



<b>REPORT OF:</b>	<b>DIRECTOR OF FINANCE</b>
<b>TO:</b>	<b>FINANCE COUNCIL</b>
<b>DATE:</b>	<b>27<sup>th</sup> FEBRUARY 2023</b>

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**SUBJECT : COUNCIL TAX FOR 2023/24**

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## **1. PURPOSE OF THE REPORT**

- 1.1 The Council, in its role as billing authority, is required to set amounts of Council Tax before 11 March in the financial year preceding that for which it is set.

## **2. RECOMMENDATIONS**

- 2.1 The Council is recommended to approve the draft resolution setting the Council Tax for 2023/24, as set out in Appendix 1, or as amended at the meeting.

## **3. BACKGROUND**

- 3.1 The Council, as billing authority, is required to calculate a Council Tax requirement for the forthcoming year in accordance with regulations made under Section 31A of the Local Government Finance Act 1992, as amended (the Act). In setting its Council Tax requirement, the Council takes into account any funding from reserves, income it expects to raise and general funding it will receive from Government as part of the Local Government Finance Settlement.
- 3.2 The Council is also required to set a basic amount of Council Tax for the financial year 2023/24. The Council Tax is set on the basis of:
- (a) The precept on the Collection Fund issued by the Police and Crime Commissioner for Lancashire.
  - (b) The precept on the Collection Fund issued by the Lancashire Combined Fire Authority.
  - (c) The Borough Council's precept on the Collection Fund, which is dependent on two factors:
    - (i) its council tax requirement, and
    - (ii) the precepts issued by the seven Parish / Town Councils.

These are discussed in more detail later in the report.

#### 4. RATIONALE

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

#### 5. KEY ISSUES

5.1 The Council Tax Requirement for 2023/24, together with the basic amount of Council Tax in relation to Band D properties for that part of the Borough having no Parish Councils are calculated as follows:

	<b>£M</b>
Council's proposed net expenditure	171.129
<b>Less:</b> Council's share of estimated surplus on the Council Tax Collection Fund	- 1.210
	<hr/> 169.919
<b>Less:</b> General government grant funding	- 84.978
Retained business rates income	- 20.246
	<hr/> 64.695
<b>Council Tax Base:</b>	<b>36,292.84</b>
<b>Council Tax at Band D</b>	<b>£1,782.58</b>

#### 5.2 Parish / Town Council's Precepts

From 1 April 2013 local council tax support schemes replaced council tax benefit in England. As a result the council tax base is reduced where a dwelling is in receipt of council tax support in a similar manner to other council tax discounts. This reduction in the tax base reduces the amount of council tax income that can be raised for the Borough as a whole, and for each parish area. In order to mitigate the effects of any reduction in tax base, the Council will again make a grant payment to make up the shortfall.

The Parish / Town Councils have each submitted their funding requirement, as detailed in Appendix 2. 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 Council Tax requirement and the payments to Parishes are met from the General Fund. Consequently, there is no adjustment to it, even though the Council may collect more or less from the Parish by way of Council Tax.

The average of the Parishes element of the Council Tax is calculated as follows:

Total Parish Requirement	£193,372.46
<b>Less:</b> Grants paid by Borough Council	£27,336.50
Total Parish Precepts	<hr/> £166,035.96
<b>Council Tax Base:</b>	<b>36,292.83</b>
<b>Average Parish Council Tax at Band D</b>	<b>£4.57</b>

In accordance with Section 31B of the Act, the basic amount of Council Tax for the year, including Parish precepts, is £1,787.15 (i.e. £1,782.58 + £4.57).

### 5.3 Collection Fund

Members will note from the calculation shown in paragraph 5.1 above, that Blackburn's share of the surplus on the Council Tax Collection Fund is £1,210,360. Legislation requires that any such surplus or deficit must be reflected in the Council Tax calculation and, therefore, represents an increase in funds for the year 2023/24.

### 5.4 Major Precepting Authorities

On 15<sup>th</sup> February 2023, the Police and Crime Commissioner for Lancashire agreed a council tax increase for the year 2023/24. The amount of precept due from Blackburn with Darwen Council has been set at £9,125,835, after an adjustment of £170,269 in respect of the precepting authority's share of the estimated Collection Fund surplus. This results in a Band D Council Tax of £251.45, an increase of £15 per year for a Band D property.

At the time of writing this report, the recommendation in respect of the amount of precept due from Blackburn with Darwen Council has yet to go to the Lancashire Fire Authority meeting (scheduled for Monday 20<sup>th</sup> February). The paper produced for the Fire Authority meeting has incorporated a recommended precept of £2,985,812, after an adjustment of £55,116 in respect of the precepting authority's share of the estimated Collection Fund surplus, which results in a Band D Council Tax of £82.27, an increase of £5 per year for a Band D property

The aggregate Council Tax calculation in relation to Band D properties for that part of the Borough having no Parish Councils, is as follows:

	<b>£M</b>
Borough Council's Council Tax Requirement	64.695
Lancashire Police Authority Precept	9.126
Lancashire Combined Fire Authority Precept	2.986
<b>Total Council Tax requirement</b>	<b>76.807</b>
<b>Council Tax Base:</b>	<b>36,292.84</b>
<b>Aggregate Council Tax at Band D</b>	<b>£2,116.30</b>

5.5 Having calculated the basic amount of Council Tax for a Band D property, the Council is then required to convert it into amounts for all Bands by applying the following proportions:

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

The Borough element of the Council Tax, together with the amount calculated for each band by the major precepting authorities, forms the aggregate Council Tax for each band.

For those parts of the Borough which have a Parish or Town Council, a higher tax is levied to finance the Parish or Town Council Precept as well. It follows therefore that the Borough will have 64 different Tax Rates i.e. 8 bands for 8 areas (7 Parish or Town Councils and the area of the Borough having no Parish), and these are shown in detail on the attached draft resolution.

## 5.6 Draft Resolution

The draft resolution for setting the Council Tax is set out in Appendix 1 to this report. The elements which form the Council Tax calculation, as detailed in paragraphs 5.1 to 5.5 above, are:

- the “basic amount” of Blackburn’s element of the Council Tax for 2023/24 is £1,787.15.
- the average of the Parishes element (£4.57) is then deducted to give the Council Tax at Band D for those parts of the Borough not having a Parish Council (£1,782.58).
- the calculation for all other Bands then follows e.g. Band A is 6/9ths (66.67%) of Band D, Band H is 18/9ths (200%) of Band D.

## 6. **POLICY IMPLICATIONS**

The policy implications from this report are contained within the Budget Strategy.

## 7. **FINANCIAL IMPLICATIONS**

The financial implication arising from the proposed recommendations of this report have been incorporated into the Budget Strategy.

## 8. **LEGAL IMPLICATIONS**

Section 30 of the Local Government Finance Act 1992 provides that the amounts set for each band will be the aggregate of the Borough element for each band calculated under Section 36 and the amount calculated for each band by the major precepting authorities. The Council Tax must be set before 11 March in the financial preceding that for which it is set.

Under the Local Government (Standing Orders) (England) (Amendment) Regulations 2014, which came into force on 25 February 2014, the Council is required to record in the minutes of a budget decision meeting the names of persons who cast a vote for or against the decision or who abstained from voting.

## 9. **RESOURCE IMPLICATIONS**

None as a direct consequence of this report.

## 10. **EQUALITY IMPLICATIONS**

The decisions to be taken do not change policy and do not require any further consideration in respect of equality issues.

## 11. **CONSULTATIONS**

The Council has consulted with its residents, business community, partners and other stakeholders throughout the Council Tax setting process.

**Chief Officer/Member**      Dean Langton, Director of Finance (01254 666703)  
Contact Officer:              Karen Moore, Senior Finance Officer (01254 585929)  
Date:                              17th February 2023  
Background Papers:          Budget documentation and reports previously issued

### Blackburn with Darwen Borough Council

#### Draft Council Tax Resolution 2023/24 – Finance Council 27<sup>th</sup> February 2023

##### **The Council is recommended to resolve as follows:**

1. That it be noted that on 16th December 2022, the Council calculated the Council Tax Base for the year 2023/24 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act):
  - a) 36,292.84 being the Council Tax Base for the whole of the Council area (Item T in the formula in Section 31B of the Act); and
  - b) for dwellings in those parts of its area to which a Parish precept relates, as detailed in Appendix 2.
2. That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:
  - a) £443,203,237 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act taking into account all precepts issued to it by Parish Councils.
  - b) £378,342,525 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
  - c) £64,860,712 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 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
  - d) £1,787.15 being the amount at 2 (c) above (Item R) divided by the amount at 1(a) above (Item T), 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).
  - e) £166,035.96 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (see Appendix 2).
  - f) £1,782.58 Being the amount at 2 (d) above less the result given by dividing the amount at 2 (e) above by Item T (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 Parish precept relates.

3. That it be noted that for the year 2023/24 the Police and Crime Commissioner (PCC) for Lancashire has issued a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, as indicated in the tables below.
4. That it be noted that for the year 2023/24 the Lancashire Combined Fire Authority has issued a precept to the Council in accordance with Section 40 of the Local Government Finance Act 1992, as indicated in the tables below, however at the time of writing this report, the precept had yet to be presented to the Lancashire Fire Authority meeting (scheduled for Monday 20<sup>th</sup> February 2023).
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for the year 2023/24 for each part of its area and for each of the categories of dwellings.

a) Blackburn with Darwen Borough Council

<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	£1,205.91	£1,406.89	£1,607.88	£1,808.86	£2,210.83	£2,612.80	£3,014.77	£3,617.72
Livesey Parish	£1,194.00	£1,393.00	£1,592.00	£1,791.00	£2,189.00	£2,587.00	£2,985.00	£3,582.00
North Turton Parish	£1,200.44	£1,400.51	£1,600.59	£1,800.66	£2,200.81	£2,600.95	£3,001.10	£3,601.32
Pleasington Parish	£1,192.11	£1,390.80	£1,589.48	£1,788.17	£2,185.54	£2,582.91	£2,980.28	£3,576.34
Tockholes Parish	£1,217.28	£1,420.16	£1,623.04	£1,825.92	£2,231.68	£2,637.44	£3,043.20	£3,651.84
Yate and Pickup Bank Parish	£1,203.14	£1,403.66	£1,604.19	£1,804.71	£2,205.76	£2,606.80	£3,007.85	£3,609.42
Darwen Town Council	£1,196.85	£1,396.33	£1,595.80	£1,795.28	£2,194.23	£2,593.18	£2,992.13	£3,590.56
All other parts of the Council's area	£1,188.39	£1,386.45	£1,584.52	£1,782.58	£2,178.71	£2,574.84	£2,970.97	£3,565.16

b) Major Precepting Authorities

<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	£167.63	£195.57	£223.51	£251.45	£307.33	£363.21	£419.08	£502.90
Lancashire Combined Fire Authority	£54.85	£63.99	£73.13	£82.27	£100.55	£118.83	£137.12	£164.54

c) Aggregate Council Tax

<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	£1,428.39	£1,666.45	£1,904.52	£2,142.58	£2,618.71	£3,094.84	£3,570.97	£4,285.16
Livesey Parish	£1,416.48	£1,652.56	£1,888.64	£2,124.72	£2,596.88	£3,069.04	£3,541.20	£4,249.44
North Turton Parish	£1,422.92	£1,660.07	£1,897.23	£2,134.38	£2,608.69	£3,082.99	£3,557.30	£4,268.76
Pleasington Parish	£1,414.59	£1,650.36	£1,886.12	£2,121.89	£2,593.42	£3,064.95	£3,536.48	£4,243.78
Tockholes Parish	£1,439.76	£1,679.72	£1,919.68	£2,159.64	£2,639.56	£3,119.48	£3,599.40	£4,319.28
Yate and Pickup Bank Parish	£1,425.62	£1,663.22	£1,900.83	£2,138.43	£2,613.64	£3,088.84	£3,564.05	£4,276.86
Darwen Town Council	£1,419.33	£1,655.89	£1,892.44	£2,129.00	£2,602.11	£3,075.22	£3,548.33	£4,258.00
All other parts of the Council's area	£1,410.87	£1,646.01	£1,881.16	£2,116.30	£2,586.59	£3,056.88	£3,527.17	£4,232.60

## Appendix 2

### Town and Parish Council Precepts

<u>Parish / Town Council</u>	<u>2022/23</u>				<u>2023/24</u>				<u>Council Tax Increase / (Reduction)</u> <u>Council Tax Band D 2023/24 less 2022/23</u>
	<u>Tax Base</u>	<u>Precepts</u>	<u>Grant</u>	<u>Council Tax</u> <u>Band D</u>	<u>Tax Base</u>	<u>Precepts</u>	<u>Grant</u>	<u>Council Tax</u> <u>Band D</u>	
		£	£	£		£	£	£	£
Eccleshill Parish	94.66	2,462.11	413.50	26.01	92.44	2,429.00	413.50	26.28	0.27
Livesey Parish	2,235.21	18,463.00	1,371.00	8.26	2,335.57	19,665.00	1,371.00	8.42	0.16
North Turton Parish	1,771.66	32,159.00	1,241.00	18.15	1,778.74	32,159.00	1,241.00	18.08	(0.07)
Pleasington Parish	257.93	1,450.00	0.00	5.62	259.25	1,450.00	0.00	5.59	(0.03)
Tockholes Parish	208.33	8,574.91	146.00	41.16	207.90	9,010.96	146.00	43.34	2.18
Yate and Pickup Bank Parish	143.68	3,180.00	260.00	22.13	145.82	3,227.00	260.00	22.13	0.00
Darwen Town Council	7,560.39	98,095.00	23,905.00	12.97	7,722.97	98,095.00	23,905.00	12.70	(0.27)
<b>TOTAL / AVERAGE</b>	<b>12,271.86</b>	<b>164,384.02</b>	<b>27,336.50</b>	<b>4.64</b>	<b>12,542.69</b>	<b>164,384.02</b>	<b>27,336.50</b>	<b>4.57</b>	<b>(0.07)</b>