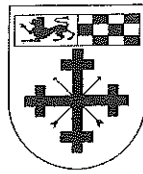


Castle Bromwich Parish Council

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Statement by Castle Bromwich Parish Council

For the financial year 2013/14 the parish council has decreased the amount asked for in the council precept. For 2012/13 the precept was £225,867. For 2013/14 the precept is £210,989. Due to the ending of council tax benefit bought in by central government how the amount is collected has changed. In simple terms there are less households paying council tax. Central government no longer replace the money they paid on behalf of those in receipt of council tax benefit as in previous years. For this reason your council tax bill may show an increase in figure stated in individual household bills but the parish council is actually getting less money from the precept.

Parishioners are urged to bear their responsibility for getting involved with the parish council to shape their future and help to decide what the priority should be at this very local level. Views would be invited on Tuesday 7th May at the Annual Parish Meeting. Despite increases in operating costs, members had agreed prudent savings from the first draft budget of £21,790. The council had secured additional income of £10,529 via successful grant funding applications.

(Information provided overleaf by Solihull MBC that explains about Localisation of Council Tax Support.)

Mrs. Cathy Tibbles, Clerk to the Council and RFO

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Localisation of council tax support

What has changed?

The council tax base used by the borough council and parish councils to set their council tax charges has been reduced as a result of the government's decision to replace council tax benefit with local schemes for council tax support. This has an impact on the amount of money the borough council and parish councils can raise from council tax.

Previously council tax benefit was a national welfare benefit delivered by local authorities. Local authorities were reimbursed by central government for the costs of the benefit in terms of council tax not receivable. Under the new system, the government will provide grant funding to local authorities but has reduced the amount available nationally to 90% of current expenditure.

From April 2013 local authorities were required to set up their own schemes for supporting local residents, with the stipulation that pensioners and vulnerable groups should be protected from the impact of any changes to eligibility criteria or entitlement. Solihull Council has decided to adopt the parameters of the national scheme as its local scheme for 2013/14, so local residents should see no changes to the support they receive as a result of the government's changes.

However, the government's changes mean that households eligible for council tax support will now be reflected in the council tax base as partly or wholly exempt from council tax. The council tax base represents the estimated number of chargeable dwellings in an area, expressed as a number of band D properties, and is used to calculate the council tax for an area. This means that the Band D charge will be paid by fewer properties than in 2012/13, resulting in less income to the Council.

How will the costs of the changes be met?

In addition to the support grant, the government has introduced new flexibilities for councils to charge council tax on empty properties that were previously exempt, and to charge premiums of up to 50% for properties which have been empty for over 2 years. These changes have the effect of increasing the tax base, partly offsetting the council tax support reductions.

What does this mean for parish councils?

The government decided not to exclude parish councils from the impact of these changes and so parish council tax bases have also been reduced to reflect the estimated cost of council tax support relating to households in their area. Equally, parish tax bases have been increased to take account of the removal of empty property exemptions.

The impact for individual parish councils will depend on the levels of council tax support claimants and empty properties in their area, but for most parish councils, keeping the same budget as in 2012/13 would result in a higher Band D charge, or keeping the same Band D charge as in 2012/13 would raise less income.

What support is there for parish councils?

Of the support grant receivable by the Council, £0.151m was identified as relating to parish councils and will be paid to parish councils pro rata to the net impact of the changes. In addition, £0.004m of one-off transitional funding will be paid to the parish councils in 2013/14.

Parish councils are independent bodies and have made their own decisions about how to manage any residual funding shortfall.