

**Council**

28 February 2013

Report of the Director of Customer and Business Support Services

### **Council Tax Resolution 2013/14**

#### **Summary**

- 1 This report asks Members to approve the rate of Council Tax for 2013/14. 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 12 February 2013 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 12 February 2013 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 of parish precepts have increased by £6,069.00 (0.299%) to £621,678.00, from £615,609.00 in 2011/12. This masks a variety of changes in the individual parishes from a reduction of 10.24% to an increase of 22.91%. The individual precepts are only charged to the residents in that parish. The total rise in precepts over the last six years has been £91.9k (17.3%).

#### North Yorkshire Police

- 8 On 8 February 2013, the North Yorkshire Police and Crime Commissioner approved a freeze in the North Yorkshire Police Council Tax (at £204.55 for a band D property) between 2012/13 and 2013/14.

#### North Yorkshire Fire and Rescue Authority

- 9 At its meeting on 13 February 2013 the North Yorkshire Fire and Rescue Authority approved a freeze in its Council Tax (at £62.10 for a band D property) between 2012/13 and 2013/14.

#### National Non-Domestic Rates (NNDR)

- 10 2013/14 sees the introduction of the localised business rates system. Council is asked to note the following issues and figures related to the new scheme:
- i) City of York Council formally joined the Leeds City Region Business Rates pool on 15 January 2013.
  - ii) The NNDR1 form, approved by the Director of Customer & Business Support Services on 31 January 2013 under delegated powers projected business rates income for 2013/14 for the entire City of York of £92,578,301 and that of this,
    - a) £46,289,151 will be paid to Central Government as the Central Share.
    - b) £925,783 will be paid to North Yorkshire Fire & Rescue Authority as their proportion of the Local Share.

c) £45,289,157 will be retained by City of York Council as its proportion of the Local Share.

iii) City of York Council will:

a) Have an Individual Business Rates Baseline of £45,101,767.

b) Pay a tariff of £21,903,720.

c) And as a result have a Baseline Funding level of £23,198.047.

11 In April 2012 the two NNDR multipliers were 45.8p in the pound for normal properties and 45.0p 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 2013 the multipliers will increase to 47.1p (by 2.7%) and 46.2p (by 2.6%) respectively.

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

12 It be noted that on 13 December 2012 the Director of Customer and Business Support Services, under his delegated authority, calculated the Council Tax Base for the year 2013/14:

(a) for the **whole Council area** as 60,945.49 [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.

13 Calculate that the Council Tax requirement for the Council's own purposes for 2013/14 (excluding Parish precepts) is £69,710,060.

14 That the following amounts be calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:

(a) £362,263,050.00 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) £291,931,312.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £70,331,738.00 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) £1,154.01 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) £621,678.00 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) £1,143.81 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.

15 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 16 below.

16 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 2013/14 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
£	£	£	£	£	£	£	£
762.54	889.63	1,016.72	1,143.81	1,397.99	1,652.17	1,906.35	2,287.62

### North Yorkshire Police

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
136.37	159.09	181.82	204.55	250.01	295.46	340.92	409.10

## North Yorkshire Fire and Rescue Authority

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
41.40	48.30	55.20	62.10	75.90	89.70	103.50	124.20

## Aggregate of Council Tax Requirements (excluding Parished Areas)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
940.31	1,097.02	1,253.74	1,410.46	1,723.90	2,037.33	2,350.77	2,820.92

- 17 Determine that the Council's basic amount of Council Tax for 2013/14, which reflects a 1.9% increase, is not excessive in accordance with the principles approved under section 52ZB of the Act.