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Dear Member

**COUNCIL - THURSDAY, 27 FEBRUARY 2014**

I am now able to enclose, for consideration at the Thursday, 27 February 2014 meeting of the Council, additional papers that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>	<b>Page</b>
16.	<b>Review of Torbay's Allocation Policy Report of the Overview and Scrutiny Board</b>	(Page 266)
17.	<b>Council Tax 2014/15 Report which was marked as to follow on the agenda</b>	(Pages 267 - 272)
18.	<b>Revenue Budget Monitoring Report - Q3 Report of the Overview and Scrutiny Board</b>	(Page 273)

Yours sincerely

Teresa Buckley  
Clerk

## Overview & Scrutiny *Confidence in your Council*



### Allocations Policy

#### Report of the Overview and Scrutiny Board – February 2014

At its meeting on 19 February 2014, the Overview and Scrutiny Board considered a report which set out details of a review of the Council's Allocations Policy which had been undertaken in light of the Localism Act 2011 which enabled local authorities to restrict access to their register for social housing. The review aimed to ensure that the Council was providing the best opportunities for local residents and making the most appropriate use of the social housing stock in Torbay.

Questions were raised during the debate on the issue about whether the Council had the appropriate information about the sizes of homes which were available and being built in Torbay compared with the size of home which was required to meet the needs of households on the Register. It was reported that the proposed Annual Lettings Plan would provide some of this information together with the new Housing Strategy.

**It was recommended to the Council** that the proposed Housing Allocations Policy be amended to include information about the size and type of housing which is required to meet the needs of the households within Torbay.



**Meeting:** Council

**Date:** 27 February 2014

**Wards Affected:** All Wards in Torbay

**Report Title:** Council Tax 2014/15

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## 1. Purpose

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2014/15.

## 2. Proposed Decisions

### **That the Council is recommended to note:**

- 2.1 That in December 2013 the Council calculated the Council Tax Base for 2014/15:-
- a) For the whole Council area as 41,713.28, [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
  - b) For dwellings in the Brixham Town Council area as 5,633.38 to which a Parish precept relates.
- 2.2 That the Police and Crime Commissioner for Devon and Cornwall and the Devon and Somerset Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table in paragraph 2.5 below.

### **That the Council is recommended to approve:**

- 2.3 The Council Tax requirement for the Council's own purposes for 2014/15 (excluding Brixham Town Council) of £52,607,537.
- 2.4 That the following amounts be calculated for the year 2014/15 in accordance with Chapter Three of the Act:
- a) £283,910,284 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 the precept issued to it by Brixham Town Council.

b) £231,108,447 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

c) £52,801,837 being the amount by which the aggregate at 2.4(a) above exceeds the aggregate at 2.4(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).

d) £1265.83 being the amount at 2.4(c) above (Item R), all divided by Item T (2.1(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 (including Parish precepts).

e) £194,300 being the aggregate amount of all special items (Brixham Town Council) referred to in Section 34(1) of the Act

f) £1,261.17 being the amount at 2.4(d) above less the result given by dividing the amount at 2.4(e) above by Item T (2.1(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.

2.5 That the Council, in accordance with Chapter Three of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings.

	Valuation Band							
	A	B	C	D	E	F	G	H
Ratio of each band to Band D	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
	£	£	£	£	£	£	£	£
Torbay Council	840.78	980.91	1,121.04	<u>1,261.17</u>	1,541.43	1,821.69	2,101.95	2,522.34
Police and Crime Commissioner	110.77	129.24	147.70	166.16	203.08	240.01	276.93	332.32
Devon and Somerset Fire and Rescue Authority	51.26	59.80	68.35	76.89	93.98	111.06	128.15	153.78
Aggregate of Council Tax Requirements excl. Town Council	<b>1,002.81</b>	<b>1,169.95</b>	<b>1,337.09</b>	<b>1,504.22</b>	<b>1,838.49</b>	<b>2,172.76</b>	<b>2,507.03</b>	<b>3,008.44</b>
Brixham Town Council	22.99	26.83	30.66	34.49	42.15	49.82	57.48	68.98
Aggregate of Council Tax Requirements including Brixham Town Council	<b>1,025.80</b>	<b>1,196.78</b>	<b>1,367.75</b>	<u><b>1,538.71</b></u>	<b>1,880.64</b>	<b>2,222.58</b>	<b>2,564.51</b>	<b>3,077.42</b>

2.6 That the Council's basic amount of Council Tax for 2014/15 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. (see paragraph 5.3)

### **3 Action Needed**

3.1 The Council has a statutory obligation to set a Council Tax Requirement and a Council Tax for the Torbay area, including the demands of the precepting bodies, for 2014/15 before 11<sup>th</sup> March in the preceding financial year. By approving proposed decisions the Council will meet that requirement.

### **4 Summary**

4.1 Members should note that due to the complexity of setting the council tax level in accordance with statute it is not possible to simplify this report.

4.2 The Council is required, in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set an amount of Council Tax for each of the eight Valuation Bands for the coming financial year before 11<sup>th</sup> March. This is a matter of calculation only but in accordance with Section 67 of the Act has to be set by the Council.

4.3 The Council determined the statutory Tax Base at its meeting in December 2013 as 41,713.28 for the year 2014/15. The Tax Base for Brixham Town Council was also calculated as 5,633.38. When the "Council Tax Requirements" of the Police and Crime Commissioner for Devon and Cornwall, the Devon and Somerset Fire and Rescue Authority and Torbay Council (including Brixham Town Council) are determined, it remains only to make the statutory "basic tax" calculations in accordance with the Local Government Finance Act 1992, as amended by the Localism Act 2011, and "set" the tax for the eight Valuation Bands A to H ranging from 6/9ths to 18/9ths of the basic amount – "Band D".

4.4 The precept levels of other precepting bodies have been received. These are detailed below:

#### **Brixham Town Council**

Brixham Town Council met on 23rd January 2014 and set their precept at £194,300. This results in a Band D Council Tax for 2013/14 of £34.49, (£27.74 13/14), an increase of 24.33%.

#### **Police and Crime Commissioner (PCC) for Devon & Cornwall**

The Police and Crime Commissioner for Devon and Cornwall met on 7<sup>th</sup> February 2014 and set a precept at £6,931,079, adjusted by a Collection Fund contribution of £89,957 to result in an amount due from the Council as billing authority of £7,021,036. This results in a Band D Council Tax for 2014/15 of £166.16, (£162.92 13/14), an increase of 1.99%.

4.7 Devon and Somerset Fire and Rescue Authority

Devon and Somerset Fire and Rescue Authority met on 24th February 2014 and set their precept at £3,207,334, adjusted by a (Council tax) Collection Fund contribution of £41,627 to result in an amount due from the Council as billing authority of £3,248,961. This results in a Band D Council Tax for 2014/15 of £76.89, (£75.39 13/14), an increase of 1.99%.

4.8 If the formal Council Tax Resolutions within 2.5 above are approved, the total basic amount “Band D” of Council Tax will be as follows:

	2013/14 £	2014/15 £	2014/15 % Change
Torbay Council	1,261.17	1,261.17	0%
Police and Crime Commissioner	162.92	166.16	1.99%
Devon and Somerset Fire and Rescue Authority	75.39	76.89	1.99%
<b>Sub-Total</b>	<b>1,499.48</b>	<b>1,504.22</b>	<b>0.32%</b>
Brixham Town Council (only payable by Brixham residents)	27.74	34.49	24.33%
<b>Total</b>	<b>1,527.22</b>	<b>1,538.71</b>	<b>0.75%</b>

## **Supporting Information**

### **5 Position**

- 5.1 The Mayor presented the 2014/15 revenue budget proposal to Council on 6<sup>th</sup> February which was adjourned to the 13<sup>th</sup> February. The Council approved the budget on the 13<sup>th</sup> February and set a net budget for 2014/5 for Torbay Council at £115.747 million. This is net expenditure before the Council's general income and funding, which includes a 49% share of business rates retention, NNDR top up grant, revenue support grant, other general grants and any collection fund surplus or deficit.
- 5.2 This results in a Council Tax requirement for the Torbay Council element of £52.608 million. Including the Brixham Town Council precept the Council Tax requirement is £52.802 million.
- 5.3 Expenditure at that level for Torbay Council will result in a Band D Council Tax for 2014/15 of £1,261.17, a 0% increase in the Torbay Council element of the Council tax.
- 5.4 Under section 52ZB(1) of the Local Government Finance Act 1992 ("the 1992 Act") as inserted by Schedule 5 to the Localism Act 2011, each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year ("the year under consideration") is excessive. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
- 5.5 The question whether an authority's relevant basic amount of council tax for a financial year ("the year under consideration") is excessive must be decided in accordance with a set of principles determined by the Secretary of State for the year
- 5.6 The "Referendums Relating to Council Tax Increases (Principles) Report 2014/15 said:-
- "For 2014-15, the relevant basic amount of council tax of an authority..... is excessive if the authority's relevant basic amount of council tax for 2014-15 is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2013-14".
- 5.7 For Torbay Council if the formal Council Tax Resolutions within 2.4 above are approved the change in the "relevant basic amount" (i.e. the Band D Council tax) is 0%.
- 5.8 The gross expenditure and income figures included at 2.4 (a) and 2.4 (b) are based on the budget digest information presented to Council in February, adjusted for any inter service allocations and for Academy schools funding recoupment.

### **6 Possibilities and Options**

- 6.1 Statutory requirement, there are no alternative options.

### **7 Preferred Solution/Option**

- 7.1 Statutory requirement, there are no alternative options.

## **8 Consultation**

- 8.1 There has been extensive consultation on the budget proposals with all Members and through the Overview and Scrutiny Board meetings held in January 2014 and consultation with stakeholders and residents through a series of Community Partnership meetings and Council staff.

## **9 Risks**

- 9.1 The Council must set the Council Tax before 11<sup>th</sup> March each year. The Collection of Council Tax income is essential to ensure the services provided by the Council and the other precepting bodies are adequately funded.
- 9.2 If the Council fails to set a Council Tax before 11<sup>th</sup> March, it will be in breach of its statutory obligation and subject to legal challenge.



## Overview & Scrutiny *Confidence in your Council*



### Revenue Budget Monitoring

#### Report of the Overview and Scrutiny Board – February 2014

At its meeting on 19 February 2014, the Overview and Scrutiny Board considered a report setting out the projected outturn position of the Council's revenue budget for 2013/2014 as at the end of Quarter 3. It was noted that, whilst the position had improved since the Quarter 2 report, there was still a projected overspend of £1.65 million.

The Vice-chairman of the Board circulated a paper which had been considered at the Council Business Policy Development Group the previous day. It showed that the Council Tax Exceptional Hardship Payments budget was currently underspent by £48,000 and the Crisis Support budget was currently underspent by £360,000. It was confirmed that these underspends had not been taken into account in preparing the budget monitoring report as it was assumed that they would be carried forward into the next year's budget.

**It is recommended to the Council** that the underspends in the Council Tax Exceptional Hardship Payments and Crisis Support budgets be ringfenced and used to fund a more progressive approach to help the people in most need in our community.