

THE POLICE & CRIME COMMISSIONER FOR CLEVELAND

DECISION RECORD FORM

REQUEST: For PCC Approval		
Title: Amended number of Band D Properties and Precept Implications 2013-14		
<p>Executive Summary: The PCC was required by legislation to propose a precept for 2013/14 to the Police and Crime Panel (PCP) by the 31st January and duly did. This proposal for a 1.99% increase in precept incorporated the Council Tax base information that the local councils are required by legislation to provide to the PCC by the 31st January each year. This was also done and the PCP approved the proposal from the PCC for a 1.99% increase in the police element of the Council Tax.</p> <p>Subsequent to this process concluding the Office of the PCC has been informed that the Council Tax Base provided from Redcar and Cleveland Council was not correct and a revised figure has been issued.</p> <p>This report therefore establishes the revised Council Tax Base for 2013/14 and deals with the decisions required from the PCC as a result of this change.</p>		
Decision: The PCC is asked to approve the recommendations in the attached report.		
Implications:		
Has consideration been taken of the following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality & Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(If yes please provide further details on the next page)		

Decision Required – Supporting Information

Financial Implications: (Must include comments of the PCC's CFO where the decision has financial implications)

The known financial implications are set out in the report.

Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)

Equality and Diversity Implications

Human Rights Implications

Sustainability Implications

Risk Management Implications

OFFICER APPROVAL

Chief Executive

I have been consulted about the decision and confirm that financial, legal, and equalities advice has been taken into account. I am satisfied that this is an appropriate request to be submitted to the Police and Crime Commissioner.

Signature:



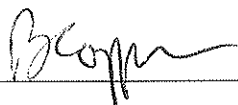
Date:

25/2/13

Police and Crime Commissioner:

The above request HAS / ~~DOES NOT~~ HAVE my approval.

Signature:



Date:

26/2/13



Police & Crime Commissioner for Cleveland
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Chief of Staff:	Ed Chicken	Fax: 01642 301495
Chief Constable	Jacqui Cheer	Tel: 01642 301653
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Report of the Chief Financial Officer of the PCC to the Police and Crime Commissioner for Cleveland

18th February 2013

Author: Mr Michael Porter, CFO

Status: For decision

Amended Number of Band D Properties and Precept Implications for 2013/14

1 Purpose

- 1.1 The PCC was required by legislation to propose a precept for 2013/14 to the Police and Crime Panel (PCP) by the 31st January and duly did. This proposal for a 1.99% increase in precept incorporated the Council Tax base information that the local councils are required by legislation to provide to the PCC by the 31st January each year. This was also done and the PCP approved the proposal from the PCC for a 1.99% increase in the police element of the Council Tax.
- 1.2 Subsequent to this process concluding the Office of the PCC has been informed that the Council Tax Base provided from Redcar and Cleveland Council was not correct and a revised figure has been issued.
- 1.3 This report therefore establishes the revised Council Tax Base for 2013/14 and deals with the decisions required from the PCC as a result of this change.

2 Recommendations

The PCC is asked to agree the following:

2.1 Based on revised Band D property information and a Precept rise of 1.99%

- The Net Budget Requirement for 2013/14 as £127,245k.
- The funding for the Net Budget Requirement for 2013/14 as:

– Police Grant	£50,249k
– Revenue Support Grant/NNDR	£42,300k
– Net Surplus on Collection Funds	£422k
– Council Tax Freeze Grant	£800k
– Council Tax Support Grant	£6,847k
– Precept	<u>£27,187k</u>
	<u>£127,245k</u>
- The Council Tax Requirement as £27,186,509
- The tax base for 2013/14 as 137,111 Band D equivalent properties.
- The basic amount of council tax (Band D equivalent) for 2013/14 be set at £198.281.
- The following precepts be levied on the four billing authorities:

– Hartlepool Borough Council	£4,303,041
– Middlesbrough Borough Council	£5,982,344
– Redcar & Cleveland Borough Council	£7,052,897
– Stockton on Tees Borough Council	£9,848,227
- Agree that council tax be set at the following levels:

– A	2/3rds	£132.188
– B	7/9ths	£154.219
– C	8/9ths	£176.250
– D	1	£198.281
– E	1&2/9ths	£242.344
– F	1&4/9ths	£286.406
– G	1&2/3rds	£330.469
– H	2	£396.563

- 2.2 Note that the change to the Council Tax Base results in an additional £560k of income being available to the PCC over the previously calculated amounts.

- 2.3 Approve that the £560k additional income in 2013/14 is added to the Risk and Change Fund within Earmarked Reserves

3 Reasons

3.1 Changes to the number of Band D equivalent properties

In line with legislation each of the 4 councils within the Cleveland area set its Council Tax Base by the deadline of the 31st January 2013, for the 2013/14 financial year, and duly informed the Office of the PCC of the Council Tax Base for each area.

- 3.2 These figures were used in determining that the total Council Tax Base, to be used in calculating the Council Tax Requirement for the PCC, would be 134,289 Band D equivalent properties.

- 3.3 This number of Band D equivalent properties, combined with the proposed and agreed Band D precept for the PCC, after the 1.99% increase, of £198.281 lead to a Council Tax Requirement of £26,626,963.

- 3.4 Subsequent to the legislative deadline of the 31st January for the Councils to set their Council Tax Base, subsequent to the legislative deadline for the PCC to propose a precept to the Police and Crime Panel and subsequent to the PCC closing down the scrutiny process, required prior to setting a precept, and determining that a Band D precept of £198.281 would be issued for 2013/14, under section 40 of the Local Government Finance Act 1992, the Office of the PCC was informed of a miscalculation in the Council Tax Base of Redcar and Cleveland Council.

- 3.5 Legislation requires the precept and budget for 2013/14 is to be set before 1st March 2013 and while the PCC has formally agreed the precept levels for 2013/14 it has not formally agreed the budget for 2013/14.

- 3.6 Given that this miscalculation has come to light prior to the setting of the 2013/14 budget; and to ensure that the council tax base for the Office of the PCC is consistent with the revised calculation from Redcar and Cleveland Council and to ensure that the PCC, as a major precepting Authority, is using the same Band D level across Cleveland as the Fire Authority these corrected numbers need to be incorporated into the 2013/14 budget.

3.7 The Revised Tax Base

The four Borough Councils have notified the PCC of their tax bases for 2013/14 as set out in table 2 below.

Table 2: Tax Base				
	2013/14		2012/13	
	Allowance for Non Collection (%)	Net Tax Base	Allowance for Non Collection (%)	Net Tax Base
Hartlepool Borough Council	1.5	21,702	1.5	28,001
Middlesbrough Borough Council	4.0	30,171	2.0	39,758
Redcar & Cleveland Borough Council	1.5	35,570	1.5	43,725
Stockton on Tees Borough Council	2.5	49,668	2.0	59,341
		137,111		170,825

3.8 The revised Council Tax Base for 2013/14 is therefore 137,111 this is 2,822 band D equivalent properties higher than the previously agreed amount which was included in the report to the PCC on the 24th January and which was also included in the report to the PCP on the 5th February

3.9 As can be seen from Table 2 the number of Band D equivalent properties across Cleveland has reduced significantly in 2013-14, in comparison to 2012-13, by 33,714. This results from the policy to Localise Council Tax Support. Instead of the Local Councils reclaiming Council Tax Support from Central Government the Government has devolved the responsibility for both the administration and design, with some limitations and after a 10% reduction in the funding previously available, to Local Councils.

3.10 The financial impact on the PCC of the reduction in Band D properties of 33,714 is £6,684k (based on the 2013-14 Precept after a 1.99% increase) this is mitigated by a government grant of £6,847k.

3.11 **The PCC is asked to agree the revised 2013/14 tax base as 137,111 Band D Equivalent properties.**

3.12 Setting the Council Tax

The precept calculation needs to take account of any net surplus or deficit on the billing authority collection funds. Projected surplus/deficits on the individual funds are shown in table 3 below.

Table 3: Collection Funds Surplus/ (Deficit)	
	£
Hartlepool Borough Council	101,073
Middlesbrough Borough Council	14,226
Redcar & Cleveland Borough Council	2,416
Stockton on Tees Borough Council	303,872
Net Surplus on Collection Fund	421,587

3.13 The surpluses that have arisen need to be returned through the precept. The final precept to be levied will reflect the position on each borough's collection fund.

3.14 The final precept calculations are set out in table 4 below, based on the 1.99% precept increase:

3.15

	Unadjusted Precept	Collection Fund Balance	Council Tax Requirement
	£	£	£
Hartlepool Borough Council	4,404,114	(101,073)	4,303,041
Middlesbrough Borough Council	5,996,570	(14,226)	5,982,344
Redcar & Cleveland Borough Council	7,055,313	(2,416)	7,052,897
Stockton on Tees Borough Council	10,152,099	(303,872)	9,848,227
Total Precept	27,608,096	(421,587)	27,186,509

3.16 The 'basic amount' of council tax is the rate for a Band D property. It is calculated by dividing the Council Tax Requirement by the total tax base i.e. £27,186,509 by 137,111, giving a council tax rate for Band D properties of £198.281.

3.17 The revised number of Band D properties (2,822 more than previously advised) multiplied by the Band D council tax rate (£198.28) equates to an increase in the income to the PCC of £560k per annum provided that the expected levels of council tax can be collected.

4 Implications

4.1 Finance

The financial implications from this report are covered in the body of the report.

4.2 Diversity & Equal Opportunities

There are no diversity or equal opportunity implications arising from this report.

4.3 Sustainability

There are no sustainability implications arising from this report.

4.4 Risk

This report primarily deals with an amendment to the number of Band D equivalent properties within the Cleveland area. The Office of the PCC has been made aware of this change after it has set its precept levels for 2013/14 however it has been made aware before the 2013/14 budget has been

formally agreed. The PCC therefore needs to reflect this revised number of Band D equivalent properties in the 2013/14 budget.

5. Conclusion

- 5.1 The amendments included in this report take into account the revision to the number of Band D equivalent properties within Cleveland after increasing the number of Band D equivalent properties by 2,822 as a result of the change notified from Redcar and Cleveland Council on the 15th February. The impact of this change is that the PCC will have £560k more funding available than previously expected providing that all of the Council Tax can be collected.

Michael Porter
Chief Finance Officer for the PCC for Cleveland.