

EXPLANATION OF COUNCIL TAX SETTING RESOLUTION

RESOLUTION 1 – Budget Requirement

(1.1) This represents the various savings identified within the current budget from amongst other things the way in which the council carries out its operations.

(1.2) This represents the additional investment the Councils wishes to invest in its priority areas.

(1.3) This represents the total amounts for non recurrent expenditure in priority areas which have need funded from the Change Management Reserve (an earmarked reserve) , from the Planning Delivery Grant (a grant received from Government), from the Local Authority Business Growth Incentive Scheme (a grant received from Government based on the rise of National Non-Domestic Rates [commonly referred to as Business Rates] within Rossendale) and from a grant received from The Department of Health

(1.4) This represents the Council's total budget requirement for 2007-08 after considering the cost of current services and items 1.1 to 1.3 above

RESOLUTION 2 – 2007/08 Precepts

Lancashire County Council, Lancashire Combined Fire Authority, Lancashire Police Authority and Whitworth Town Council are separate bodies who have worked out their own estimates of spending and income for 2007/08 and have set taxes in a similar way to Rossendale Borough Council. This resolution notes their final decision.

RESOLUTION 3 – Council Tax Base

(3.1) Before we can calculate the Council Tax to be charged, we first have to calculate the Council Tax base. The Council Tax base is the amount which a Band D Council Tax of £1.00 would raise. For 2007/0 we estimate that a £1.00 Council Tax at Band D would raise £21,270 in the Rossendale area.

(3.2) This shows the “base” figure for the Council's one Parish area, that is Whitworth. For example, a £1.00 Band D Council Tax in Whitworth would raise £2,318

RESOLUTION 4 – Budget impact on Council tax

(a)	This is the grand total of money which the Council estimates it will spend on all services in 2007/08.																
(b)	This is the grand total of money which the Council estimates it will receive from various sources in the year. This includes, for example, fees and charges (eg land charges, market stall rents, etc), government grants in respect of benefits, amongst other things.																
(c)	This is the difference between 3(a) and 3(b) and is in effect the Council's net spending on services.																
(d)	This is the amount that the Government will contribute towards the cost of our services. Also included is any extra Council Tax resulting from new properties and expected collection rates in previous years.																
(e)	This is the amount to be contributed from the Collection Fund Surplus																
(f)	The difference between 3(c), 3(d) and 3(e) is £5,050,438 and this is the amount we need to charge Council Taxpayers. This is divided by the base (see 3.1 above) and the resulting figure of £239.32 is the average Band D Council Tax for all the Council's services.																
(g)	The total of the amount needed from Council Taxpayers by Whitworth Parish Council in the area and for Rossendale Borough Special Expenses.																
(h)	This is the Band D Council Tax for Whitworth Parish Council ie (g) divided by 3.2.																
(i)	This table shows the Band D Council Tax for Whitworth <u>including</u> the cost of the Parish Council and Rossendale Borough Council.																
(j)	<p>The rate for each property Band is calculated by reference to the Band D charge. The following rates apply:</p> <table border="1" data-bbox="352 1563 916 1868"> <tr> <td>Band A</td> <td>$\frac{6}{9}$ ths of Band D</td> </tr> <tr> <td>Band B</td> <td>$\frac{7}{9}$ ths of Band D</td> </tr> <tr> <td>Band C</td> <td>$\frac{8}{9}$ ths of Band D</td> </tr> <tr> <td>Band D</td> <td>$\frac{9}{9}$ ths of Band D</td> </tr> <tr> <td>Band E</td> <td>$\frac{11}{9}$ ths of Band D</td> </tr> <tr> <td>Band F</td> <td>$\frac{13}{9}$ ths of Band D</td> </tr> <tr> <td>Band G</td> <td>$\frac{15}{9}$ ths of Band D</td> </tr> <tr> <td>Band H</td> <td>$\frac{18}{9}$ ths of Band D</td> </tr> </table> <p>For Whitworth Band A, for example, the charge is $\text{£}260.04 \times 6 \div 9 = \text{£}173.36$; for Band B it is $\text{£}260.04 \times 7 \div 9 = \text{£}202.25$</p>	Band A	$\frac{6}{9}$ ths of Band D	Band B	$\frac{7}{9}$ ths of Band D	Band C	$\frac{8}{9}$ ths of Band D	Band D	$\frac{9}{9}$ ths of Band D	Band E	$\frac{11}{9}$ ths of Band D	Band F	$\frac{13}{9}$ ths of Band D	Band G	$\frac{15}{9}$ ths of Band D	Band H	$\frac{18}{9}$ ths of Band D
Band A	$\frac{6}{9}$ ths of Band D																
Band B	$\frac{7}{9}$ ths of Band D																
Band C	$\frac{8}{9}$ ths of Band D																
Band D	$\frac{9}{9}$ ths of Band D																
Band E	$\frac{11}{9}$ ths of Band D																
Band F	$\frac{13}{9}$ ths of Band D																
Band G	$\frac{15}{9}$ ths of Band D																
Band H	$\frac{18}{9}$ ths of Band D																

(Note – in some circumstances there may be rounding differences to 1p)

(j)to(m) Shows the rate applicable to each property band from the precept applied by each of the other precepting authorities (ie Lancashire County Council, Lancashire Police Authority and Lancashire Fire Authority)

(n) Shows the total council tax applicable to all bandings as a result of all the precepts from the various precepting bodies. The total Council Tax rate for a band D property for 2007/08 is therefore £1468.91 (excluding Whitworth). This is made up as follows:

	£
Rossendale Borough Council (as in 4.1(e) above)	239.32
Lancashire County Council (as in 4.1 (j) above)	1046.20
Lancashire Fire Authority (as in 4.1 (k) above)	57.44
Lancashire Police Authority (as in 4.1 (l) above)	125.95
Total Band D	1468.91

NB *It should be noted that the Rossendale Borough Council element (excluding Whitworth) of this total represents only 16.6%. The attached schedule (Appendix1) summaries the Council tax by bands, precepting authority and the individual increases on the previous year.*

RESOLUTION 5 – Discounts on empty furnished and unfurnished property

The budget consultation document referred to proposals to end the current practice of discounts on:

- Empty furnished properties (generally referred to as second homes) and
- Empty unfurnished properties (generally referred to as unoccupied or empty properties)

The budget consultation and a previous report to Cabinet (18th October 2006) explained the logic for this proposal and the use of the additional funds raised. A briefing note is provided at Appendix 7

RESOLUTION 6 - Council Tax & NNDR Collection

Formally authorise the necessary staff to take legal action to collect arrears as and when this is necessary. **For the vast majority of taxpayers, this is not needed.**