
SETTING THE COUNCIL TAX FOR 2014/15

**Responsible Cabinet Member – Councillor Steve Harker,
Efficiency & Resources Portfolio**

**Responsible Director – Paul Wildsmith,
Director of Neighbourhood Services & Resources**

SUMMARY REPORT

Purpose of the Report

1. The Local Government Finance Act 1992, as amended (referred to as “the Act” in this report) requires the Council to calculate and set its council tax for 2014/15 before 11 March 2014.

Summary

2. The Localism Act 2011 made significant changes to the Act and requires the billing authority to calculate a Council Tax requirement for the year.
3. The budget recommended to Council by Cabinet on 18 February 2014 will result in Band D council tax of £1,238.64, if approved by Council. Durham Police Authority has set its Band D council tax for 2014/15 at £159.57. County Durham and Darlington Fire and Rescue Service has set its Band D council tax for 2014/15 at £92.16. Therefore the recommended council tax for a Band D property will be £1,490.37. There will also be an additional council tax in any parish where a precept has been issued.
4. The Council has calculated that the Council Tax requirement is £37,664,136 which includes Parish Precepts of £122,889. The Council Tax requirement for the Council’s own purposes for 2014/15 (excluding Parish Precepts) is therefore £37,541,247.

Recommendation

5. It is recommended that
 - (a) the following amounts be calculated by the Council for 2014/15 in accordance with sections 31 to 36 of the Act and relevant regulations:-

- (i) the aggregate of the amount 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 Councils, which is its expenditure £221,171,462
- (ii) the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act, which is its income £183,507,326
- (iii) the amount by which (i) exceeds (ii) calculated by the Council for the year in accordance with Section 31A(4) of the Act as its Council Tax Requirement £37,664,136
- (iv) The amount at item 5(iii) above, divided by the council tax base in paragraph 14 below, calculated by the Council in accordance with Section 31B of the Act as the basic amount of its Council Tax for the year (including Parish Precepts) £1,242.69
- (v) the aggregate of all special items (Parish Precepts) referred to in Section 34(1) of the Act as in the attached **Appendix 1** £122,889
- (vi) the amount at 5(iv) above less the result given by dividing the amount at 5(v) above by the amount at paragraph 14 below, 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 £1,238.64
- (vii) That the basic council tax for 2014/15 calculated for dwellings in those areas that have parish precepts be as set out in Appendix 1, column 5.
- (viii) That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in **Appendix 2** as the amount of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings

(b) It be noted that for the year 2014/15 Durham Police Authority has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown : -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	106.38	124.11	141.84	159.57	195.03	230.49	265.95	319.14

- (c) It be noted that for the year 2014/15 County Durham and Darlington Fire and Rescue Service has stated the following amounts in the precept issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown: -

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	61.44	71.68	81.92	92.16	112.64	133.12	153.60	184.32

- (d) The Council, in accordance with Section 30(2) of the Act hereby sets the amounts set out in **Appendix 3** as the amounts of council tax for 2014/15 for each of the categories of dwellings.

Reasons

6. The recommendations are supported to set the Council Tax for the Council's area in accordance with statutory requirements.

Paul Wildsmith
Director of Neighbourhood Services & Resources

Background Papers

- (i) Local Government Finance Settlement 2014/15
- (ii) Police Authority Precept notification.
- (iii) Fire Authority Precept notification.
- (iv) Parish Council Precept notifications.

Elizabeth Davison : Extension 2601

S17 Crime and Disorder	The report does not contain any Crime and Disorder implications
Health and Well Being	The report does not contain any proposals relating to the health and well being of residents
Carbon Impact	There are no carbon impact implications in this report
Diversity	There are no diversity implications in this report
Wards Affected	All Wards are affected equally
Groups Affected	All Groups are affected equally
Budget and Policy Framework	This report must be considered by Council
Key Decision	This report must be considered by Council
Urgent Decision	The Council's Medium Term Financial Plan, Budget and Council Tax require approval by full Council
One Darlington: Perfectly Placed	This report follows from the Corporate Plan and Financial Plan and budget reports, which specifically addresses key issues involved in the Council's contribution to delivering the Sustainable Community Strategy vision.
Efficiency	There are no efficiency implications in this report

MAIN REPORT

Information and Analysis

7. The Act, as amended by the Localism Act 2011, requires authorities to calculate their Council Tax requirement for the year. The Council tax requirement is equal to the Council's net budget requirement less Settlement Funding Assessment (Revenue Support Grant, Business Rates Scheme Grant and Top Up Grant) less any contribution to the Collection Fund in respect of any prior year's deficit. The details of these calculations are set out in paragraph 5(i) to (iii) above.
8. The recommended basic council tax including Fire and Police Precepts for a Band D property is £1,490.37. There will also be an additional council tax in any parish where a precept has been issued.
9. Cabinet considered the draft Medium Term Financial Plan (MTFP) on 13 November 2013 and approved it for consultation. After extensive public consultation and review by the relevant Scrutiny Committees, Cabinet considered the MTFP again on 18 February 2014.
10. The Council also has to determine the estimated surplus or deficit on its Collection Fund at 31st March 2014. The estimated surplus/deficit for the council tax is shared between this Council, the Police Authority and the Fire Authority in proportion to the 2013/14 demands/precepts. It is estimated that there will be no surplus or deficit on the Collection Fund at 31st March 2014.

11. The Council has determined that its basic amount of Council Tax for 2014/15, excluding Parish Precepts, is not excessive in accordance with principles approved under Section 52ZB of the Act.
12. The Council's Council Tax Requirement (including Parish Precepts) for council tax purposes for 2014/15, as calculated in accordance with Section 31A(4) of the Act, is £37,664,136.

The Council Tax Calculations

Basic Council Tax

13. The Council set its tax base at 30,308.4 at the meeting on 30 January 2014 along with the tax bases for various parish councils. These are shown in **Appendix 1** (column 2).
14. The basic council tax must first be calculated by dividing the Council Tax requirement by the approved tax base as follows:-

$$\frac{£37,664,136}{30,308.4} = £1,242.69$$

15. From this figure parish precepts, which the Act refers to as special items, are deducted as follows:-

$$\frac{£122,889}{30,308.4} = £4.05$$

16. The basic council tax for those areas of the Borough Council where there are no special items is, therefore, £1,238.64 (£1,242.69 - £4.05). This also excludes the Police Authority and Fire Service precepts. It represents a 1.94% increase compared with the council tax in 2013/14.

Parish Council Taxes

17. The calculation of the additional tax for areas where special items, i.e. parish precepts, apply is based on the precepts submitted by each parish council and parish meeting, divided by the tax base approved at the Council meeting on 30 January 2014. The Parish Council Precepts for 2014/15 are detailed in Appendix 1 and total £135,325.
18. As part of the 2014/15 settlement, the Government identified part of the Council Tax Support funding as being for Parishes. The Council has decided to passport the relevant amount of £12,436 (Appendix 1 column 2) on to the Parishes to reduce the amount levied on the Parish Council Taxpayer.
19. The council tax in relation to the parish precepts is shown in Appendix 1 (column 5). When added to the basic council tax, as calculated in paragraph 15, this

provides the Billing Authority's basic council tax for each parish area (Appendix 1, column 7).

20. The increase in the average Band D Council Tax for Parish Councils is 16.71% and results in an average Band D Council Tax figure of £4.05 for 2014/15.

Billing Authority Council Tax

21. Section 30(1) of the Act requires a council tax to be set for each category of dwelling for its area. This is the Billing Authority's council tax for each parish area and the basic council tax for the rest of the authority's area, multiplied by the ratio of each band using the following: -

Band	A	B	C	D	E	F	G	H
Proportion	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9

22. The council tax set will relate to band D which is 9/9 or 1. For other bands the above proportions will apply. For example, band A properties will be charged 6/9 or two thirds of the Band D tax whilst band H will be charged double the Band D tax.
23. The Billing Authority's council taxes for each band of property are shown in **Appendix 2**.

Police and Fire Authority Council Taxes

24. The Durham Police Authority is a separate body responsible for its own financial affairs. The Authority met on 3 February 2014 and set their precept at £4,836,311. This results in a Band D Council Tax of £159.57, a 1.98% increase from 2013/14 as shown below:-

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Police Authority	106.38	124.11	141.84	159.57	195.03	230.49	265.95	319.14

25. County Durham and Darlington Fire and Rescue Service met on 13 February 2014 and set their precept at £2,793,222. This results in a Band D Council Tax of £92.16, a 1.9% increase from 2013/14.

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Fire Authority	61.44	71.68	81.92	92.16	112.64	133.12	153.60	184.32

Overall Council Tax

26. The total council tax for each of the parish areas and the remaining area of the Borough is calculated by adding the charges for the Billing Authority to those of the Police Authority and the Fire and Rescue Service. The overall council tax for each category of dwelling in each parish area and the remaining areas of the Borough where there are no parish precepts is set out in **Appendix 3**. There is a 1.94% increase in the Billing Authority Council Tax next year, with changes in the amounts of some parish precepts. The Police Authority has increased its Council tax by 1.98% and the Fire and Rescue Service has increased its Council Tax by 1.90%.

Consultation

27. The content of this report was not subject to consultation. Consultation has, however, taken place with a wide range of stakeholders, during which all households in the Borough have had the opportunity to comment, in preparing the Medium Term Financial Plan. The outcomes of consultation are included in those plans.

COUNCIL TAX FOR PARISH AUTHORITIES 2014/15

	Precept payable to Parish Council (1) £	Council Tax Support Grant (2) £	Precept levied upon Council Taxpayers (3) £	Parish Tax Base (4)	Parish Council Tax (5) £ p	Basic Council Tax (6) £ p	Billing Authority's Council Tax (7) £ p
Archdeacon Newton	1,400	(496)	904	361.78	2.50	1,238.64	1,241.14
Bishopton	6,400	(459)	5,941	162.17	36.63	1,238.64	1,275.27
Heighington	15,513	(1,554)	13,959	875.88	15.94	1,238.64	1,254.58
High Coniscliffe	1,500	(305)	1,195	106.18	11.25	1,238.64	1,249.89
Hurworth	40,785	(3,747)	37,038	1,269.32	29.18	1,238.64	1,267.82
Low Coniscliffe / Merrybent	5,050	(250)	4,800	282.15	17.01	1,238.64	1,255.65
Low Dinsdale	6,500	(827)	5,673	276.80	20.49	1,238.64	1,259.13
Middleton St. George	45,182	(2,499)	42,683	1,366.63	31.23	1,238.64	1,269.87
Neasham	1,430	(324)	1,106	154.94	7.14	1,238.64	1,245.78
Piercebridge	1,565	(216)	1,349	59.24	22.77	1,238.64	1,261.41
Sadberge	5,600	(712)	4,888	301.21	16.23	1,238.64	1,254.87
Whessoe	4,400	(1,047)	3,353	537.07	6.24	1,238.64	1,244.88
	135,325	(12,436)	122,889				

APPENDIX 2

BILLING AUTHORITY'S COUNCIL TAXES FOR EACH PROPERTY BAND 2014/15

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	827.43	965.33	1,103.23	1,241.14	1,516.94	1,792.76	2,068.56	2,482.28
Bishopton	850.18	991.88	1,133.57	1,275.27	1,558.67	1,842.07	2,125.46	2,550.54
Heighington	836.38	975.79	1,115.18	1,254.58	1,533.37	1,812.17	2,090.96	2,509.16
High Coniscliffe	833.26	972.14	1,111.01	1,249.89	1,527.65	1,805.41	2,083.16	2,499.78
Hurworth	845.21	986.09	1,126.95	1,267.82	1,549.55	1,831.30	2,113.03	2,535.64
Low Coniscliffe /								
Merrybent	837.10	976.62	1,116.13	1,255.65	1,534.68	1,813.72	2,092.75	2,511.30
Low Dinsdale	839.42	979.33	1,119.23	1,259.13	1,538.94	1,818.75	2,098.56	2,518.26
Middleton St. George	846.58	987.68	1,128.77	1,269.87	1,552.06	1,834.26	2,116.45	2,539.74
Neasham	830.52	968.94	1,107.36	1,245.78	1,522.61	1,799.46	2,076.30	2,491.56
Piercebridge	840.94	981.10	1,121.25	1,261.41	1,541.72	1,822.04	2,102.35	2,522.82
Sadberge	836.58	976.01	1,115.43	1,254.87	1,533.72	1,812.59	2,091.45	2,509.74
Whessoe	829.92	968.25	1,106.56	1,244.88	1,521.52	1,798.17	2,074.81	2,489.76
All other parts of the Council's area	825.76	963.39	1,101.01	1,238.64	1,513.89	1,789.15	2,064.40	2,477.28

APPENDIX 3

OVERALL COUNCIL TAX FOR EACH PROPERTY BAND 2014/15

	A	B	C	D	E	F	G	H
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p
Archdeacon Newton	995.25	1,161.12	1,326.99	1,492.87	1,824.61	2,156.37	2,488.11	2,985.74
Bishopton	1,018.00	1,187.67	1,357.33	1,527.00	1,866.34	2,205.68	2,545.01	3,054.00
Heighington	1,004.20	1,171.58	1,338.94	1,506.31	1,841.04	2,175.78	2,510.51	3,012.62
High Coniscliffe	1,001.08	1,167.93	1,334.77	1,501.62	1,835.32	2,169.02	2,502.71	3,003.24
Hurworth	1,013.03	1,181.88	1,350.71	1,519.55	1,857.22	2,194.91	2,532.58	3,039.10
Low Coniscliffe / Merrybent	1,004.92	1,172.41	1,339.89	1,507.38	1,842.35	2,177.33	2,512.30	3,014.76
Low Dinsdale	1,007.24	1,175.12	1,342.99	1,510.86	1,846.61	2,182.36	2,518.11	3,021.72
Middleton St. George	1,014.40	1,183.47	1,352.53	1,521.60	1,859.73	2,197.87	2,536.00	3,043.20
Neasham	998.34	1,164.73	1,331.12	1,497.51	1,830.28	2,163.07	2,495.85	2,995.02
Piercebridge	1,008.76	1,176.89	1,345.01	1,513.14	1,849.39	2,185.65	2,521.90	3,026.28
Sadberge	1,004.40	1,171.80	1,339.19	1,506.60	1,841.39	2,176.20	2,511.00	3,013.20
Whessoe	997.74	1,164.04	1,330.32	1,496.61	1,829.19	2,161.78	2,494.36	2,993.22
All other parts of the Council's area	993.58	1,159.18	1,324.77	1,490.37	1,821.56	2,152.76	2,483.95	2,980.74