

Westmorland and Furness Shadow Authority Meeting

Date **7 March 2023**

Title **Calculating and Setting the
2023/24 Council Tax**

Report from: Cabinet Member for Finance

Report Author: Pam Duke, Director of Resources (Section 151
Officer)

Wards: All

Key Decision: No

1.0 Purpose/Summary of report

- 1.1 This report is presented to enable the Council to calculate and set the Council tax for 2023/24 as required by the Local Government Finance Act 1992 (as amended).
- 1.2 If the recommendation is approved then Council tax bills will be issued to each household in Westmorland and Furness during March 2023 in accordance with the amounts set, subject to any reductions for discounts, exemptions or reliefs.
- 1.3 The resolution set out in this report is based on the assumption that the Council Tax taxbase and budget set out in reports elsewhere on this agenda are approved with no amendment.

2.0 Recommendation

2.1 It is recommended that the Shadow Authority:-

- (1) approves the Council tax resolution at Appendix 1.**

3.0 Background and Proposals

- 3.1 The Local Government Finance Act 1992, as amended, requires the billing authority to calculate a Council tax requirement for the year.
- 3.2 The Council is required to undertake a series of calculations in order to determine the Council tax to be set for each parish within the District, as detailed in the appendices. Although the process itself is relatively straightforward, the detail of the Act means that the resolution made by the Council must conform to a set format and contain a great degree of detail. Appendix 1 of this report consists

of a recommendation resolution which meets these requirements. It is divided into the following sections:

- a) Council tax base;
- b) Council tax requirement and basic amount of tax;
- c) Calculation of tax for different valuation bands;
- d) Precepts of Major Precepting Authorities;
- e) Setting of Council tax; and
- f) Non excessive level of increase in basic amounts of tax.

Since each calculation must be done for each band and each parish, the details are included in Appendices 2,3 and 4.

Town and Parish Councils

- 3.3 Town and parish councils are defined as local precepting bodies. The town and parish council precepts for 2023/24 are detailed in Appendix 2 and total £3,908,475.84. The increase in the average Band D Council tax for town and parish councils is 16.14% (8.58% excluding the new Barrow Parish Council) and this results in an average Band D Council tax figure of £44.56. Details of this year's parish precepts mirror information included with Customers' Council tax bills, details of the joined parishes are detailed in the attached appendices.
- 3.4 Under section 41(4) of the Local Government Finance Act 1992 a local precepting body has until the 1 March to submit their precept to the billing authority. The precept figures included in Appendix 1 and Appendix 2 are based on the information received from town and parish councils in respect of their 2023/24 precepts, any changes or substitute amounts received between this report being published and the 1 March will be tabled at the meeting.
- 3.5 Barrow Borough Council commenced a Community Governance Review in February 2022 to consider whether or not a Parish Council be recommended for the unparished area of the Borough. With elections to the new parish council to be held in May 2023, Regulation 3(2) of the Local Government Finance (New Parishes) (England) Regulations 2008 requires the Council to anticipate a precept from the new parish council for 2023/24. The amount must be stated in the reorganisation order. Regulation 4 requires this to be a special item, i.e., it will be charged on only council tax-payers in Barrow. Regulation 3(2) also requires the reorganisation order to state the budget requirement for the parish council (this will be the same figure as the precept). It further provides that, in calculating its budget requirements for that year, the parish council cannot calculate an amount that is greater than the amount stated in the reorganisation order. The proposed parish council, once granted parish council status, would have the right to decide their level of precept in perpetuity.

Cumbria Commissioner Fire & Rescue Authority

- 3.6 The Cumbria Commissioner Fire and Rescue Authority has at the FRS Budget Setting Meeting on 16/02/23 approved a precept of £7,941,693 and a band D council tax of £90.54.
- 3.7 This is an increase of £4.93 which is below the maximum increase of £5.00 set out in The Referendums Relating to Council Tax Increases (Principles)(England) Report 2023/24.

The Police and Crime Commissioner for Cumbria

- 3.8 The Police and Crime Commissioner for Cumbria has at his Public Accountability Conference on 16/02/2023 approved a precept of £26,996,859 and a council tax increase of 5.3% which takes the band D council tax to £297.09.
- 3.9 This is an increase of £14.94 which is below the maximum increase of £15.00 set out in The Referendums Relating to Council Tax Increases (Principles)(England) Report 2023/24.

Proposed Tax Levels

- 3.10 If the formal Council tax resolution at Appendix 1 is approved the total Band D Council tax will be as follows:

	2022/23	2023/24	Annual Increase	
	£	£	£	%
Barrow in Furness Borough Council	1,692.80	1,740.89	48.09	2.84%
Eden District Council	1,643.14	1,740.89	97.75	5.95%
South Lakeland District Council	1,650.00	1,740.89	90.89	5.51%
Westmorland and Furness Council	1,658.15	1,740.89	82.74	4.99%
Cumbria Commissioner Fire & Rescue Authority	85.61	90.54	4.93	5.76%
Police & Crime Commissioner for Cumbria	282.15	297.09	14.94	5.30%
Sub Total*	2,025.91	2,128.52	102.61	5.06%
Town and Parish Council (average)	£38.37	£44.56	6.19	16.14%
TOTAL	2,064.28	2,173.08	108.80	5.27%

*The Council Tax figure for the preceding financial year for Westmorland and Furness Council and Cumbria Commissioner Fire & Rescue Authority is the alternative notional amount, as specified in Annex A of the 'Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) Report 2023-24', presented to the House of Commons pursuant to section 52ZE of the Local Government Finance Act 1992 as inserted by Schedule 5 to the Localism Act 2011

The Council Tax levels for Westmorland and Furness Council will be:

	2022/23 Total	Core Spending	2023/24 Adult Social Care Precept	Total
Increase:		2.99%	2.00%	
Band A (up to £40,000)	£1,105.43	£33.05	£22.11	£1,160.59
Band B (£40,001 to £52,000)	£1,289.68	£38.56	£25.79	£1,354.03
Band C (£52,001 to £68,000)	£1,473.91	£44.07	£29.48	£1,547.46
Band D (£68,001 to £88,000)	£1,658.15	£49.58	£33.16	£1,740.89
Band E (£88,001 to £120,000)	£2,026.62	£60.60	£40.53	£2,127.75
Band F (£120,001 to £160,000)	£2,395.11	£71.61	£47.90	£2,514.62
Band G (£160,001 to £320,000)	£2,763.58	£82.63	£55.27	£2,901.48
Band H (£320,001 and over)	£3,316.29	£99.16	£66.33	£3,481.78

4.0 Consultation

- 4.1 Consultation exercises have been undertaken by all major precepting authorities in relation to budgets but the purpose of this report is to enable the Council tax to be set based on the precepts issued. The consultation exercise undertaken by Westmorland and Furness Council on budgets and Council Tax levels are set out in the 2023/24 budget report elsewhere on this agenda.

5.0 Alternative Options

- 5.1 There is no alternative option as the Council tax recommended for each parish is based on the precepts issued by all the preceptors and the tax base which the Council has previously calculated. The process of setting the Council tax involves no discretion on the part of the Council.

6.0 Implications

Financial, Resources and Procurement

- 6.1.1 Westmorland and Furness Council is classified as a billing authority which raises Council tax bills on behalf of major preceptors (Cumbria Commissioner Fire & Rescue Authority and the Cumbria Police and Crime Commissioner) and parish and town Councils. All income from Council tax goes through the Collection Fund which is managed by the billing authority. The billing authority then pays precepts during the year. If Westmorland and Furness collects more Council tax than expected it will create a surplus on the Collection Fund; a deficit will arise if the Council collects less than expected. Any surplus or deficit is shared with the major precepts in future years.

- 6.1.2 Westmorland and Furness's expenditure, plus the parish and town council precepts, net of Government grants and any adjustments for surplus or deficit from the Council tax collection funds for previous years makes up Westmorland and Furness's net requirement from the Council tax collection fund.

Human Resources

- 6.2 There are not direct human resources implications

Legal

- 6.3.1 The recommendations have been formulated taking into account the requirements of the Local Government Finance Act 1992 (as amended).
- 6.3.2 The decision on this item is one to which the Local Authority (Standing Orders) (England) (Amendment) Regulations 2004 and rule 14.4 of Part 4B of the Council's Constitution: Procedure Rules apply and accordingly there must be a recorded vote.
- 6.3.3 Section 106 of the Local Government Finance Act 1992 makes it an offence for a Councillor in Council tax arrears (with at least two months unpaid bills) to vote at a meeting of the council, a committee or of the council's executive where financial matters relating to Council tax are being considered. It is also an offence if any such councillor present, who is aware of the arrears, fails to disclose that they are in arrears of Council tax.

Health and Sustainability Impact Assessment

- 6.4 Have you completed a Health and Sustainability Impact Assessment? No
- 6.5 If you have not completed an Impact Assessment, please explain your reasons: This report is a mathematical calculation of Council tax levels. Impact assessments have been carried out on the level of Westmorland and Furness's expenditure and income as part of the budget setting process.

Equality and Diversity

- 6.6 Have you completed an Equality Impact Analysis? No
- 6.7 If you have not completed an Impact Analysis, please explain your reasons: This report is a mathematical calculation of Council tax levels. Impact assessments have been carried out on the level of Westmorland and Furness's expenditure and income as part of the budget setting process.

Risk Management	Consequence	Controls required
An error occurs in the Council tax setting calculations	Council tax setting will not comply with legislation and amounts due may not be recoverable. This will have a major impact on the Council's finances	The report and resolution have been prepared in accordance with guidance from professional bodies.

Contact Officers

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Recommended resolution to set the Council tax levels for 2023/24
2	Town and Parish Precepts
3	Aggregate of the Council Tax for Westmorland and Furness Council and Parish Precept by valuation band
4	The total amount of Council Tax to be levied in 2023/24, inclusive of Cumbria Commissioner Fire and Rescue Authority Precept and the Police and Crime Commissioner for Cumbria Precept, applicable to each valuation band in each area.

Background Documents Available

Name of Background document	Where it is available
The Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) Report 2023/24	Referendums Relating to Council Tax Increases (Alternative Notional Amounts) (England) Report 2023-24 (publishing.service.gov.uk)
The Referendums Relating to Council Tax Increases (Principles) (England) Report 2023/24	The Referendums Relating to Council Tax Increases (Principles) (England) Report 2023-24 (publishing.service.gov.uk)