

Agenda Item

Council

24 February 2010



Council Tax 2010/2011

Summary

This report lays out the details to enable the Council to set the Council Tax for 2010/11.

In agreeing to the recommendations of the Executive Board relating to the Service Plans and Revenue and Capital Estimates 2010/11 (Minute Number 149) on the 10 February 2010 this gives a budget requirement and associated Council Tax for this Council.

The process is that all preceptors (Devon County Council, Devon & Cornwall Police Authority, Devon & Somerset Fire & Rescue Authority and town and parish councils) will set their budgets and relevant council tax and then this Council as the billing authority will formally set the Council Tax for the area to include all amounts to be collected. This report sets out the details of this Council's budget requirement and the precepts for other bodies.

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 in Section 1 of this report to assist Members' understanding.

Recommendations

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 2010/2011.

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 2010/2011.

e) Date for Review of Decision

None.

1. Council Tax 2010/2011

- 1.1 To set the Council Tax for 2010/2011 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 Section 2 of this report in order to assist Members' understanding.

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

2. The tax base (56,869), which was fixed on 6 January 2010, 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	62,231,980
Housing Revenue	14,715,400
Parish Precepts	<u>1,825,776</u>
	<u>£78,773,156</u>

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

	£
General Fund	46,511,790
Housing Revenue Account	14,711,840
Balances:	
Housing Revenue Account	3,560
General Fund	<u>615,760</u>
	<u>£61,842,950</u>

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

£16,930,206

- (d) Is the total of the estimated amounts other than Council Tax that will be credited to the General Fund in 2010/2011.

Formula Grant	£8,156,920
Collection Fund Surplus	<u>£ 22,000</u>
	<u>£8,178,920</u>

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

	£
Item 3(c) the Council's budget requirement	16,930,206
Less: Item 3(d) Formula Grant	<u>8,178,920</u>
	<u>£8,751,286</u>
Divided by item 1 Council Tax Base	56,869
AVERAGE COUNCIL TAX	<u>£153.88</u>

- (f) The total sum the authority is required to collect from parishes levying a precept (£1,825,776).

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

	£
Council's budget requirement (see 3(e) above)	8,751,286
Less: Parish Precepts	<u>1,825,776</u>
	<u>£6,925,510</u>

Divided by item 2(a) Council Tax Base 56,869

EDDC COUNCIL TAX (BAND D) £121.78

(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 2010/2011 with the levies for 2009/2010.

COUNCIL TAX LEVIES

COUNCIL TAX LEVIES	2009/2010	2010/2011	Variation
	£	£	%
East Devon District Council	118.24	121.78	2.99
Parish & Town Councils (Average)	28.35	32.10	13.23
Sub Total	146.59	153.88	-
Devon County Council	1,094.67	1,116.36	1.98
Devon & Cornwall Police Authority	149.22	156.60	4.95
Devon & Somerset Fire & Rescue Authority	69.18	71.77	3.74
TOTALS	£1,459.66	£1,498.61	2.68%

Note: These are proposed figures for; Devon County Council who meet on 18/2/10 to set their tax and Fire & Rescue who meet 19/2/10 to set their tax.

2. It is Recommended:

1. That the recommendations in Executive Board Minute No.149 on the 10 February 2010 (relating to the Revenue and Capital Estimates) be approved.
2. That it be noted the Executive Board calculated the following amounts for the year 2010/2011 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:-
 - (a) 56,869 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 2010/2011 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
- (a) £78,773,156 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) £61,842,950 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) £16,930,206 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) £8,178,920 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) £153.88 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) £1,825,776 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (g) £121.78 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 2010/2011 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	£ 744.24	£104.40	£ 47.85
B	£ 868.28	£121.80	£ 55.82
C	£ 992.32	£139.20	£ 63.80
<u>D</u>	<u>£1,116.36</u>	<u>£156.60</u>	<u>£ 71.77</u>
E	£1,364.44	£191.40	£ 87.72
F	£1,612.52	£226.20	£103.67
G	£1,860.60	£261.00	£119.62
H	£2,232.72	£313.20	£143.54

Note: These are proposed figures for; Devon County Council who meet on 18/2/10 to set their tax and Fire & Rescue who meet 19/2/10 to set their tax. Should these figures change revised schedules will be circulated.

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 2010/2011 for each of the categories of dwellings shown in Schedule 3.

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

Service Plans and Revenue and Capital Estimates have been considered by the Scrutiny/Overview Committee and the Housing Review Board and the Executive Board. Revenue and Capital Estimate details have been sent to the East Devon Business Forum for comment and consultation as been made through a public survey and through the Town and Parish Councils in the District.

Background Papers

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

Simon Davey
Head of Finance

Council
24 February 2010