

Council

26 February 2015

Report of the Director of Customer and Business Support Services

Council Tax Resolution 2015/16

Summary

- 1 This report asks Members to approve the rate of Council Tax for 2015/16. Although the legal requirement is that the council must have set a balanced budget and the Council Tax charge by 11 March it is important that Council Tax rates are approved at this meeting to allow sufficient time to produce and post Council Tax bills and meet all statutory deadlines.
- 2 This report sets out the resolution based on the assumption that the budget proposals recommended by the Cabinet on 10 February 2015 are approved.
- 3 Members are reminded that the individual Council Tax bill is comprised of four elements - the amount levied for City of York Council, the amount precepted by the North Yorkshire Police Authority, the amount precepted by the North Yorkshire Fire and Rescue Authority and, for properties in a parished area of the city, the amount precepted by the individual Town or Parish Council.
- 4 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, not its budget requirement as previously. This is to help the council determine if it has set an excessive Council Tax increase, that would in turn trigger a local referendum. Principles set by the Secretary of State for Communities and Local Government determine that an increase in a council's basic rate of Council Tax of 2% is excessive.

Background

- 5 The Council's net revenue budget and capital programme were recommended by the 10 February 2015 Cabinet for approval by Council. Details appear earlier on this agenda.

- 6 The Council Tax levels to be proposed will include the precepts received from the parish councils, the North Yorkshire Police Authority and the North Yorkshire Fire and Rescue Authority. Members are reminded that the Council must word the resolution in precise language, as directed by legislation.

Parishes

- 7 The total parish funding has increased by £17,393 (2.7%) to £658,027, from £640,634 in 2014/15. This figure includes grants totalling £34,590 provided by the council to parishes to protect against the effects of the localised Council Tax Support scheme. Therefore, the total amount of Council Tax to be levied by parishes in 2015/16 is £623,437. This percentage increase masks a variety of changes from 14 parishes that have frozen their funding to an increase of 16% in one case. The individual precepts are only charged to the residents in that parish. The total rise in precepts over the last seven years has been £96.6k (17.2%).

North Yorkshire Police

- 8 On 5 February 2015, the North Yorkshire Police and Crime Commissioner approved a 1.99% increase in the North Yorkshire Police Council Tax (at £212.77 for a band D property) for 2015/16.

North Yorkshire Fire and Rescue Authority

- 9 At its meeting on 11 February 2015 the North Yorkshire Fire and Rescue Authority increased its Council Tax by 1.99% (to £64.59 for a band D property) for 2015/16.

National Non-Domestic Rates (NNDR)

- 10 The current Business Rates Retention scheme was introduced in April 2013. Under the scheme business rates receipts are shared equally between central and local government. However, receipts of business rates in each individual local authority area may or may not match the amount the government believes the authority needs to spend, so, at the outset of the scheme, amounts were equalised through a system of 'tariffs' and 'top-ups'. Authorities that collect more than the government believes they need to spend pay over a 'tariff' to government and those that collect less receive a 'top-up' to make up the difference.
- 11 Tariff authorities that are successful in growing their rates are also liable for 'levies' which scale back the rewards of growth – by as much as 50% in some cases.

- 12 Council is asked to note the following issues and figures related to the business rates retention scheme:
- i) The NNDR1 form, approved by the Director of Customer & Business Support Services on 31 January 2015 under delegated powers projected business rates income for 2015/16 for the entire City of York of £101,122,049 and that of this,
 - a) £50,561,025 will be paid to Central Government as the Central Share.
 - b) £1,011,220 will be paid to North Yorkshire Fire & Rescue Authority as their proportion of the Local Share.
 - c) £49,549,804 will be retained by City of York Council as its proportion of the Local Share.
 - ii) City of York Council will pay a tariff to the government of £22,757,151, which is effectively netted off against the local share income.
 - iii) The Business Rates Retention scheme allows groups of authorities to join together to form business rates pools. Pooling allows groups of 'tariff' and 'top-up' authorities to gain financial advantage by enabling levy payments to be paid to the pool rather than central government. City of York Council will continue its membership of the Leeds City Region Business Rates pool in 2015/16.
- 13 In April 2014 the two NNDR multipliers were 48.2p in the pound for normal properties and 47.1p in the pound for smaller properties (based upon the total rateable values of all properties held by a single owner). It has been provisionally announced that in April 2015 the multipliers will increase to 49.3p (by 2.3%) and 48.0p (by 2.0%) respectively.

Council is recommended to resolve as follows:

- 14 It be noted that on 18 December 2014 the Director of Customer and Business Support Services, under his delegated authority, calculated the Council Tax Base for the year 2015/16:
- (a) for the **whole Council area** as 62,405.7 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for those dwellings in those parts of its area to which a **Parish** precept relates as in column 1 in the attached Schedule A.

- 15 Calculate that the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish precepts) is £72,736,340.
- 16 That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:
- (a) £379,492,509.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £306,132,732.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £73,359,777.00 being the amount by which the aggregate at 14(a) above exceeds the aggregate at 14(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) £1,175.53 being the amount at 14(c) above [Item R], all divided by Item T (12(a) above), 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) £623,437.00 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Schedule A).
 - (f) £1,165.54 being the amount at 14(d) above less the result given by dividing the amount at 14(e) above by Item T (12(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.
- 17 To note that North Yorkshire Police and the North Yorkshire Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Act for each category of dwellings in the Council's area as indicated in the tables at 18 below.

- 18 That the Council, in accordance with sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the tables below, and at Schedule B for Parished areas, as the amounts of Council Tax for 2015/16 for each part of its area and for each of the categories of dwellings.

City of York Council

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
777.03	906.53	1,036.04	1,165.54	1,424.55	1,683.56	1,942.57	2,331.08

North Yorkshire Police

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
141.85	165.49	189.13	212.77	260.05	307.33	354.62	425.54

North Yorkshire Fire and Rescue Authority

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
43.06	50.24	57.41	64.59	78.94	93.30	107.65	129.18

Aggregate of Council Tax Requirements (excluding Parished Areas)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
961.94	1,122.26	1,282.58	1,442.90	1,763.54	2,084.19	2,404.84	2,885.80

- 19 Determine that the Council's basic amount of Council Tax for 2015/16, which reflects a Council Tax freeze, is not excessive in accordance with the principles approved under section 52ZB of the Act. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2015/16 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.