

Agenda Item 8

Council

20 February 2008

SD



Council Tax 2008/2009

Summary

This report lays out the details to enable the Council to set the Council Tax for 2008/2009.

In setting the Council Tax a model layout is followed which requires prescribed wording referring to Sections of the Local Government Finance Act 1992. An explanation of this model is given first in the report to assist Members' understanding.

Recommendations

1. That Section 2 of this report is approved.

a) **Reasons for Recommendation**

The Council as a billing authority is required to set the Council Tax for 2008/2009.

b) **Alternative Options**

None

c) **Risk Considerations**

The Council is required under the Local Government Finance Act 1992 to set a Council Tax.

d) **Policy and Budgetary Considerations**

This report sets the Council's budget requirement for 2008/2009.

e) **Date for Review of Decision**

None.

1. Council Tax 2008/2009

1.1 In setting the Council Tax for 2008/2009 a model layout is followed. This requires prescribed wording that refers to Sections of the Local Government Finance Act 1992. The following explanation has been prepared in the same format as the recommendations in order to assist Members' understanding.

The numbers below relate to the recommendations in Section 2 of this report.

2. The tax base (56,350), which was fixed on 19 December 2007, is an essential element in calculating the basic amount of tax for each parish. The basic amount is the sum that will be charged for a band D property.

3. This sets out the figures used to calculate the basic tax for East Devon's purpose and the tax for each parish.

(a) This is the gross expenditure of the Council and is made up of:-

	£
General Fund Services	53,051,877
Housing Revenue	14,090,910
Parish Precepts	<u>1,508,933</u>
	<u>£68,651,720</u>

(b) Is the gross income from rents, fees and charges, interest, specific grants and use of balances:-

	£
General Fund	38,436,620
Housing Revenue Account	13,741,650
Balances:	
Housing Revenue Account	349,260
General Fund	<u>92,440</u>
	<u>£52,619,970</u>

(c) The Council's budget requirements to cover its expenditure and parish precepts taking 3(b) away from 3(a)

£16,031,750

(d) Is the total of the estimated amounts other than Council Tax that will be credited to the General Fund in 2006/2007.

Formula Grant	£7,810,433
Collection Fund Surplus	<u>£ 49,560</u>
	<u>£7,859,993</u>

(e) Is the basic Council Tax to meet the Council's requirement and parish precepts:

	£
Item 3(c) the Council's budget requirement	16,031,750
Less: Item 3(d) RSG & NNDR	<u>7,859,993</u>
	<u>£8,171,757</u>
Divided by item 2(a) Council Tax Base	56,350
AVERAGE COUNCIL TAX	<u>£145.02</u>

(f) The total sum the authority is required to collect from parishes levying a precept (£1,508,933).

(g) The Council Tax for East Devon District Council is arrived at by taking:

	£
Council's budget requirement (see 3(e) above)	8,171,757
Less: Parish Precepts	<u>1,508,933</u>
	<u>£6,662,824</u>

Divided by item 2(a) Council Tax Base 56,350

EDDC COUNCIL TAX (BAND D) £118.24

(h) Column (5) of Schedule 1 sets out for each parish the amount required from a band D property to cover East Devon's expenditure plus parish precepts.

(i) Schedule 2 details the requirement for each property band.

4. Notes the amount required for each property band throughout East Devon for the precepts of the County Council, Police Authority and Fire and Rescue Authority.
5. Finally, by adding the amount in 4 to the amounts set out in Schedule 2 the amount payable (before relief) is set out in Schedule 3.

The following table shows how the Council Tax levies compare for 2008/2009 with the levies for 2007/2008.

COUNCIL TAX LEVIES

	2007/2008 £	2008/2009 £	Variation %
East Devon District Council	113.16	118.24	4.49
Parish & Town Councils (Average)	24.65	26.78	8.64
Sub Total	137.81	145.02	
Devon County Council	1,023.93	1,063.89	3.90
Devon & Cornwall Police Authority	131.73	TBA*	TBA
Devon & Somerset Fire & Rescue Authority	63.45	TBA	TBA
	£1,356.92	TBA	TBA

* TBA = To Be Advised – Both the Police and Fire & Rescue Authorities do not meet until 15 February 2008 and no provisional figures are available. These figures will be tabled at the Council meeting.

2. It is Recommended:

1. That the recommendations in Executive Board Minute No.139 on the 30 January 2008 (relating to the Revenue and Capital Estimates) be approved.
2. That it be noted the Executive Board calculated the following amounts for the year 2008/2009 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:-
 - (a) 56,350 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended by Local Government Act 2003 – Section 84), as its Council Tax Base for the year.
 - (b) The amounts stated in column 3 of Schedule 1 attached calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax Base
 - (c) For the year for dwellings in those parts of its area set out in column 1 of Schedule 1, to which one or more special items relate.
3. That the following amounts be now calculated by the Council for the year 2008/2009 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
 - (a) £68,651,720 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.
 - (b) £52,619,970 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.

- (c) £16,031,750 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 32(4) of the Act, as its budget requirement for the year.
- (d) £7,859,993 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988.
- (e) £145.02 being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council tax for the year.
- (f) £1,508,933 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (g) £118.24 being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(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 special item relates.
- (h) The amounts stated in column 5 of the schedule 1 attached given by adding to the amount at 3(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area specified in column 1 of Schedule 1 divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council tax for the year for dwellings in those parts of its area set out in column 1 of Schedule 1 to which one or more special items relate.
- (i) The amounts set out in Schedule 2 attached given by multiplying the amounts at 3(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
4. That it be noted that for the year 2008/2009 the Devon County Council, Devon and Cornwall Police Authority and Devon and Somerset Fire and Rescue Authority have stated the following amounts in precepts issued to the District Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Valuation Bands	Precepting Authority		
	Devon County Council	Devon & Cornwall Police Authority	Devon & Somerset Fire & Rescue Authority
A	£ 709.26	TBA	TBA
B	£ 827.47		
C	£ 945.68		
<u>D</u>	<u>£1,063.89</u>		
E	£1,300.31		
F	£1,536.73		
G	£1,773.15		
H	£2,127.78		

5. That, having calculated the aggregate in each case of the amounts at 3 (i) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts set out in Schedule 3 attached as the amounts of council tax for the year 2008/2009 for each of the categories of dwellings shown in Schedule 3.

Please note: Schedules will be tabled at the Council meeting as the Police and Fire & Rescue Authorities do not meet until 15 February 2008.

Legal Implications

The statutory framework is detailed in full in the report.

Financial Implications

The financial details are included in the report.

Consultation on Reports to the Executive

The 2008/09 Revenue and Capital estimates were proposed by the Executive Board on 19 December 2007 and then considered by the Scrutiny and Corporate Overview Taff and then joint Committee, the East Devon Business Forum and finally recommended by the Executive Board on 30 January 2008.

Background Papers

- Reports and minutes of the above Committees details including associated background papers.

Simon Davey
Head of Finance

Council
20 February 2008