

WEST DEVON BOROUGH COUNCIL

NAME OF COMMITTEE	Council Tax Resolution Panel
DATE	24th February 2015
REPORT TITLE	Council Tax 2015-2016
Report of	Finance Community of Practice Lead
WARDS AFFECTED	All

Summary of report:

This report is to enable the Council Tax Resolution Panel to calculate and approve the Council Tax requirement for 2015/16.

RECOMMENDATIONS:

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

1. That it be noted that in December 2014 the Senior Management Team, under delegated authority from full Council, approved the Council Tax Base for the year 2015/16:
 - (a) for the whole Council area as 19,457.00 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 2015/16 (excluding Parish precepts) is calculated at £4,054,644 (**Appendix B**).

3. That the following amounts are calculated by the Council for the year 2015/16 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 and the Localism Act 2011 (**Appendix B**):
- (a) £26,223,523 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) £20,986,568 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) £5,236,955 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) £269.16 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) £1,182,311 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) £208.39 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 Authority 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	774.18	903.21	1,032.24	1,161.27	1,419.33	1,677.39	1,935.45	2,322.54
Police & Crime Commissioner's tax requirements	112.98	131.81	150.64	169.47	207.13	244.79	282.45	338.94
Devon & Somerset Fire & Rescue Authority's tax requirements	52.28	60.99	69.71	78.42	95.85	113.27	130.70	156.84

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 2015/16 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 fire authorities)**.
6. That the Council has concluded that the basic amount of Council Tax for West Devon Borough Council for 2015/16 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 Authority and Devon and Somerset Fire and Rescue Authority. These are detailed below:

(i) Town & Parish Councils

The Town & Parish Council Precepts for 2015/16 are detailed in Appendix C and total £1,182,311. The increase in the average Band D Council Tax for Town and Parish Councils is 6.04% and results in an average Band D Council Tax figure of £60.77 for 2015/16.

(ii) Devon County Council

Devon County Council met on 19th February 2015 and set their precept at £22,594,830.39 adjusted by a Collection Fund contribution of £281,733.63. This results in a Band D Council Tax of £1,161.27

(iii) Devon and Cornwall Police and Crime Commissioner

Devon and Cornwall Police Authority met on 6th February 2015 and set their precept at £3,297,377.79, adjusted by a Collection Fund contribution of £39,558.28. This results in a Band D Council Tax of £169.47.

(iv) Devon and Somerset Fire and Rescue Authority

Devon & Somerset Fire & Rescue Service met on 20th February 2015 and set their precept at £1,525,818 adjusted by a Collection Fund contribution of £18,119. This results in a Band D Council Tax of £78.42

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 a billing authority, the Council must determine whether the Council's basic amount of Council Tax for 2015/16 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 2015/16, 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 of 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 2015/16.
- 3.2 The table below shows how an average Band D council bill is made up for West Devon Borough Council:

Precepting Authority	Band D Council Tax 2014/15	Band D Council Tax 2015/16	£ Increase	% Increase	Date Approved
West Devon Borough Council	£204.50	£208.39	£3.89	1.9%	17 Feb 2015
Devon County Council	£1,138.59	£1,161.27	£22.68	1.99%	19 Feb 2015
Devon & Cornwall Police	£166.16	£169.47	£3.31	1.99%	6 Feb 2015
Devon & Somerset Fire & Rescue	£76.89	£78.42	£1.53	1.99%	20 Feb 2015
Average Parish /Town Council	£57.31	£60.77	£3.46	6.04%	
TOTAL	£1,643.45	£1,678.32	£34.87	2.12%	

4. OTHER CONSIDERATIONS

Corporate priorities engaged:	All
Statutory powers:	Local Government Finance Act 1992 Localism Act 2011
Considerations of equality and human rights:	None directly related to this report
Biodiversity considerations:	None directly related to this report
Sustainability considerations:	None directly related to this report
Crime and disorder implications:	None directly related to this report
Background papers:	SMT Dec 14 - Declaration of Council Tax Base Council 17 Feb 2015 – Budget Proposals 2015/16
Appendices attached:	Appendix A - Parish and Town Council Tax Bases 2015/16 Appendix B - Calculations relating to recommendations Appendix C - Parish and Town Council Precepts 2015/16 Appendix D – County, Police Authority, Fire Authority, District and Parish/Town Requirements 2015/16 Appendix E – Comparison of Parish / Town Precepts in 2014/15 and 2015/16

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	Council Tax Requirement	The council tax requirement is the amount of council tax the Council needs to raise to balance the approved budget. Failure to calculate the council tax requirement correctly would result in a budget surplus or deficit.	5	1	5	↔	The budget process is laid down in the Council's constitution. Resources Committee and Council meetings are timetabled to meet the Statutory deadlines for setting the Council Tax.	Finance CoP Lead
2	Council Tax Setting	The Council has a statutory requirement to approve the formal council tax resolutions. The Authority could face a legal challenge if legislation is not fully complied with and the Council Tax is calculated incorrectly.	5	1	5	↔	The appropriate legislation is reviewed to ensure that the Council meets its Statutory deadline of 11 th March 2015 by which time the council tax must be set.	Finance CoP Lead

Direction of travel symbols ↓ ↑ ↔

