

## 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 Single Status Reserve (an earmarked reserve) and from the Area Based Grant.
(1.4)	This represents the Council's total budget requirement for 2009-10 after considering the cost of current services and items 1.1 to 1.3 above

### RESOLUTION 2 – 2009/10 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 2009/10 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 2009/10 we estimate that a £1.00 Council Tax at Band D would raise £21,659 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 £2,353

## 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 2009/10.																
(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 4(c), 4(d) and 4(e) is £5,488,391 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 £253.40 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><math>\frac{6}{9}</math> ths of Band D</td> </tr> <tr> <td>Band B</td> <td><math>\frac{7}{9}</math> ths of Band D</td> </tr> <tr> <td>Band C</td> <td><math>\frac{8}{9}</math> ths of Band D</td> </tr> <tr> <td>Band D</td> <td><math>\frac{9}{9}</math> ths of Band D</td> </tr> <tr> <td>Band E</td> <td><math>\frac{11}{9}</math> ths of Band D</td> </tr> <tr> <td>Band F</td> <td><math>\frac{13}{9}</math> ths of Band D</td> </tr> <tr> <td>Band G</td> <td><math>\frac{15}{9}</math> ths of Band D</td> </tr> <tr> <td>Band H</td> <td><math>\frac{18}{9}</math> ths of Band D</td> </tr> </table> <p>For Whitworth Band A, for example, the charge is <math>\text{£}275.85 \times 6 \div 9 = \text{£}193.90</math>; for Band B it is <math>\text{£}278.85 \times 7 \div 9 = \text{£}214.55</math>  <i>(Note – in some circumstances there may be rounding differences to 1p)</i></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
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(k)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 2009/10 is therefore £1,566.19 (excluding Whitworth). This is made up as follows:

	£
Rossendale Borough Council (as in 4.1(e) above)	253.40
Lancashire County Council (as in 4.1 (j) above)	1,180.30
Lancashire Fire Authority (as in 4.1 (k) above)	62.41
Lancashire Police Authority (as in 4.1 (l) above)	142.08
<b>Total Band D</b>	<b>1,566.19</b>

**NB** *It should be noted that the Rossendale Borough Council element (excluding Whitworth) of this total represents only 16.2% The attached schedule (Appendix 6) summaries the Council tax by bands, precepting authority and the individual increases on the previous year.*

## RESOLUTION 5 - 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.**