

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO COUNCIL

INFORMATION

Agenda Item No

meeting date: 6 MARCH 2012  
title: BUDGET CONSULTATIONS  
submitted by: DIRECTOR OF RESOURCES  
principal author: JANE PEARSON

## 1 PURPOSE

- 1.1 To inform the Council of the meeting with national non-domestic rate representatives about our 2012/13 budget proposals.

## 2 BACKGROUND

- 2.1 The Local Government Finance Act 1992 requires the Council to consult, regarding our budget proposals, with representatives of non domestic ratepayers. This consultation must be carried out prior to Full Council agreeing our budget for the forthcoming year.

## 3 2012/13 CONSULTATION

- 3.1 This year's meeting was held on 22 February 2012 and present were:

NNDR representatives:

Mr John Atherton - Whalley Chamber of Trade  
Mr Ian Lloyd – Clitheroe Chamber of Trade

RVBC:

Councillors Sherras, Rogerson, Thompson, Mirfin, Brown, Chief Executive, Director of Resources, Director of Community Services.

- 3.2 The Chief Executive welcomed everyone and explained the background and purpose of the meeting.

- 3.3 A presentation was then made regarding business rates and the Council's budget proposals for next year. The main issues covered were:

- Business Rates and Reliefs
- The Local Government Finance Settlement and our reduction in funding
- The revenue budget
- Challenges facing the Council in future years
- Council tax freeze
- Capital programme

- 3.5 A number of issues were raised regarding Council Services such as:

- Planning – representatives were pleased to hear staffing resources in the Planning section had been increased. Concerns however were expressed about the delay involved in gaining listed building consent.

- Affordable housing for both young and old and the state of the housing market in Ribble Valley. Representatives particularly felt there was a shortage of bungalows for elderly residents.
- Core Strategy.

3.6 The Representatives felt that the Council was prudent and well run.

#### 4 CONCLUSION

4.1 The statutory meeting with representatives of business ratepayers would be more relevant if the setting of business rates were within the control of the Council, but it is a useful meeting to raise other issues and promote closer working relationships.

4.2 A number of interesting questions were asked by representatives of issues affecting the Council.

DIRECTOR OF RESOURCES

C1-12/JP/AC  
27 February 2012

# Meeting With Business Rate Representatives 22 February 2012



01/03/2012

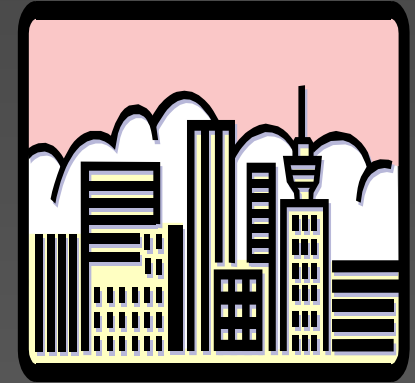
# Meeting with Business Ratepayers

- ◉ Statutory Consultation on our budget
- ◉ Explain our proposals
- ◉ Our Council on 6<sup>th</sup> March
  - > Agree the budget
  - > Set the local Council Tax
  - > Set the Overall Council Tax

# Business Rates

- Will collect an estimated £12.75m for 2012/13 on behalf of Government
  - > 2105 properties
  - > Range from £140 RV to £3.25m
- In 2012/13 we will receive £2.85m back from Government as the Redistributed Business Rates element of our Formula Grant

# Business Rates



- Rateable Values determined by District Valuer
- National Rate in the £
  - > Next year 45.0p (42.6p 2011/12) a 5.6% increase
  - > Supplement 0.8p (0.7p 2011/12)  
(supplement is to pay for Small Business Rate Relief)
- Major change this year - all properties with an RV below £18,000 will have their liability calculated using the lower multiplier even if they don't qualify for SBRR

# Business Rates

- Deferral Scheme same as 2009/10 allowing deferral of part of increase over next 2 years
  - 60% deferral ie repay 30% each year

# Business Rates

## Transitional Relief Scheme

Revision	Size	2011/12	2012/13	2013/14	2014/15
Upward	Small	7.5%	10%	15%	15%
	Large	17.5%	20%	25%	25%
Downward	Small	30%	35%	55%	55%
	Large	6.7%	7%	13%	13%



# Small Business Rate Relief

- RV < £6,000 was 50% Relief now 100%
- RV £6,001 - £12,000 Relief 100% - 0%
- **For the above two bands:** *this temp increase in SBRR has been extended until 31/3/13*
- Localism Act - No need to reapply once qualified – but need to inform us if circumstances change

# Empty Property Charges

- Industrial – Exempt for 6 months and then pay 100%
- Others – Exempt for 3 months and then pay 100%
- Still Exempt – Under £2,600 Rateable Value, Charity, In Administration, Listed Buildings.
- Causing problems with collection – more empty properties due to economic climate

# Budget Summary

- Revenue Budget
  - > Agree a budget for services provided to the general public
  - > Set the Council Tax
- Capital
  - > Agree our spending plans for 2012/15



# Capital

- Long Term Investment
  - > Acquiring land
  - > New Construction
  - > Improvements
  - > Purchase of Vehicles



# Capital Programme from 2012 to 2015

<b>Scheme</b>	<b>£</b>
CCTV	£14,000
Vehicles including Refuse Collection	£585,000
Whalley Woodland Paths	£20,080
IT servers	£25,000
Economic development initiatives	£100,000
Clitheroe Cemetery extension	£90,000
Landlord Tenant Grants	£270,000
Disabled Facilities Grants	£429,180
Repossession Prevention	£8,560
<b>Total</b>	<b>£1,541,820</b>

# Revenue Budget

Government Funding

Will receive 2<sup>nd</sup> year of a 2 year grant Settlement

	2010/11 Actual £	2011/12 Actual £	2012/13 Final £	% reduction over 2 years
Formula Grant	4,141,519	3,237,040	2,823,026	32%
Council Tax Freeze Grant – for those authorities who froze in 11/12 (grant for 4 years)			78,660	
Total Formula Grant	4,141,519	3,237,040	2,901,686	
Council Tax Freeze Grant		78,660	See above	

# Revenue Budget

- Beyond 2012/13 much uncertainty
- Significant changes affecting local government finance
- Localisation of Business Rates
- Localisation of Council Tax Benefit
- Council Tax reforms

# Revenue Budget

## ● Backdrop

- > Knew last year we needed to make £600k+ savings from our base budget
- > Tasked with a review of all council services to take place during 2011 following the changes to our management structure in 2010
- > Outcome of review - a package of measures of £645k agreed in November



# Revenue Budget

- Service Review - some difficult decisions
  - > Deletion of 26 staffing posts (19.5 FTE) including a small number of redundancies
  - > Closure of Longridge gym
  - > Renegotiation of Museum management contract
  - > Improving the way we serve our customers
  - > Introduction of modest charge for special refuse collections
  - > Introduction of Community toilet scheme
  - > Extra staffing in Planning section

# Revenue Budget

- Government announced they will once again offer grants to councils who freeze their council tax for 2012/13
- Difference this time though the grant is for 1 year and not 4 years as in 11/12
- Grant equates to 2.5% increase forgone
- For Ribble Valley this is £78,910
- Our members decided we needed to set a budget resulting in a council tax freeze

# Revenue Budget

- The Budget Working Group considered the draft budgets including inflation and known commitments
- Pay freeze for 3<sup>rd</sup> year for staff
- Proposed the following changes
  - > Town Centre car park charges up to 2 hours be frozen in Clitheroe and Longridge
  - > Clitheroe Market Cabin rents be frozen for 2 years
- Final net budget totals £6.048m

# Final Budget



- Results in a council tax requirement of £3,156,239
- Parish precepts are £372k
- Council tax frozen for 3<sup>rd</sup> year running
- £140.69 for a Band D property
- Use of Balances of £21,000
- Still retain £1.4m of general fund balances
- However uncertain future ahead

# Council Tax

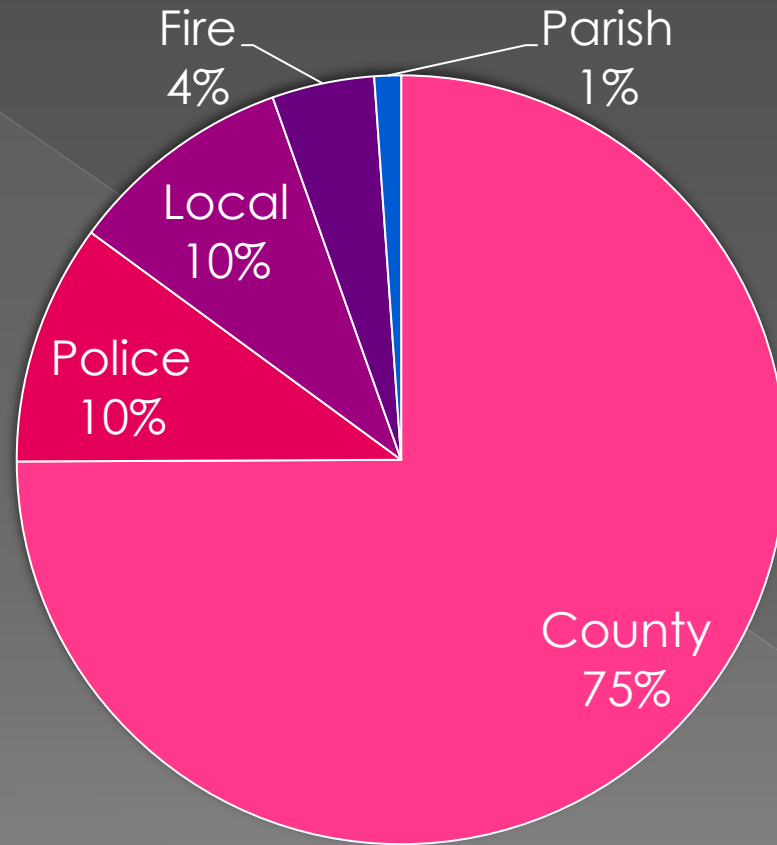
- Consists of:
  - Parish precepts
  - Ribble Valley
  - Police Authority
  - Combined Fire Authority
  - County Council
- Set on 6 March – Full Council meeting
- We send out bills and collect £33m



# Band D Council Tax – Indicative

	Next year £	This year £	% change
Local	140.69	140.69	0.0
Parishes	16.57	16.65	-0.5
Police	149.93	146.27	2.5
Fire	63.65	63.65	0.0
County	1,108.30	1,108.30	0.0
Total	1,479.14	1,475.56	0.2

# Share of Council Tax



# Meeting with Business Rate Representatives

Questions  
Comments