

WIRRAL COUNCIL

COUNCIL

25 FEBRUARY 2014

SUBJECT	COUNCIL TAX 2014/15
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 The report seeks approval for the statutory calculations in respect of setting the Council Tax as contained in this report, to set the total amount of Council Tax for the financial year 2014/15 for the different categories of dwellings, and to determine that the Council's Basic Amount of Council Tax for the financial year 2014/15 is not excessive such that Referendum is not necessary.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 In setting its Council Tax the Council is required to have regard to the various determinations set out in the Local Government Finance Act 1992 as amended by the Localism Act 2011 and the Local Audit & Accountability Act 2014.
- 2.2 The principal change through the Localism Act was a requirement to calculate a Council Tax requirement and not a budget requirement as previously. The Local Audit Act amended the Basic Amount calculation for Referendum purposes. It is now a comparison between Band D levels for the proposed and preceding financial years whereas previously levies had been excluded from the calculation.

The Statutory Calculations and Resolution

- 2.3 The statutory calculations associated with each Council Tax increase are set out below and the Council is now invited to approve.
- 2.4 It be noted that in accordance with Section 31B of the Local Government Finance Act 1992 (as amended), that Cabinet on 10 December 2013 calculated the Council Tax Base 2014/15 for the whole of the properties in its area as 87,786.2 (Item T in the statutory formula)
- 2.5 That the following amounts be calculated and approved by the Council for the year 2014/15 in accordance with Sections 32-36 of the Local Government Finance Act 1992 (as amended) ("the Act");

- a) £112,213,601 being the amount calculated in accordance with Section 31A (4) of the Act (amended) as the Council Tax Requirement for 2014/15 (item R in the statutory formula). This amount (d) is determined as being the difference between:
- i). £769,097,665 this being the aggregate of the amounts calculated in accordance with Section 31A (2) of the Act (as amended), i.e. the aggregate of the amounts that the Council estimates that will be charged to a revenue account for the year in performing its functions, that are required to be set aside for contingencies and reserves and required to be transferred from its General Fund to its Collection Fund in the year and
 - ii) £656,884,064 this being the amount calculated in accordance with Section 31A (3) of the Act (as amended), i.e. the aggregate of the amounts of income that the Council estimates will be credited to a revenue account for the year in accordance with proper practices, the amount of reserves that are estimated to be used to provide for the items referred to in paragraph 3(a) above, and required to be transferred from its Collection Fund to its General Fund in the year.
- b) £1,278.16 being the amount calculated in accordance with Section 31B (1) of the Act (amended) as the Basic Amount of Council Tax for 2014/15. This amount being calculated as item R in paragraph 2.5(a) above divided by item T in paragraph 2.4 above.
- c) that in accordance with Section 36(1) of the Act that the following amounts are calculated for each valuation band in the area:

Wirral Council

A	B	C	D
£852.17	£994.20	£1,136.23	£1,278.26
E	F	G	H
£1,562.32	£1,846.38	£2,130.43	£2,556.52

- 2.6 These amounts being the amounts given by multiplying the amount calculated as the basic amount of council tax by the number which in the proportion set out in Section 5(1) of the Act is applicable to dwellings in a particular valuation band which is applicable to dwellings listed in valuation Band D.
- 2.7 It be determined that the amount set in 2.5(c) above as the Council's Basic Amount of Council Tax for 2014/15 is not excessive in accordance with the principles determined by the Secretary of State under section 52ZC of the Act (as amended) and that no Referendum to approve the Basic Amount of Council Tax is required. The principles require a Referendum to be held for any increases of 2% or above.

Wirral – Basic Amount Of Council Tax

	2013/14	2014/15	Change
	£	£	£
Band D	1,278.26	1,278.26	Nil

- 2.8 To note that the Police and Crime Commission for Merseyside and the Merseyside Fire and Rescue Service 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 tables.

Police and Crime Commission for Merseyside (awaited)

A	B	C	D
E	F	G	H

Merseyside Fire and Rescue Service (awaited)

A	B	C	D
E	F	G	H

- 2.9 That having calculated the amounts at 2.5(c) and 2.7 above that the Council in accordance with Section 30 (2) of the Act hereby sets the following amounts as the total amount of Council Tax for the year 2014/15 for each of the categories of dwellings.

Total Council Tax for Wirral (awaiting Police and Fire)

A	B	C	D
E	F	G	H

Local discount under Section 13a of the Local Government Act 1992 (pensioner discounts)

- 2.10 That for the financial year 2014/15 the Council will ensure that a pensioner household (over 70) within Property Bands A-D will receive a 5% award against its Council Tax liability.

This applies where:-

- (i) The Council Tax payer pays Council Tax in Wirral as their main home and all individuals in the household that are counted as resident for Council Tax purposes are aged 70 or over on 1 April 2014 (but where the qualifying age criterion is met after 1 April 2014 eligibility will be effective from the relevant birth date only).
- (ii) This reduction will be calculated after deduction of all other Council Tax discounts and reliefs.
- (iii) Application must be made for the reduction where it is not currently in payment or the potential claimant is not in receipt of Council Tax Support. No pensioner household in receipt of full Council Tax Support will qualify for the reduction.

3.0 RELEVANT RISKS

- 3.1 Risks are assessed as part of the Budget setting process with a risk based approach to the Budget and the level of General Fund balances which have been reported to the Cabinet.
- 3.2 The Local Audit & Accountability Act 2014 see levies included within the Basic Amount for Council Tax comparison, Therefore any variation in the levies has to be contained within the Wirral Council Tax requirement.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The Government introduced a Council Tax Referendum requirement if the Council Tax increase is determined as excessive. Any Council Tax increase of 2% or above is therefore subject to a Referendum which rules out alternative increased amounts above this figure.

5.0 CONSULTATION

- 5.1 There are none arising directly from his report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are no implications for voluntary, community or faith groups.

7.0 RESOURCE IMPLICATIONS

- 7.1 The report sets the Council Tax amounts for 2014/15.

8.0 LEGAL IMPLICATIONS

8.1 In setting its Council Tax the Council is required to have regard to the various determinations set out in the Local Government Finance Act, 1992 as amended by the Localism Act, 2011 and the Local Audit & Accountability Act 2014.

9.0 EQUALITIES IMPLICATIONS

9.1 The Council have a statutory duty in carrying out its functions, to have due regard to its equality obligations. When taking budget decisions, Members must be aware of the duty and consider potential impacts upon various groups affected. Setting the Council Tax forms part of the Budget process and the Medium Term Financial Strategy.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from his report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from his report.

12.0 RECOMMENDATION

12.1 The Council determines a Council Tax for 2014/15 and that the associated statutory calculations for that level of Council Tax as set out in this report be duly approved and adopted.

13.0 REASON FOR RECOMMENDATION

13.1 This report supports the short-medium term financial planning process informing both the General Fund Budget 2014/15 and the Medium Term Financial Strategy 2014/17.

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SUBJECT HISTORY

Council Meeting	Date
Cabinet	12 February 2014