

City of Durham

At a Meeting of the **COUNCIL** held in the Town Hall, Durham, on Tuesday, 9th January, 2007, at 5.30 p.m.

Present: The Right Worshipful the Mayor of Durham, Councillor Lodge (in the Chair) and Councillors Carr, Colledge, Cowper, Freeman, Gibbon, Hawgood, Holland, Hopgood, Howarth, Jackson, Kellett, Kinghorn, Leake, Lightley, McDonnell, Marsden, Moderate, Norman, Pape, Rae, Reynolds, Robinson, Rochford, Shaw, Simmons, Smith, Southwell, Stoddart, Syer, Thomson, Turnbull, van Zwanenberg, Walton, Wolstenholme, Woods, Wynn and Young.

427. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bell, Cummings, Dickie, Gill, Griffin, Taylor and Walker.

428. MINUTES

The Minutes of the Meeting held on 7th November, 2006, were confirmed as a true record and signed by the Mayor.

429. MAYOR'S ANNOUNCEMENTS

The Mayor announced that the next meeting of the Mayor's Appeal Committee would be held on Wednesday 24th January 2007 at 4.30 pm in the Mayor's Chamber.

The City Council had been invited to a church service at St. Nicholas' Church which would be held on 29 April 2007. This was at the request of St. Nicholas' Church with the intention to rekindle the links between the Church and the City.

The Mayor had arranged a tour and dinner at the Cathedral for Members and their partners on 13th February 2007.

Sir Kenneth Calman, Vice-Chancellor of the University had agreed, at the request of the Mayor, to hold a farewell public lecture (prior to his retirement) to be held sometime during March hopefully at the Gala Theatre.

430. NOTICES OF MOTION

(a) Notice having been duly given Councillor Woods moved and Councillor Lightley seconded:-

"This Council views with dismay the reported intention of Network Rail to remove the infrastructure on the mothballed Leamside branch railway. The Council has long recognised the contribution that the re-commissioning of this line can make to the prosperity of the County and its potential contribution to achieving the national policy targets in relation to road congestion and environmental pollution. The Council therefore resolves to requests that the Chief Executive write to the Secretary of State, the Strategic Rail Authority, Network Rail, and the regions MP's to revisit the proposals of Network Rail and to press for the re-commissioning of the Leamside line."

Councillors Kellett moved and Councillor McDonnell seconded:

“This Council has long recognised the contribution that the re-commissioning of the Leamside line can make to the prosperity of the County and its potential contribution to achieving the national policy targets in relation to road congestion and environmental pollution. The Council therefore resolves to request that the Chief Executive writes to our MP Dr. Roberta Blackman-Woods offering this Council’s support in her campaign being undertaken by her and others in order to secure a future for Leamside line.”

The AMENDMENT on being put was declared LOST.

The SUBSTANTIVE MOTION, on being put, was carried and it was RESOLVED ACCORDINGLY.

Joint Report of the Director of Strategic Resources and Head of Financial Services

431. COUNCIL TAX - CALCULATION OF TAX BASE

Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended)) required each billing authority to calculate its ‘Council Tax Base’. This was the measure of an area’s taxable capacity, for the purpose of setting its Council Tax. Legislation required that the Billing Authority sets out the formula for that calculation and that the Tax Base be formally approved by the Council.

Circulated was the actual number of dwellings in the district, allocated across the eight property bands. It also showed the numbers of properties in Band A that were eligible for a reduction under the Disabled Relief Scheme and the number of Ministry of Defence properties in the District for which payments were received in lieu.

Some of these properties would be empty during the year; others would be exempt from the Tax (e.g. dwellings occupied solely by students) whilst in single person households only 75% of the Tax was payable. The actual number of dwellings, therefore, needed to be adjusted to reflect these features giving a net property base for each band.

The Council Tax varied between the different bands according to proportions laid down in legislation. These proportions, which were circulated were based around B and D, and were fixed so that the bill for a dwelling in Band A would be a third of the bill for a dwelling in Band H. Applying the relevant proportion to each band’s net property base produced the number of ‘Band D Equivalent’ properties for the area.

The Tax Base was finally arrived at by anticipating the collection rate during the year. A collection rate of 99% had previously been anticipated in the first instance and this practise had continued in calculating the tax base for 2007/08.

Applying a 99% collection rate to the tax base of £26,375.00 produced a final figure of £26,111.25, which compared to a 2006/07 figure of £25,659.75. An analysis of the tax base between the various parish areas of the Council was circulated.

Resolved: (i) That the report of the Director of Strategic Resources for the calculation of the Council’s Tax Base for the year 2007/08 be approved.

(ii) That pursuant to the Director of Strategic Resources’ report, and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended), the amount calculated by the City of Durham Council as its Council Tax Base for the year 2007/08 shall be £26,111.25.

**432. COUNCIL TAX – ESTIMATED COLLECTION FUND SURPLUS / (DEFICIT)
[THE LOCAL AUTHORITIES (FUNDS) (ENGLAND) REGULATIONS 1992]**

The Local Authorities (Funds) (England) Regulations 1992 made provision for the discharge by a Billing Authority of its liabilities to pay amounts in respect of precepts from its Collection and General Funds and to make transfers between its funds to meet its estimated expenses.

They also made provision for the discharge by a Billing Authority and its major precepting authorities, in respect of their liabilities to meet any estimated surplus or (deficit) in a Billing Authority's Collection Fund. The City of Durham was a Billing Authority and the County Council; the Durham Police Authority; and the Durham and Darlington Fire and Rescue Authority constituted the Council's major precepting authorities.

Under Regulation 10, a Billing Authority was responsible for estimating, for each financial year, beginning in or after 1993, whether there was a surplus or (deficit) in its Collection Fund for the preceding financial year and, if so, the amount of that surplus or deficit. This calculation, which took into account any residual transactions from the Community Charge, must be completed and approved by members between 1 December and 31 January each year.

In setting the 2006/07 budgets and subsequent Council Tax, the estimated position was that the Collection Fund would be "balanced" at 31st March 2006 – in other words it was forecast that there would be neither a surplus nor a deficit on the Fund and therefore no increase or decrease were required to be charged to Council Tax payers bills in 2006/07. The actual outturn position on the Collection Fund at 31st March 2006 was a small surplus of £34,522.

Any surpluses could not be included as income in the authority's accounts and must be passed onto the Council Taxpayer in the form of a reduction in their annual bill. Likewise, a deficit cannot be charged as any Authority's expenditure, but must be charged to Council Taxpayers as an increase on the bills.

Taking into account the continued improvement in collection rates in the current year; an increase in the Council Taxbase due to a combination of new build and the impact of the opening of the University Halls of Residence; and a prudent assessment of the likely level of the provision for bad and doubtful debts, it was estimated that the City Council's Collection Fund would be £200,000 in surplus at 31st March 2007. The forecast surplus would be allocated to the following authorities, based on the respective proportions of the total precepts and demands on the Collection Fund in the current year: -

Authority	Surplus (£)	% Share	Reduction in Council Tax 2007-08 (at Band D)
City of Durham	(29,360)	14.63	(1.12)
Durham County Council	(144,240)	72.12	(5.52)
Durham Police Authority	(15,020)	7.51	(0.58)
Durham and Darlington Fire Authority	(11,480)	5.74	(0.44)
Total	(200,000)		(7.66)

Resolved: That Members note the forecast position on the Collection Fund, being an estimated surplus on the Collection Fund at 31st March 2007 of £200,000, and that this position be factored into the 2007/08 Council Tax Bills.

The Meeting terminated at 5.55 p.m.
Mayor