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Dear Member

COUNCIL - THURSDAY, 5 DECEMBER 2013

I am now able to enclose, for consideration at the Thursday, 5 December 2013 meeting of the Council, the following reports that were unavailable when the agenda was printed.

| Agenda No | Item | Page |
|------------------|--|--------------------------|
| 16. | Council taxbase report | (Pages 272 - 277) |
| 17. | Revenue Budget Monitoring (Quarter 2) | (Page 278) |

Yours sincerely

June Gurry
Clerk

Agenda Item 16



Meeting: Council

Date: 5th December 2013

Wards Affected: All Wards

Report Title: Council Tax Base 2014/15 & Related Financial Issues

Is the decision a key decision? Yes

Executive Lead Contact Details: Mayor and Executive Lead for Employment and Regeneration, Finance and Audit

Supporting Officer Contact Details: Martin Phillips, (01803) 207285,
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1. Purpose and Introduction

- 1.1 The Council is required to determine its Tax Base for Council Tax purposes for 2014/15 during the period 1 December 2013 to 31 January 2014 and the level of Council Tax subsequently set must use this base figure. A Tax Base calculation is provided in Appendix 1 for an appropriate decision to be made.
- 1.2 In accordance with the Local Authority (Funds) (England) Regulations 1992, an estimate of the deficit or surplus on the Collection Fund, now for both Council Tax and National Non Domestic Rates, for incorporation in the Council Tax level must be made.
- 1.3 The Council, as a billing authority, is required to calculate a separate Tax Base for the Brixham Town Council's area. A Tax Base calculation for the area is provided in Appendix 2 for an appropriate decision to be made.

2. Proposed Decision

- 2.1 That the calculation of the Council Tax Base for the year 2014/15 be approved as shown in Appendix 1
- 2.2 That the calculation of the Brixham Town Council Tax Base for the year 2014/15 be approved as shown in Appendix 2.
- 2.3 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as its Council Tax base for the year 2014/15 should be 41,713.28. (Dependant on approval of 2.1).
- 2.4 That, in accordance with the Local Authorities (Calculation of Tax base) (England) Regulations 2012, the amount calculated by Torbay Council as the Council Tax base for Brixham Town Council for the year 2014/15 should be 5,633.38. (Dependant on approval of 2.2).

2.5 That the approval of the estimated distribution on the Collection Fund for both Council Tax and Non Domestic Rates for the next financial year and following years is delegated to the Chief Finance Officer and subsequently distributed to all Members as part of the budget proposals.

3. Reason for Decision

3.1 The calculation of the Council Tax Base for both Torbay and Brixham Town Council is a statutory requirement in the budget setting process.

Supporting Information

4. Position

A1. Taxbase

- A1.1 The Council is required by the 31st January to establish a base figure for the purpose of setting the level of Council Tax each year – the “Tax Base”. The calculation of this figure is prescribed by the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- A1.2 The Regulations require this calculation to be made between 1st December 2013 and 31st January 2014 and for this figure to be notified to precepting authorities by the 31st January 2014. For the year commencing 1st April 2014 these will be the major precepting authorities of Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and as a local precepting authority, Brixham Town Council.
- A1.3 Torbay Council, together with Police and Crime Commissioner for Devon and Cornwall, Devon and Somerset Fire and Rescue Authority and Brixham Town Council are required to use the tax base calculated by Torbay Council, as the billing authority, to determine their basic amounts of Council Tax for 2014/15.
- A1.4 The calculation of the tax base is prescribed by statute. It reflects the aggregate of the “relevant amounts” for each valuation band (now including the impact from Council Tax Support Scheme) multiplied by the anticipated collection rate for the year. The calculation for the Council’s tax base is shown in Appendix 1 and the calculation for Brixham Town Council is shown in Appendix 2.
- A1.5 The calculation of the relevant amount begins with the actual number of dwellings on the “relevant date”. For 2014/15 this is the 30th November 2013 and this is the date that must be used. This number is adjusted to make allowance for estimated variations to the list in the course of the year and for the impact of allowed discounts to certain classes of dwellings.
- A1.6 The impact of the Council Tax Support Scheme including the exceptional hardship scheme, which is linked to claimants, is converted to an equivalent number of dwellings per band by dividing the estimated cost per band of the reductions divided by the estimated Council Tax for that band.

- A1.7 These are then converted into Band “D” equivalents to produce the “relevant” amounts prescribed by the Regulations.
- A1.8 The billing authority then estimates its Council Tax Collection Rate, which is the percentage of 2014/15 Council Tax demands which it predicts will be paid into the Collection Fund during 2014/15. The Collection rate estimated for 2014/15 is a continuation of the rate for 2013/14, namely 96.5%, which is in line with the actual in year collection rate achieved for 2012/13, and this is reflected in the Tax Base calculation.
- A1.9 The calculated Council's tax base for 2014/15 of 41,713.28 compares with the 2013/14 tax base of 41,586.58 a 0.3% increase. This increase primarily reflects the growth in the number of properties, which may be either new build or older properties, adapted and brought back in to use offset by the number of dwellings subject to an exemption, discount or a reduction.
- A1.10 To calculate the council tax due to Brixham Town Council a Tax Base must be determined by Torbay Council, as the billing authority. The tax base for Brixham Town Council is and the calculation is shown in Appendix 2.
- A1.11 The calculated Brixham Town Council's tax base for 2014/15 of 5,633.38 compares with the 2013/14 tax base of 5,597.39 a 0.64% increase.

A2 Technical Adjustments

- A2.1 Within the Taxbase calculation there are a number of exemptions and discounts for certain categories of dwellings. Some of these are set by central government and some the Council has discretion over. There are no new options available for discretionary technical adjustments and therefore no changes are proposed.

A3 Estimation of Collection Fund Surplus/Deficit (Council Tax)

- A3.1 An estimate is to be made as of the surplus or deficit on the Collection Fund at year end from under or over achieving the estimated collection rate. As this Council sets a collection rate within its tax base equivalent to the amount collected in the 12 months of the next financial year any surplus primarily represents the collection of sums due in respect of previous years. This indicates a level of success in collecting old year debts and raises the overall, longer term, collection rate to above the in year rate of 96.5%. The total value of Council Tax collected is also affected by changes in the number of dwellings, level and mix of discounts and exemptions and changes in the number of claimants for Local Council Tax Support.
- A3.2 The amount of any surplus or deficit which a billing authority, like Torbay, estimates on its collection fund at the end of the current year is to be shared and is taken into account by both the billing authorities and Major Precepting Authorities in calculating basic amounts of Council Tax for the subsequent year.
- A3.3 As a local precepting authority, as defined in the Local Government Finance Act 2012, Brixham Town Council will not be entitled to a share of any surplus or deficit on the Collection fund.

A3.4 The approval of the estimated distribution on the Collection Fund for Council Tax for the next financial year and following years is proposed to be delegated to the Chief Finance Officer and subsequently distributed to all Members as part of the budget proposals.

A4 Estimation of Collection Fund Surplus/Deficit (National Non Domestic Rates)

A4.1 As a result of the introduction of the new Local Government funding arrangements from April 2013, the Council now bears a 49% share of the risk and reward of changes in the level of National Non Domestic Rate income. Changes from the Council's initial National Non Domestic Rate income estimate for 2013/14 arising from changes in yield and collection will now result in a Collection Fund surplus or deficit. The Council's share of the surplus or deficit will impact on the forthcoming year.

A4.2 An estimate is to be made as of the surplus or deficit on the Collection Fund at year end from under or over achieving the estimated collection rate in addition to the any changes in the actual debt raised compared to the estimated levels shown in the NNDR1.

A4.3 The amount of any surplus or deficit which a billing authority, like Torbay, estimates on its collection fund at the end of the current year is to be shared by both the billing authorities and Major Precepting Authorities. 49% of this falls to Torbay Council, 1% to Devon and Somerset Fire and Rescue Authority and 50% to Central Government.

A4.4 The approval of the estimated distribution on the Collection Fund for National Non Domestic Rates for the next financial year and following years is proposed to be delegated to the Chief Finance Officer and subsequently distributed to all Members as part of the budget proposals.

5. Possibilities and Options

5.1 None – calculation of taxbase is based on statute.

6. Fair Decision Making

6.1 Not applicable

7. Public Services (Social Value) Act 2012

7.1 Not applicable

8. Risks

8.1 If taxbase not approved by end of January 2014 then the Council is unable to set a budget and this will impact on other precepting bodies.

9. Appendices

Appendix 1 The calculation of Torbay Council's Tax Base 2014/15
Appendix 2 The calculation of Brixham Town Council's Tax Base 2014/15

CALCULATION OF COUNCIL TAXBASE - 2013/14

30th November 2013 - "Relevant date"

TORBAY COUNCIL

TAX BASE CALCULATION

2014/2015

| | BAND A | BAND A | BAND B | BAND C | BAND D | BAND E | BAND F | BAND G | BAND H | TOTAL |
|---|--------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|---------------|------------------|
| Number of dwellings in valuation list | 0 | 13,377 | 17,257 | 16,364 | 9,890 | 4,971 | 2,293 | 1,212 | 133 | 65,487 |
| Number of exempt dwellings : | | (388) | (280) | (248) | (137) | (77) | (26) | (22) | (1) | (1,189) |
| Reductions to lower band due to disabled relief : | 0 | (10) | (62) | (89) | (72) | (65) | (39) | (42) | (27) | (412) |
| Additions to band due to disabled relief : | 10 | 62 | 89 | 72 | 65 | 39 | 42 | 27 | 0 | 412 |
| (H) CHARGEABLE DWELLINGS FOR BAND | 10.00 | 13,041.00 | 16,994.00 | 16,099.00 | 9,746.00 | 4,866.00 | 2,270.00 | 1,175.00 | 105.00 | 64,300.00 |
| Total 'appropriate %' discounts | 1.75 | 2,078.50 | 1,748.50 | 1,365.75 | 699.25 | 282.75 | 120.25 | 65.75 | 4.25 | 6,359.50 |
| Total 'appropriate %' discounts | - | 31.50 | 3.50 | 5.50 | 2.50 | 10.50 | 19.50 | 19.50 | 4.00 | 96.00 |
| Total 'appropriate %' discounts | - | 102.00 | 66.00 | 49.00 | 18.00 | 9.00 | 3.00 | - | 1.00 | 243.00 |
| (C) Total Discounts | 1.75 | 2,212.00 | 1,818.00 | 1,420.25 | 719.75 | 302.25 | 142.75 | 75.25 | 9.25 | 6,701.25 |
| (E) Long Term Empty Premium | - | 63.00 | 21.50 | 11.00 | 5.50 | 4.00 | 1.00 | 1.50 | 0.50 | 108.00 |
| Estimated number of dwellings not listed but which will be listed in the band for the whole or any part of financial year | 0 | 0 | 0 | 0 | 200 | 0 | 0 | 0 | 0 | 0 |
| Estimated number of reductions to lower band due to successful appeals : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Estimated number of additions to lower band due to successful appeals : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (J) Total Adjustments | 0.00 | 0.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| (Z) Local Council Tax Scheme Reductions | 0.00 | 3,849.53 | 3,646.05 | 2,336.84 | 907.87 | 258.19 | 72.86 | 15.92 | 1.10 | 11,088.36 |
| TOTAL DWELLINGS | 8.25 | 7,042.47 | 11,551.45 | 12,352.91 | 8,323.88 | 4,311.56 | 2,065.39 | 1,085.33 | 95.15 | 46,626.39 |
| (F) Ratio to Band D | 5 | 9 | 7 | 8 | 9 | 11 | 13 | 15 | 18 | 9 |
| (G) RELEVANT AMOUNTS for 2012/2013 | 4.60 | 4,695.00 | 8,984.50 | 10,980.40 | 8,323.90 | 5,269.70 | 2,968.90 | 1,808.90 | 190.30 | 43,226.20 |

(Section 4 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012)

(B) COLLECTION RATE

96.5%

TAX BASE - (A) x (B)

(Section 3 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012)

41,713.28

30th November 2013 - "Relevant date"

Brixham Town Council

TAX BASE CALCULATION

2014/2015

| | BAND A | BAND B | BAND C | BAND D | BAND E | BAND F | BAND G | BAND H | TOTAL |
|---|---|-----------------|-----------------|-----------------|---------------|---------------|---------------|-------------|-----------------|
| Number of dwellings in valuation list | 1,412 | 2,248 | 2,466 | 1,530 | 645 | 318 | 92 | 6 | 8,717 |
| Number of exempt dwellings : | (29) | (39) | (31) | (29) | (12) | (3) | (1) | 0 | (144) |
| Reductions to lower band due to disabled relief : | (8) | (8) | (13) | (9) | (9) | (14) | (1) | (2) | (406) |
| Additions to band due to disabled relief : | 8 | 13 | 9 | 9 | 14 | 1 | 2 | 0 | 406 |
| (H) CHARGEABLE DWELLINGS FOR BAND | 1,383.00 | 2,214.00 | 2,431.00 | 1,501.00 | 638.00 | 302.00 | 92.00 | 4.00 | 8,573.00 |
| Total 'appropriate %' discounts | 1.75 | 210.75 | 197.50 | 88.50 | 33.25 | 16.50 | 5.50 | - | 779.25 |
| Total 'appropriate %' discounts | - | 0.50 | 1.00 | - | 3.00 | 1.50 | 1.00 | 0.50 | 7.50 |
| Total 'appropriate %' discounts | - | 7.00 | 5.00 | 1.00 | 1.00 | 1.00 | - | - | 23.00 |
| (C) Total Discounts | 1.75 | 223.00 | 203.50 | 99.50 | 37.25 | 19.00 | 6.50 | 0.50 | 809.75 |
| (E) Long Term Empty Premium | - | 5.00 | 3.00 | 1.50 | - | - | - | - | 10.00 |
| Estimated number of dwellings not listed but which will be listed in the band for the whole or any part of financial year | 0 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 10 |
| Estimated number of reductions to lower band due to successful appeals : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Estimated number of additions to lower band due to successful appeals : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (J) Total Adjustments | 0.00 | 0.00 | 0.00 | 10.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10.00 |
| (Z) Local Council Tax Scheme Reductions | 0.00 | 426.97 | 368.15 | 125.29 | 40.52 | 9.93 | 0.00 | 0.00 | 1,460.87 |
| TOTAL DWELLINGS | 6.25 | 742.28 | 1,859.85 | 1,287.71 | 560.23 | 273.07 | 85.50 | 3.50 | 6,322.38 |
| (F) Ratio to Band D | 5.9 | 7.9 | 8.9 | 9.9 | 11.9 | 13.9 | 15.9 | 18.9 | 18.9 |
| (A) RELEVANT AMOUNTS for 2012/2013 | 3.50 | 494.90 | 1,169.80 | 1,287.70 | 684.70 | 394.40 | 142.50 | 7.00 | 5,837.70 |
| (B) COLLECTION RATE | ((H-Q+E+J-Z) x (F divided by G)) | | | | | | | | |
| TAX BASE - (A) x (B) | [Section 4 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012] | | | | | | | | |
| | [Section 3 (1) of The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012] | | | | | | | | |

9,450
5,633.38

Agenda Item 17

Overview & Scrutiny *Confidence in your Council*



Item 17 Revenue Budget Monitoring (Quarter 2)

Report of the Overview and Scrutiny Board

At its meeting on 27 November 2013 the Overview and Scrutiny Board considered the Revenue Budget Monitoring report for Quarter 2. The Board noted that despite a robust budget process for 2013/14 the Council was still subject to ongoing demand pressures, particularly within Children's Safeguarding and Wellbeing. At the end of quarter 2 the Council was projecting an overspend of £1.411m, compared to a projected overspend of £2.415m at the end of the first quarter.

During their consideration of the report, Members were advised that the Council approved a Budget Pressures Contingency as part of the 2013/14 budget setting to support and address specific pressures identified within the year. Due to the ongoing pressures faced within Children's Services all of this reserve (£1m) had been released to offset the increased costs within Safeguarding and Wellbeing. However, the projected outturn position for the Children, Schools and Families revenue budget was currently £3 million. As part of the corporate approach to addressing the overall overspend, all services had been asked to deliver in-year savings and a number of services had made significant savings which were detailed in the report.

The Overview and Scrutiny Board remain concerned at the level of overspend, especially in relation to Children's Safeguarding, and would wish to see inroads into this overspend within the current financial year.