

Referendum Limit Announcement

1 Introduction

- 1.1 The main panel report is based upon the assumption that the limit at which the Council Tax referendum exception limit is set was to be 2 % in line with the announcement in the Chancellors Spending Review on 26th June 2013 . The Home Secretary announced on Wednesday 5th February 2014 that the council tax limit above which a referendum was needed in 2014/15 is to be set at 2% or above. This addendum paper sets out the changes required to implement the revised level of tax to the new limit of 1.99%.
- 1.2 This paper assumes that the previously stated levels of funding and the contribution from reserves remains the same as at the 2% Council Tax increase level ,

2. The Revised Precept Proposal- (Page 23 and 38 of Panel Report)

- 2.1 In a written ministerial statement on Wednesday, Parliamentary Under Secretary of State for Communities and Local Government Brandon Lewis set out the percentage increase in Council Tax which local authorities, fire authorities and Police and Crime Commissioners in England can set in 2014/15 without a referendum. Any increase of 2%, or higher than 2%, will require a referendum. The critical figure for the triggering a referendum is therefore 1.99%, not 2%
- 2.2 The Commissioner in his paper to the panel has recommended a council tax increase of 2% or lower if this triggers a referendum. The PCC has no desire to trigger a referendum his objective being to ensure that there is sufficient funding to enable his intentions in the Police and Crime plan to be delivered especially with regard to maintaining police officer numbers at 3000 or above. In view of the referendum principles and the proposal already submitted to the panel the PCC wishes to place the following proposal for the 2014/15 Council Tax to the panel:

Recommendation:

- 1) That the proposed council tax increase for 2014-15 should be set at 1.99% and**
- 2) That the council tax freeze grant for 2014-15 is not accepted;**

3. Setting The Council Tax (Page 46 of the Panel Report)

- 3.1 The reduction in the proposed precept level from 2% to 1.99% changes the calculation of Band D council Tax from £166.18 to £166.16 .This adjusts the calculation for each of the tax bands and therefore the whole of page 46 of the panel paper needs to be replaced by the following

Table: 1 Council tax information and Precept

Tax base, collection variations and precepts						
	Tax Base declared by Councils	Total Precept payable by Councils £	Surplus (Deficit) on collection £	Amount due from Councils £	% share payable by Councils	
East Devon	54,047.00	£8,980,449.52	£0.00	£8,980,449.52	9.63%	
Exeter	34,344.00	£5,706,599.04	£27,437.00	£5,734,036.04	6.15%	
Mid Devon	26,996.05	£4,485,663.67	£55,028.00	£4,540,691.67	4.87%	
North Devon	31,543.02	£5,241,188.20	-£7,300.94	£5,233,887.26	5.61%	
Plymouth	67,066.00	£11,143,686.56	£194,763.00	£11,338,449.56	12.16%	
South Hams	36,250.26	£6,023,343.20	£53,000.00	£6,076,343.20	6.52%	
Teignbridge	44,548.00	£7,402,095.68	£0.00	£7,402,095.68	7.94%	
Torbay	41,713.28	£6,931,078.60	£89,957.00	£7,021,035.60	7.53%	
Torrige	21,778.03	£3,618,637.46	£44,207.00	£3,662,844.46	3.93%	
West Devon	19,185.50	£3,187,862.68	£0.00	£3,187,862.68	3.42%	
Cornwall	175,908.63	£29,228,977.96	£609,000.00	£29,837,977.96	32.00%	
Isles of Scilly	1,319.10	£219,181.66	£13,000.00	£232,181.66	0.25%	
	554,698.87	£92,168,764.23	£1,079,091.06	£93,247,855.29	100.0%	

Police element of Council Tax due for each Property Valuation Band						
Valuation band	Government multiplier		Council Tax by band		Increase per week	%
	Ratio		2014-15	2013-14		
A	6 / 9	0.667	£110.77	£108.61	+ 4.2 p	1.99%
B	7 / 9	0.778	£129.24	£126.72	+ 4.8 p	
C	8 / 9	0.889	£147.70	£144.82	+ 5.5 p	
D	1	1.000	£166.16	£162.92	+ 6.2 p	
E	11 / 9	1.222	£203.08	£199.12	+ 7.6 p	
F	13 / 9	1.444	£240.01	£235.33	+ 9.0 p	
G	15 / 9	1.667	£276.93	£271.53	+ 10.4 p	
H	18 / 9	2.000	£332.32	£325.84	+ 12.5 p	

Calculation of relevant basic amount of Council Tax			
Council Tax Requirement	£		Band D Council Tax
	92,168,764.23	=	£166.16
Tax Base	554,698.87		

The tax base and collection fund information is accurate to the date of the production of this report. Billing authorities have until the 31 January to notify the OPCC of changes to this information and for this reason it may be subject to minor changes