

**WEST DEVON BOROUGH COUNCIL**

<b>NAME OF COMMITTEE</b>	<b>Council</b>
<b>DATE</b>	<b>25<sup>th</sup> February 2014</b>
<b>REPORT TITLE</b>	<b>Council Tax 2014-2015</b>
<b>Report of</b>	<b>Head of Finance &amp; Audit</b>
<b>WARDS AFFECTED</b>	<b>All</b>

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**Summary of report:** This report is to enable the Council to calculate and approve the Council tax requirement for 2014/15.

**Financial implications:** This report shows how the Council Tax is prepared and set for 2014/15.

**RECOMMENDATIONS:**

That the Council approves the formal council tax resolutions as detailed below:

1. That it be noted that on 18 December 2013 the Chief Executive and Strategic Directors, under delegated authority from full Council, approved the Council Tax Base for the year 2014/15:
  - (a) for the whole Council area as 19,185.50 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012; and
  - (b) for dwellings in those parts of its area to which a Parish precept relates in accordance with regulation 6 of the Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012 as in the attached **Appendix A**.
2. That the Council Tax requirement for West Devon Borough Council's own purposes for 2014/15 (excluding Parish precepts) is calculated at £3,923,435 (**Appendix B**).

3. That the following amounts are calculated by the Council for the year 2014/15 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the Localism Act 2011 **(Appendix B)**:

- (a) £27,213,412 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish/Town Councils **(Gross expenditure including parish precepts)**.
- (b) £22,190,384 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act **(Total income including formula grant and council tax surplus)**.
- (c) £5,023,028 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act) **(Council tax requirement including parish precepts)**.
- (d) £261.81 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year **(Average band D council tax for West Devon Borough Council and parishes)**.
- (e) £1,099,593 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached **Appendix C – parish precepts**).
- (f) £204.50 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates **(Band D council tax for West Devon Borough Council only)**.

4. That it be noted the County Council, the Police and Crime Commissioner and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings as shown below:

Precepting authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Devon County Council's tax requirements	759.06	885.57	1,012.08	1,138.59	1,391.61	1,644.63	1,897.65	2,277.18
Police & Crime Commissioner's tax requirements	110.77	129.24	147.70	166.16	203.08	240.01	276.93	332.32
Devon & Somerset Fire & Rescue Authority's tax requirements	51.26	59.80	68.35	76.89	93.98	111.06	128.15	153.78

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts of Council Tax for the year 2014/15 for each of the categories of dwellings shown at **Appendix D (total of all valuation band council taxes for West Devon Borough Council including parishes, county, police and crime commissioner and fire authority)**.
6. That the Council has concluded that the basic amount of Council Tax for West Devon Borough Council for 2014/15 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. (see calculation at **Appendix B**).

**Officer contact:**

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## **1. BACKGROUND**

1.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a council tax requirement for the year, not a budget requirement as previously. West Devon Borough Council is a billing authority.

1.2 Precepts have been notified to us from the Parish and Town Councils, Devon County Council, Devon and Cornwall Police and Crime Commissioner and Devon and Somerset Fire and Rescue Authority. These are detailed below:

### **(i) Town & Parish Councils**

The Town & Parish Council Precepts for 2014/15 are detailed in Appendix C and total £1,099,593. The increase in the average Band D Council Tax for Town and Parish Councils is 3.04% and results in an average Band D Council Tax figure of £57.31 for 2014/15.

### **(ii) Devon County Council**

Devon County Council met on 20th February 2014 and set their precept at £21,844,418.45. This results in a Band D Council Tax of £1,138.59.

### **(iii) Devon and Cornwall Police and Crime Commissioner**

Devon and Cornwall Police Authority met on 8<sup>th</sup> February 2014 and set their precept at £3,187,862.68. This results in a Band D Council Tax of £166.16.

### **(iv) Devon and Somerset Fire and Rescue Authority**

Devon & Somerset Fire & Rescue Service met on 24<sup>th</sup> February 2014 and set their precept at £1,475,173. This results in a Band D Council Tax of £76.89.

## **2. LEGAL IMPLICATIONS**

2.1 The Council is required by law to approve the Council Tax taking into account the requirements of our precepting bodies.

2.2 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992 and now requires the billing authority to calculate a council tax requirement for the year, not its budget requirement as previously.

2.3 As billing authority, the Council must determine whether the Council's basic amount of Council Tax for 2014/15 is excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. These principles are set by the Secretary of State each year. Where the amount of council tax for a financial year is "excessive" within the meaning of the principles, it will place the authority under a duty to hold a referendum. For the financial year 2014/15, according to the current principles the basic amount of council tax will not be excessive if it is less than 2%. Within those terms, the proposed increase in the billing authority's council tax (1.9%) is not excessive and will not trigger a referendum.

### 3. FINANCIAL IMPLICATIONS

3.1 The Council is required to calculate and approve the Council Tax requirement for 2014/15. This report shows how the Council Tax is prepared and set for 2014/15.

3.2 The table below shows how an average Band D council bill is made up for West Devon Borough Council:

<b>Precepting Authority</b>	<b>Band D Council Tax 2013/14</b>	<b>Band D Council Tax 2014/15</b>	<b>£ Increase</b>	<b>% Increase</b>	<b>Date Approved</b>
Devon County Council	£1,116.36	£1,138.59	£22.23	1.9913%	20 Feb 2014
West Devon Borough Council	£200.69	£204.50	£3.81	1.9%	18 Feb 2014
Devon & Cornwall Police & Crime Commissioner	£162.92	£166.16	£3.24	1.99%	7 Feb 2014
Devon & Somerset Fire & Rescue	£75.39	£76.89	£1.50	1.99%	24 Feb 2014
Average Parish /Town Council	£55.62	£57.31	£1.69	3.04%	Various
<b>TOTAL</b>	<b>£1,610.98</b>	<b>£1,643.45</b>	<b>£32.47</b>	<b>2.02%</b>	

#### 4. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	All
<b>Statutory powers:</b>	Local Government Finance Act 1992 Localism Act 2011
<b>Considerations of equality and human rights:</b>	None directly related to this report
<b>Biodiversity considerations:</b>	None directly related to this report
<b>Sustainability considerations:</b>	None directly related to this report
<b>Crime and disorder implications:</b>	None directly related to this report
<b>Background papers:</b>	SMT 18 Dec 2013 - Declaration of Council Tax Base Council 18 Feb 2014 – Budget Proposals 2014/15
<b>Appendices attached:</b>	Appendix A - Parish and Town Council Tax Bases 2014/15 Appendix B - Calculations relating to recommendations Appendix C - Parish and Town Council Precepts 2014/15 Appendix D – County, Police Authority, Fire Authority, District and Parish/Town Requirements 2014/15 Information Sheet – Comparison of Parish / Town Precepts in 2013/14 and 2014/15



### STRATEGIC RISKS TEMPLATE

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	To explain the Council Tax setting process.	Members are given a breakdown on how an average Council Tax bill is made up between the various precepting bodies	2	3	6	↔	Careful liaison required with the other major preceptors to ensure that an appropriate level of information is available to Members	Head of Finance and Audit
2	The way in which the Council Tax Resolutions are made is set out very precisely and the Council must adhere to the various Acts and Regulations.	The Council must set the Council Tax by 11 March 2014. The timetable for the budget setting process takes this into account and allows sufficient time for the significant amount of work involved.	5	3	15	↔	Significant planning and staff resources required to ensure that the process is managed efficiently and effectively by the required dates	Head of Finance and Audit

Direction of travel symbols ↓ ↑ ↔