



Meeting Agenda

**Special Council Meeting
Lowther Pavilion, Lytham
31 October 2005, 7:00pm**

Members of the Council

The Mayor - Councillor R.J. Wilson
Deputy Mayor – Councillor P. Hardy

Councillors	C. E. Akeroyd T. Ashton E. G. Bamber J. B. Bennett H. Butler G. Caldwell S. Carpenter M. Chew E. D. Clarke E. Clarkson P. Collins J. L. Coombes J. A. Dolan R. K. Eastham S. M Fazackerley Dr T. J Fiddler P.A. Fieldhouse R. A Fulford- Brown P. Hardy P.J. Hayhurst H. Henshaw, A.D.K (Malaysia) K.M Henshaw J. P K. Hyde A. W Jealous N.P D. E Lancaster J. G. Longstaff	Councillors	S. L. Mason J.K. Mulholland R. J. Norsworthy L.J. Nulty E.A. Oades J.C. Owen B. Pagett A.G. Pounder D.S. Prestwich W.J. Prestwich S. P. Renwick L. Rigby P. Rigby R. S. Small H.A Speak M. K. Taylor W. Thompson T. Threlfall S.M. Wall C. Walton A.M. Whittaker F.C Wilson H .M. Wilson R.J. Wilson K Wright
-------------	--	-------------	---



Ken Lee – Chief Executive



CORPORATE OBJECTIVES

The Council's investment and activities are focused on achieving our five key objectives which aim to :

- Conserve, protect and enhance the quality of the Fylde natural and built environment
- Work with partners to help maintain safe communities in which individuals and businesses can thrive
- Stimulate strong economic prosperity and regeneration within a diverse and vibrant economic environment
- Improve access to good quality local housing and promote the health and wellbeing and equality of opportunity of all people in the Borough
- Ensure we are an efficient and effective council.

CORE VALUES

In striving to achieve these objectives we have adopted a number of key values which underpin everything we do :

- Provide equal access to services whether you live in town, village or countryside,
- Provide effective leadership for the community,
- Value our staff and create a 'can do' culture,
- Work effectively through partnerships,
- Strive to achieve 'more with less'.



A G E N D A

PART I - MATTERS DELEGATED TO COUNCIL

ITEM No	PAGE Nos.
1. DECLARATIONS OF INTEREST	5
2. MAYOR'S ANNOUNCEMENTS	5
3. CHIEF EXECUTIVE'S COMMUNICATIONS	5
4. 'EQUITABLE TAXATION?' - REFINING THE MODEL.	5 - 16

PART I - MATTERS DELEGATED TO COUNCIL

1. DECLARATIONS OF INTEREST

Members are reminded that any personal/prejudicial interests should be declared as required by the Council's Code of Conduct adopted in accordance with the Local Government Act 2000.

2. MAYOR'S ANNOUNCEMENTS

3. CHIEF EXECUTIVE'S COMMUNICATIONS

The Chief Executive to report receipt of any relevant communications that have been received subsequent to sending out this agenda.

REPORT



REPORT OF	MEETING	DATE	ITEM NO
EXECUTIVE DIRECTOR	COUNCIL	31 ST OCT. 2005	4

‘EQUITABLE TAXATION?’ - REFINING THE MODEL.

Public item

This item is for consideration in the public part of the meeting.

Summary

A key, high priority action in the Council’s Corporate Plan is ‘ Evaluate the impact and feasibility of ‘equitable council taxation’. The year-end target for this key action is that an impact report be presented to the Executive Committee following community consultation. A discussion paper was approved by the Executive Committee and used as the basis for consultation with town and parish councils and with ward members. Feedback from this consultation, together with advice from the Audit Commission, will be presented at the meeting to assist members in refining the Equitable Taxation model.

Additional and detailed information will be provided to members prior to the meeting.

Recommendations

1. Members are asked to refine the Equitable Taxation model as a basis for further consultation with town and parish councils; and
2. That the findings of this consultation are reported to members as part of the budget setting process, when the merits of the Equitable Taxation approach can be evaluated.

Executive brief

The item falls within the following executive briefs: Executive Brief holder for Parishes (Councillor Paul Hayhurst) and executive Brief Holder for Community Engagement (Councillor Paul Rigby).

Background

1. In December 2004, members of Fylde Borough Council's Executive Committee and its senior officers commenced a number of workshop sessions that were facilitated by Greengage Development Consultants and designed to develop the Council's Corporate Plan for 2005-06.
2. Through this series of workshops five key outcomes were identified together with associated actions by which the outcomes could be achieved. These key outcomes were: 1) Equitable treatment for all in the borough; 2) A balanced budget; 3) Satisfied stakeholders; 4) Officers and members working effectively together; and, 5) A Council recognised as being Good or Excellent.
3. It subsequently emerged that a review of how council tax is calculated and distributed could assist the Council in achieving both the 'equitable treatment' and the 'balanced budget' key outcomes. Consequently, included as a key, high priority action in the Council's Corporate Plan is 'Evaluate the impact and feasibility of equitable council taxation'.
4. At its meeting of 20th July 2005 the Executive Committee approved a discussion paper and shadow budget as a basis for consultation with ward members and with the borough's town and parish councils. A copy of the discussion paper is appended to this report (Appendix A).
5. Since that meeting the following consultation activity has taken place:

26 th July 2005 -	District-Parish Liaison Meeting
11 th August 2005 -	Briefing to Newton-with-Clifton Parish Council
15 th August 2005 -	Two Briefing Sessions for Ward Members
16 th August 2005 -	Briefing Session for Ward Members
22 nd August 2005 -	Briefing to Westby-with-Plumpton Parish Council
2 nd September 2005 -	Briefing Session for Ward Members
6 th September 2005 -	District-Parish Liaison Meeting
8 th September 2005 -	Briefing to representatives of St Annes Parish Council
6. Twenty-six members of the Council attended the briefing sessions for ward members. The feedback from these sessions together with that from the District-Parish Liaison meetings was considered by the Performance Improvement Community Forum on 19th September 2005 and by the Executive Committee on 28th September 2005. The Executive Committee subsequently resolved:
 - i. To agree in principal to the merits of the 'Equitable Taxation' approach as a means of addressing the Council's objectives of 'equitable treatment for all in the borough' and producing 'a balanced budget'.
 - ii. That prior to the budget process Parish and Town councils be given 5 weeks notice for preparation of parish precepts.

- iii. That the Executive Director be requested to obtain financial information on expenditure incurred on outdoor sports facilities within parished areas.
 - iv. That a special meeting of the Council be arranged to consider the impact of the Equitable Taxation approach and in particular to consider which services/facilities could be charged for locally within the Council's preferred Equitable Taxation model.
7. Since 28th September 2005 further briefings have been given to Bryning-with-Warton Parish Council (6th October 2005) and to the Lytham ward members (13th October 2005). Also, the initial views of the town and parish councils have been continually collated and the most recent feedback is appended to this report in summary form (Appendix B).

Refining the Equitable Taxation Model.

- 8. As described in the discussion paper, the Equitable Taxation model is built on a council's powers under the 1992 Local Government Finance Act. If a borough council wishes to use these powers then it can only do so with regard to services being provided by a parish council elsewhere in the borough. Therefore, the first task in constructing the Equitable Taxation model was to identify which services are 'concurrent services' i.e. which services are being provided by both the borough council and a parish council. The next task was to identify the costs of these services on an area by area basis. From this baseline information an alternative or 'shadow' budget for the year 2005-06 has been developed. This can be used to demonstrate the impact of the equitable taxation approach on an area by area basis.
- 9. The model has assumed that all services currently provided by parish councils would be paid for locally in all parts of the borough (either through parish precepts or through special expenses). However, there are still two further tests to be applied in order to refine the model.
- 10. The first involves a test as to whether the services that have been identified as being concurrent, can be treated as such in accordance with the 1992 Local Government Finance Act. This is subject to interpretation of the provisions of the Act. The views of the Audit Commission and of the Council's legal officer have been sought on this and will be presented at the meeting.
- 11. The second involves a test of which services in the model members wish to be 'Local' (i.e. funded from parish precept/Special Expenses) and which services to remain 'General' (i.e. funded from the general council tax). Whether a service is treated as being either 'Local' or 'General' will alter the model and its area by area impact. At its meeting of 19th September 2005 the Performance Improvement Community Forum considered this issue and its recommendations are attached to this report in summary form (Appendix C).
- 12. It is only when the decisions on Local and General services are made that the model will be completed. The completed model will be used in two ways. Firstly, as the subject of consultation with the town and parish councils (the effectiveness of the model is dependant upon the parish councils and the Borough Council working in partnership). Secondly, because of its potential impact on the Council's budget, the Equitable Taxation model will provide members with an additional option when the Council comes to set its budget for 2006-07 and beyond.

13. Therefore, as the impact of the Equitable Taxation approach can only be fully evaluated when compared with the Council's other budget options, at this juncture members are asked to focus on refining the model rather than on accepting or rejecting the approach outright.

IMPLICATIONS	
Finance	<p>The impact on the council budget depends on the model adopted and the extent that local charges are made through either the parish precepts (which would reduce the council budget requirement) or special expenses (which would not reduce the council budget requirement).</p> <p>Depending on the model adopted there may still be a need to achieve further savings to balance the budget in 2006/07 and beyond.</p>
Legal	The Council has powers under the Local Government Finance Act 1992, to introduce the type of differential council tax described in the discussion paper.
Community Safety	No direct implications.
Human Rights and Equalities	Equitable Taxation could be used as a means of introducing a more equitable means of calculating council tax.
Sustainability	No direct implications.
Health & Safety and Risk Management	The ability to set a council tax that balances the budget is identified as a high risk in the Council's 2005/06 Risk Management Strategy.

REPORT AUTHOR	TEL	DATE	DOC ID
Dave Joy	(01253) 658700	18 th October 2005	

LIST OF BACKGROUND PAPERS		
NAME OF DOCUMENT	DATE	WHERE AVAILABLE FOR INSPECTION
None		

Attached documents

Appendix A - 'Equitable Taxation? – A Discussion Paper'

Appendix B – Summary of town/parish council's responses to date.

Appendix C – Recommendations of the Performance Improvement Community Forum

Equitable Taxation?

1. Why has this question arisen?

Over the past year Liaison Meetings between the Borough Council and town and parish councils have been taking place on a bi-monthly basis. The agendas for these meetings have been set by the representatives of the town and parish councils. A number of issues so discussed, pertain to the service and financial arrangements that currently exist between the Borough Council and the town and parish councils. There is a clear feeling on the part of the town and parish councils that the current arrangements are generally unfair but in particular that they favour the urban areas of the borough (Lytham St Annes). During the Borough Council's corporate planning process, this same sentiment was voiced by those members of the Borough Council's Executive Committee who represent the rural areas.

In December 2004, members of Fylde Borough Council's Executive Committee and its senior officers commenced a number of workshop sessions, facilitated by Greengage Development Consultants and designed to develop the Council's Corporate Plan for 2005-06.

Through this series of workshops five key outcomes were identified together with associated actions by which the outcomes could be achieved. These key outcomes were: 1) Equitable treatment for all in the borough; 2) A balanced budget; 3) Satisfied stakeholders; 4) Officers and members working effectively together; and, 5) A Council recognised as being Good or Excellent.

The first of these, Equitable treatment for all in the borough, was mainly about rural disenfranchisement; a feeling in the rural parts of the borough that the distribution of resources between the rural and urban areas is unfair and takes little account of service accessibility. A key action identified to address this issue involved reviewing the mechanisms by which council tax is calculated and the way the income so generated is distributed through service provision in the respective rural and urban parts of the borough.

The second key outcome was the need to produce a balanced budget. The Council has for some time balanced its budget by calling on its reserves but with the more recent fall in interest rates, this is not a sustainable solution. The government requiring council's to take on additional responsibilities but without providing additional funding has exacerbated this situation. With the government's restrictions on the extent to which council tax can be increased, the council is faced with the prospect of cutting services across the borough up to the approximate value of half a million pounds. A short-term action identified to address this issue involved selecting those service cuts that could be made with minimum impact. However, a medium-term action also identified was to look at the mechanism by which council tax is calculated.

Thus, a review of council tax and the way in which it is generated and distributed emerged as a possible means of delivering two of the Council's key corporate outcomes. This concept of finding a fairer and more efficient mechanism for generating and distributing financial resources has been branded 'Equitable Taxation'. Essentially, this is a search for a better and fairer way of doing things.

2. What are the current arrangements?

As well as collecting its own element of the council tax to fund Fylde Borough Council's service delivery, the Council also collects council tax on behalf of the County Council and the Police and

Fire authorities. This is achieved through a mechanism known as 'precepting' which is quite simply where these organisations tell the Borough Council how much council tax to levy in order to fund their service delivery. In addition the Borough Council may also collect precepts on behalf of the borough's parish and town councils. A parish precept is a local tax on the residents of a particular parish that is set by a parish or town council to fund its own activities. These activities are usually services not provided by a borough council. The parish precepts do not form part of the Borough Council's element of the council tax; they are levied in addition to this. Once collected, the Borough Council pays the precept to the parish or town council to be spent at the latter's discretion. In 2005-06, the total amount raised through parish precept is £93,507.

In the borough of Fylde, a number of services that could be provided directly by the Borough Council, are devolved to some town and parish councils. Such devolved services include amenity cleansing, bus shelter cleansing, grounds maintenance and outdoor recreation. This arrangement involves the Borough Council paying the parish or town council to provide these services either through a direct grant (Open Spaces Grant) or through the mechanism of an agency agreement. In addition the borough council makes a contribution to parish expenses, formerly known as Section 131 payments. (This is a carry over from the time when the district Rate Support Grant took account of precepts collected on behalf of parish and town councils. It was decided at that time to apportion this element of the borough council's government grant between the parished areas based on population size. Although this is no longer part of the government's formula, this payment to the parish and town councils has continued and is increased by inflation on an annual basis).

Unlike parish precepts, payments made to parish and town councils for carrying out devolved services and for parish expenses are made from the general fund of the Borough Council and are therefore paid for by all Fylde taxpayers and not just those in the locality. In 2005-06, the total amount paid to parish and town councils for the provision of devolved services and parish expenses is £296,750.

In the unparished area of the borough, namely Lytham, and in St Annes (which became parished in May 2005), all services are provided directly by the Borough Council and financed from the general fund. In the town of Kirkham, instead of receiving an Open Spaces Grant, the grounds maintenance service is provided direct by the Borough Council and so is also financed from the general fund. All Fylde taxpayers and not just those in the locality therefore pay for these services.

3. Is this the best way of doing things?

On the face of it, this would seem to be a fair way of doing things. You pay the same rate of council tax no matter where in the borough you live and everyone contributes to all borough council facilities and services regardless of where these are located. Where additional local services are provided these are paid for locally through a precept and where a parish or town council is able to achieve better value in the provision or procurement of services this is achieved through the mechanism of devolved services.

The main flaw in this way of doing things seems to centre on the question of use and accessibility. As might be expected, the scale of service provision is proportionately greater in the urban core of the borough (more people usually means more and bigger facilities and services). However, the geography of the borough is such that the urban core is not located centrally but, being a seaside resort, is located on the coastal edge of the borough. Therefore, the services and facilities provided in the urban area are not equally accessible to all residents of the borough. The implication of this is that although everyone pays for everything, not everyone is able to access everything. So, if you live in the borough's rural hinterland you may pay through your council tax for the devolved services in your own area. But, you also pay for the same services in Lytham and St Annes; services to which you may not live close enough to use. You feel that you pay the same as everyone else but that you receive less; you feel less than satisfied with this arrangement. The contrary position is less commonly voiced: that the urban resident pays for devolved services in rural areas, of which they make no use.

4. Is there an alternative way of doing things?

Yes, there is. There are provisions under the Local Government Finance Act 1992 that provide for different amounts of council tax to be calculated for different parts of a district (e.g. parished and unparished areas). In order for expenses incurred in performing any function of a district council to be 'special expenses', the function must be carried out by a district council in only part of its area, and the same function be carried out in another part of the district by a parish or town council. Unlike precepts, special expenses still form part of a borough council's element of the council tax.

So, the costs of those services currently devolved to town and parish councils could be calculated for the urban areas and charged to those residents through the mechanism of special expenses. This would have the effect of reducing everyone's council tax, but the urban council tax payer would still be paying for devolved services in the parished areas. So, to counter this contrary position, and to create an 'equitable' situation, the cost of devolved services could be raised through parish precept rather than through council tax. This would also have the effect of reducing everyone's council tax.

In essence it would be the same amount of money being raised but instead of it all being raised through the Borough Council's council tax, the money to pay for devolved services would be raised through a combination of precept (in the parished areas) and special expenses (in the non-parished areas). On first appearances this may be a fairer way of financing services and may assist the Borough Council in setting a balanced budget without incurring major reductions in service.

5. Would this be fairer?

That's the six million-dollar question! Everyone is likely to have a different view on this depending on how it affects him or her personally. "How much will my council tax reduce by compared to how much my precept/special expenses will increase by?" "Will I be better or worse off under this alternative arrangement?" Well, there is only one way to find out and that's to punch the figures and do the calculations on an area by area basis.

As part of its Corporate Plan, the Borough Council has undertaken to produce a shadow budget for 2005-06 based on this Equitable Taxation approach. This can then be compared with the current budget and it should be clear to all what the effects of this approach would be in each area of the borough. This comparison of like with like should enable a more informed judgement of whether this alternative approach is preferable to the current situation. It will also provide a baseline against which other alternatives or variations on this theme can be compared.

It is proposed that the shadow budget be reported to the Borough Council's Executive Committee in July. There will then follow a period of consultation during which all of the borough's town and parish councils will be asked for their respective views on this alternative approach. The findings will then be reported back to the Borough Council before it commences its planning of the 2006-07 budget.

A D Joy
Executive Director
June 2005

EQUITABLE TAXATION – A SHADOW BUDGET FOR 2005/06

- Table 1. shows the costs for each of the devolved services in both the parished and non-parished areas of the borough. The table distinguishes between services provided by the parish/town councils and those provided directly by Fylde Borough Council (FBC) on an area by area basis. FBC costs include an apportionment of central overhead costs (e.g. the costs of finance or personnel staff whose work supports those staff providing the service). The table also includes the current level of precept levied by the parish/town councils so that the total amount borne by each area can be calculated.
- Table 2. illustrates the calculation of Council Tax. The calculation entitled 'Current Budget' is the actual calculation used to set this year's Council Tax. The calculation entitled 'Shadow Budget' is based on the same taxbase as the current budget but uses the Equitable Taxation approach to calculate Council Tax. The calculation is as follows:

Current Budget

- The '*Taxbase*' is calculated by adding up the total number of Band D properties, or their equivalent, in each area (e.g. a band H property is equivalent to two band D properties).
- The '*Parish Precept*' (set by the town/parish council) is then divided by the respective taxbase to give a cost per property, shown in the '*Parish Precept Band D*' column.
- FBC's net budget requirement for the year (i.e. less the Revenue Support Grant from the government) is then divided by the total taxbase to give a Council Tax cost per property, shown in the '*Borough Band D*' column.
- The '*Parish Precept Band D*' and the '*Borough Band D*' are then added together to give the total amount payable on each band D or equivalent property, shown in the '*Borough + Parish Band D*' column.

Shadow Budget

- To calculate the shadow budget the starting point is the total cost of devolved services from Table 1 (£2,363,222.15). In the parished areas these costs would be collected through the parish precept whereas in the non-parished area these costs would be collected using the 'special expenses' mechanism.
- The '*Parish Precept (or Special Expenses)*' are then divided by the '*Taxbase*' to give a new '*Parish Precept Band D*'.
- FBC's net budget for the year is now less the cost of devolved services provided through the Parish Precept or Special Expenses mechanisms and this lesser sum is now divided by the taxbase to give a new, lower, borough Council Tax, shown in the '*Borough Band D*' column.
- The shadow '*Parish Precept or Special Expenses*' and the shadow '*Borough Band D*' council tax are then added together to give the total amount payable on each band D or equivalent property, shown in the '*Borough + Parish Band D*' column.

Variance

- The '*Variance*' column shows the difference, on an area by area basis, of Council Tax (plus any parish precept) payable under the current arrangements compared to Council Tax (plus any parish precept) payable under Equitable Taxation arrangements.

Table 1. PARISH PRECEPTS & AREA COSTS OF DEVOLVED SERVICES - 2005/06

Parish/Area	Parish Precept £	FBC Grounds Maintenance £	Open Spaces Grant £	FBC Leisure Management £	FBC Street Cleaning £	Other £	Section 131 £	Parish Street Cleaning £	Parish Bus Shelters £	Total £
Warton	15,500.00		18,136.24		9,550.00		4,424.00	0.00	420.00	48,030.24
Elswick	5,000.00		31,064.80				1,284.00	4,761.00	280.00	42,389.80
Freckleton	9,450.00		69,051.20		24,100.00	450.00	7,855.00	0.00	560.00	111,466.20
Greenhalgh	1,500.00		500.00				526.00	1,988.00	140.00	4,654.00
Kirkham	5,000.00	122,000.00	0.00	6,565.00	24,100.00		8,174.00	0.00	0.00	165,839.00
Lt. Eccleston	2,460.00		5,553.76				538.00	2,615.00	70.00	11,236.76
Wesham	6,897.00		26,682.00				3,481.00	9,968.00	210.00	47,238.00
Newton	7,500.00		36,167.00				3,501.00	7,878.00	560.00	55,606.00
Ribby-w-Wrea	7,000.00		12,418.71		4,761.00		1,933.00	0.00	0.00	26,112.71
Singleton	6,000.00		2,155.00		1,000.00		1,267.00	0.00	0.00	10,422.00
Staining	12,400.00		11,300.00				2,506.00	6,338.00	210.00	32,754.00
St.Annes	10,000.00	725,810.00	0.00	-14,268.00	398,809.00		0.00	0.00	0.00	1,120,351.00
Treales	1,300.00		7,247.08		1,000.00	180.00	472.00	0.00	0.00	10,199.08
Weeton	2,000.00		3,411.36				1,454.00	1,195.00	140.00	8,200.36
Westby	1,500.00		400.00		1,000.00		1,563.00	0.00	0.00	4,463.00
Lytham		387,500.00		86,900.00	189,860.00					664,260.00
Total	93,507.00	1,235,310.00	224,087.15	79,197.00	654,180.00	630.00	38,978.00	34,743.00	2,590.00	2,363,222.15

Table 2. EQUITABLE TAXATION SHADOW BUDGET - 2005/06

Parish/Area	Taxbase	Current Budget				Shadow Budget				Variance
		Parish Precept	Parish Precept Band D	Borough Band D	Borough + Parish Band D	Parish Precept (or Special Exp.)	Parish Precept Band D	Borough Band D	Borough + Parish Band D	
Warton	1,274.08	15,500.00	12.17	146.16	158.33	48,030.24	37.70	69.33	107.03	-51.30
Elswick	433.59	5,000.00	11.53	146.16	157.69	42,389.80	97.76	69.33	167.09	9.40
Freckleton	2,117.20	9,450.00	4.46	146.16	150.62	111,466.20	52.65	69.33	121.98	-28.64
Greenhalgh	176.15	1,500.00	8.52	146.16	154.68	4,654.00	26.42	69.33	95.75	-58.93
Kirkham	2,299.63	5,000.00	2.17	146.16	148.33	165,839.00	72.12	69.33	141.45	-6.88
Lt. Eccleston	211.58	2,460.00	11.63	146.16	157.79	11,236.76	53.11	69.33	122.44	-35.35
Wesham	1,025.69	6,897.00	6.72	146.16	152.88	47,238.00	46.05	69.33	115.38	-37.50
Newton	1,037.19	7,500.00	7.23	146.16	153.39	55,606.00	53.61	69.33	122.94	-30.45
Ribby-w-Wrea	762.76	7,000.00	9.18	146.16	155.34	26,112.71	34.23	69.33	103.56	-51.78
Singleton	429.13	6,000.00	13.98	146.16	160.14	10,422.00	24.29	69.33	93.62	-66.52
Staining	862.83	12,400.00	14.37	146.16	160.53	32,754.00	37.96	69.33	107.29	-53.24
Treales	211.62	1,300.00	6.14	146.16	152.30	10,199.08	48.20	69.33	117.53	-34.77
Weeton	287.72	2,000.00	6.95	146.16	153.11	8,200.36	28.50	69.33	97.83	-55.28
Westby	548.77	1,500.00	2.73	146.16	148.89	4,463.00	8.13	69.33	77.46	-71.43
St.Annes	10,452.14	10,000.00	0.96	146.16	147.12	1,120,351.00	107.19	69.33	176.52	29.40
Lytham	7,400.23	0.00	0.00	146.16	146.16	664,260.00	89.76	69.33	159.09	12.93
Total	29,530.31	93,507.00				2,363,222.15				

‘Equitable Taxation?’
Parish Councils’ Initial Responses.

Singleton Parish Council –

“Following recent discussions between Fylde and Parish Councils, Singleton Parish Council wishes to let you know that, in principle, they are in favour of differential rating”.

Little Eccleston with Larbreck Parish Council –

“Resolved to accept the principle of Equitable Taxation based on the format presented at the July meeting involving devolved services. The Parish Council will not accept the additional elements presented at the meeting on 6/9/05”.

Freckleton Parish Council –

“Freckleton Parish Council supports the principle of Equitable Taxation and looks forward to receiving more details when the way forward has been agreed.”

Medlar-with-Wesham Town Council –

“RE: Equitable Taxation. Following the meeting of the District/Parish Liaison Meeting at Newton-with-Clifton on 6th September 2005, this Council have agreed in principle that you should proceed to the next stage in the matter.”

St Annes on Sea Parish Council –

“The Saint Anne's on the Sea Parish Council met last evening to consider equitable council taxation. I am to tell you that, in the Parish Council's very firm view, the mechanism proposed is neither a better nor fairer way of doing things.”

Ribby-with-Wrea Parish Council –

“I confirm that this Parish Council is agreeable in principle to the proposals. However, before any firm commitment can be given, the precise details of the way forward/ongoing calculations need to be known. As you will appreciate, the parish councillors remain very wary, and do not wish to commit to a situation that will in fact increase overall council tax, or only be a short term measure of benefit. Whilst the proposals are obviously of great benefit to the Borough, the parish does not want to take on additional burdens in the absence of clear benefits to parishioners.”

Performance Improvement Community Forum.

‘Equitable Taxation?’ – Refining the Model.

At its meeting of 19th September 2005 the Performance Improvement Community Forum considered a report on progress to date in assessing the impact of an Equitable Taxation approach. The model developed to assess the impact is essentially based around certain services being paid for locally (either through parish precept or special expenses) and some services being paid for from the general borough council tax.

There are obviously many variations of local v general services and the task before us is to refine the model to identify the Council’s preferred variation. This preferred variation would then be the subject of further consultation with parish/town councils. Having received the views of the respective town/parish councils, the Council will then be in a position to consider the Equitable Taxation option against its other spending/saving options when it comes to set its budget for 2006/07.

Following consultation with parish councils and ward members a number of possible variations on the basic model were identified. These variations take the form of different combinations of locally and generally funded services. The Performance Improvement Community Forum was asked to consider these variations and make recommendations to the Executive Committee.

The variations were presented in the form of four questions/choices as follows:

- Should car parks & the beach be treated as general or local expenses?
- Should outdoor sports facilities be treated as general or local expenses?
- Should tourist parks be treated as general or local expenses?
- Should Lytham and St Annes be treated as separate areas or as a combined tax base in the equitable taxation model?

The Performance Improvement Community Forum resolved to recommend the following choices to the Executive Committee as the preferred basis for refining the equitable taxation model:

- That car parks & the beach should be **local** expenses.
- That sports facilities should be **general** expenses.
- That tourist parks should be **local** expenses.
- That Lytham and St Annes be treated as a **combined** tax base?