
Meeting: Council
Date: 21 February 2013
Subject: Council Tax Resolution
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Resources
Summary: The report presents the Formal Council Tax Resolution arising from the Budget proposals presented to Council for approval.

Advising Officer: Charles Warboys, Chief Financial Officer

Contact Officer: Charles Warboys, Chief Financial Officer

Public/Exempt: Public

Wards Affected: All

Function of: Council

Key Decision Yes

Reason for urgency/
exemption from call-in
(if appropriate) Not Applicable

CORPORATE IMPLICATIONS

Council Priorities:

The Council's priorities were a central strand of the Medium Term Financial Plan (MTFP) and have been a specific factor in evaluating savings proposals and the resultant Council Tax levels.

Financial:

Based on the revenue budget proposals, approving the formal Council Tax Resolution as set out in Appendix A would result in an average Band D Council Tax for Central Bedfordshire of £1,308.33.

Legal:

The Council Tax Resolution is set in accordance with Section 31A(4) of the Local Government Finance Act 1992.

Risk Management:

None

Staffing (including Trades Unions):

None

Equalities/Human Rights:

Refer to full Budget / MTFP report – all the equality impacts were assessed as part of the budget setting process and the results are contained within that report.

Community Safety:

None

Sustainability:

None

Summary of Overview and Scrutiny Comments:

- Comments from Overview and Scrutiny were taken into account by the Executive in formulating its budget proposals to Council

RECOMMENDATION(S):

1. that the

(a) **Council approve The Council Tax Resolution Set Out In Appendix A.**

Reason for Recommendation(s): To enable the Council to calculate and set the Council Tax for 2013/14. The Council is required to approve a statutory Council Tax Resolution in the form shown in Appendix A. The formal resolution is based on figures contained in the Medium Term Financial Plan for 2013/14 to 2016/17 recommended by the Executive on 5 February 2013, for approval by Council.

Executive Summary

Central Bedfordshire, in keeping with all local authorities faces significant financial challenges in responding to the Coalition Government's commitment to reduce the national budget deficit, together with a raft of new policy directives. The budget proposes to freeze Council Tax for 2013/14 and savings proposals have been developed in line with the strategic direction for the Council.

Background

1. The Executive at its meeting on 5 February 2013 considered a detailed report on the Medium Term Financial Plan for 2013/14 to 2016/17. Members are asked to refer to that report for a detailed explanation of the background to this report.
2. The Council Tax Resolution is set in accordance with Section 31A(4) of the Local Government Finance Act 1992 and is submitted at this stage on the basis of the budget proposals set out in that report.

3. In previous years separate Council Tax levels were set for the former Mid Bedfordshire and South Bedfordshire district areas. However 2013/14 represents the completion of the harmonisation process with a single Band D rate for all Central Bedfordshire residents for the first time since the Council's inception.
4. The Band D level is £1,308.33, representing a freeze at 2012/13 rates for Mid Bedfordshire and a reduction for South Bedfordshire in accordance with the harmonisation plan. Where councils have frozen council tax levels in 2011/12, the Government is providing support in the form of a specific grant equivalent to an average 2.5% increase for 2011/12 to 2014/15. The Government also provided a one-off additional Council Tax freeze grant in 2012/13 for the same amount for those councils that froze Council Tax in that year. In addition a new Council Tax freeze grant was announced for an amount equivalent to a 1% increase in Council Tax, payable in each of the years 2013/14 and 2014/15, for those Councils freezing Council Tax in 2013/14. For Central Bedfordshire, these grants will total approximately £4.5m for 2013/14.
5. In November 2010 the Government announced a major overhaul of the current benefits system (the Welfare Reform Bill). Part of this reform included the abolition of Council Tax Benefit (CTB). This will be replaced by local Council Tax Support (CTS) schemes administered by individual billing authorities from April 2013. The CTS reforms require local authorities to design their own schemes to deliver Council Tax Support. The Central Bedfordshire scheme was approved by Council on 24 January 2013.

These changes have had a marked effect on the Council Taxbase as shown at Appendix A. The introduction of the CTS scheme results in a large reduction in the Council Taxbase to account for discounts offered to qualifying households under the new scheme, which would have been recovered from Central Government in previous years under the CTB regime. In place of the Council Tax Benefit income, Central Government have provided Central Bedfordshire Council with a grant of £12,739,728 for 2013/14 via Formula Funding.

6. The precepts and Band D Council Tax levels of all precepting bodies have been notified. These are detailed in Appendix B.

Local precepting authorities (Town and Parish Councils) have been significantly affected by the changes to CTS as outlined in paragraph 5 above. In order to mitigate the impact of the reduced Council Taxbase on precepts and Band D equivalents, Central Bedfordshire Council approved on 24 January 2013 the payment of a grant of £801,000 to be shared amongst the Town and Parish Councils. No grant was paid to Bedfordshire Police Authority or Bedfordshire and Luton Combined Fire Authority since alternative arrangements have been made by Central Government in respect of funding for these Authorities.

Town & Parish Councils/Meetings

7. The Town and Parish Council/Meetings Precepts for 2013/14 as detailed in Appendix B total £9,464,385. The increase in the average Band D Council Tax for Town and Parish Councils/Meetings is 9.66% and results in an average Band D Council Tax figure of £104.62 for 2013/14 compared to £95.40 in 2012/13.

Bedfordshire Police Authority

8. Bedfordshire Police Authority met on 5 February 2013 and set its precept at £13,886,838. This results in a Band D Council Tax of £153.50 for 2013/14, a 2.00% increase on 2012/13.

Bedfordshire and Luton Combined Fire Authority

9. At the time of writing this report, Bedfordshire and Luton Combined Fire Authority was due to meet on 19 February 2013 and the proposed precept for approval was £7,759,440. This results in a Band D Council Tax of £85.77 for 2013/14, a 2.00% increase on 2012/13. Should there be any amendment to these amounts following the meeting of the Bedfordshire and Luton Combined Fire Authority, then an Addendum will be submitted at the Council meeting confirming the approved amounts.

Proposals

10. Council is required to approve a resolution in the statutory format and the formal Council Tax Resolution at Appendix A is based on the budget proposals that result in the total Band D Council Tax as shown in the "Valuation Bands". The various levels of Council Tax for each Band for each Town and Parish Council/Meeting are shown at Appendix C.
11. If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	2012/13	2013/14	Increase / (Decrease)
Mid Bedfordshire	1,308.33	1,308.33	0.00%
South Bedfordshire	1,326.24	1,308.33	(1.35)%
Central Bedfordshire Council average	1,316.59	1,308.33	(0.63)%
Bedfordshire Police Authority	150.49	153.50	2.00%
Bedfordshire and Luton Combined Fire Authority	84.09	85.77	2.00%
Sub-total	1,551.17	1,547.60	(0.23)%
Town and Parish average	95.40	104.62	9.66%
Total	1,646.57	1,652.22	0.34%

Appendices:

Appendix A – Council Tax Resolution 2013/14

Appendix B – Parish Council/Meeting Precepts 2013/14

Appendix C – Parish Council Tax Bands

Background Papers:

Town & Parish Council/Meeting Precept Submissions

Executive Report 5 February 2013

Location of papers: Corporate Services , Priory House, Chicksands