2,072.49	£2,391.34	£2,869.60
All other parts of the Council's area	£943.71	£1,100.99	£1,258.28	£1,415.56	£1,730.13	£2,044.70	£2,359.27	£2,831.12