

**COUNCIL**  
**10 FEBRUARY 2015**

**REPORT OF CABINET**

**A.1 EXECUTIVE'S PROPOSALS – GENERAL FUND BUDGET AND COUNCIL TAX – 2015/16**

(Reference prepared by Richard Barrett)

**PART 1 – KEY INFORMATION**

**PURPOSE OF THE REPORT**

To present to Council the Cabinet's General Fund budget proposals including the Council Tax for District and Parish / Town Council Services for 2015/16.

**EXECUTIVE SUMMARY**

The information and recommendations set out in this report reflect the Cabinet's budget proposals approved for submission to Council at their meeting on 23 January 2015. In accordance with the agreed delegation, the position considered by Cabinet on 23 January 2015 has been updated to reflect changes to the income figures for Business Rates. This has not had an impact on the overall net budget position previously considered.

For 2015/16, the Cabinet's budget proposals set out a General Fund capital programme totalling **£27.151m** and a Council Tax requirement of **£6.539m** (total net budget of **£14.835m**)

The overall revenue budget reflects a Band D Council Tax 'freeze' for this Council's services in 2015/16.

The budget recommended by Cabinet for approval by Council includes only the District and Parish elements of the Council Tax rather than those from the major precepting authorities. The formal approval of the 'full' Council Tax levy for the year, including the precepts from Essex County Council, Police and Crime Commissioner and Fire Authority, is delegated to the Council Tax Committee which is due to meet on the 19 February 2015.

**RECOMMENDATION(S)**

**a) That having had regard to the Chief Finance Officer's (S151 Officer) report on the Robustness of Estimates and Adequacy of Reserves in accordance with the requirements under Section 25 of the Local Government Act 2003, and having taken account of the responses to the budget consultation process the Council approves the budget proposals (based on a 0% Band D council tax increase for district services) and agrees:**

- i) That the total General Fund net revenue budget for 2015/16 be set at £14.835m and revised net budget for 2014/15 of £15.898m (a council tax requirement of £6.539m and £6.419m respectively excluding parish precepts).**
- ii) That the General Fund capital programme be approved totalling £27.151m in 2015/16.**
- iii) That the detailed General Fund budgets be as per the Cabinet's budget proposals of 23 January 2015, updated to reflect the**

changes set out in this report.

- iv) The calculation of the Council's Council Tax requirement, Special Expenses and Parish/Town Council precepts, as set out at Appendix C.
- v) The Council Tax for District and Parish/Town Councils' services as at Appendix F and that these are the amounts to be taken into account for the year in respect of the categories of dwellings listed in different valuation bands.
- vi) That subject to the above, if budget adjustments are required following the late notification of external / grant funding, then in consultation with the Finance and Transformation Portfolio Holder, budgets are adjusted accordingly with no net impact on the overall budget or capital programme set out above.

## **PART 2 – IMPLICATIONS OF THE DECISION**

### **DELIVERING PRIORITIES**

Careful planning to ensure financial stability underpins the Council's capacity to achieve the objectives set out in the Corporate Plan and Community Strategy. Individual elements of the Financial Strategy are risk assessed against the aspirations of the Council, as well as statutory service requirements. The approach for 2015/16 builds on previous successful financial planning and is key to the Council's aim to deliver sustainable and joined up services to everyone in the District. This is particularly important in the current climate when resources are scarce and the Council will need to focus even more on identifying and funding its key priorities.

This report will have direct implications on the Council's ability to deliver on its key objectives and priorities and in particular on the speed with which the Council can deliver its priorities, rather than the priorities themselves.

### **FINANCE, OTHER RESOURCES AND RISK**

#### **Finance and other resources**

The financial implications are set out in the body of the report.

Although the availability of financial resources is a key component in the delivery of services there will also need to be appropriate input of other resources such as staffing, assets, IT etc.

#### **Risk**

There are clearly risks associated with the financial forecast. The actions to achieve a fully funded budget, including limiting budgets to previous years prices where applicable and restricting cost pressures, give rise to the potential for items that have not been funded to emerge or for increases in income etc. not to materialise in reality. This is particularly so given the current economic climate, the reductions in the availability of public sector funding, the Government's programme of change for Councils' services and the impact on the Council's core funding streams from changes to business rate distribution and council tax.

In view of the above it is important that the Council has a sufficient level of uncommitted reserves set aside to support the approach identified within the financial forecast. An

uncommitted reserve of approximately **£4.000m** (including the **£1.600m** minimum working balance) has been approved previously and remains in place as part of the detailed estimates for 2015/16.

## **LEGAL**

The current arrangements for setting and agreeing a budget and for the setting and collection of council tax are defined in the Local Government Finance Act 1992. The existing legislation defining the arrangements for charging, collecting and pooling of Business Rates is contained within the Local Government Finance Act 1988. These were both amended as appropriate to reflect the introduction of the Local Government Finance Act 2012.

The Local Government Finance Act 2012 provided the legislative framework for the introduction of the Rates Retention Scheme and the Localisation of Council Tax Support.

The 'Calculation of Council Tax Base Regulations 2012' set out arrangements for calculation of the council tax base following implementation of the Local Council Tax Support Scheme. These arrangements resulted in a lower tax base for the District Council, major preceptors and town and parish councils.

The Localism Act 2012 introduced legislation around the right of veto for residents on excessive Council Tax increases and on the arrangement for Housing Revenue Account (HRA) accounting.

## **OTHER IMPLICATIONS**

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

These implications have no impact on the budget itself. However, they are taken account of in the delivery of individual services and projects.

## **PART 3 – SUPPORTING INFORMATION**

### **2015/16 BUDGET PROPOSALS**

On 23 January 2015 the Cabinet considered the following report:-

#### **A.6 FINAL GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2015/16**

Cabinet resolved (minute 113 refers):

#### **Cabinet approves:**

- (a) That if the financial position changes prior to Council considering the budget on 10 February 2015, delegation be given to the Corporate Director (Corporate Services) to adjust the use of the Austerity Reserve and / or the NNDR Resilience Reserve as required in consultation with the Finance and Transformation Portfolio Holder.
- (b) That in consultation with the Leader / Finance and Transformation Portfolio Holder, the Corporate Director (Corporate Services) reports directly to Council in respect of the formal draft resolutions necessary to implement the Cabinet's budget proposals along with any late information or notifications received from Communities and Local Government etc. as may necessarily affect the budget.

**That subject to the above, Cabinet recommends to Full Council:**

- (a) That following the consideration of the comments from the Corporate Management Committee and the responses from the budget consultation activities undertaken, the following final budget proposals be made (based on a 0% increase in a Band D council tax for district services):-
  - i) That the detailed budgets as per Appendix A of this report be approved which provide for a Council Tax Requirement for 2015/16 of £6.539m (£6.419m for 2014/15) (excluding parish precepts).
  - ii) That the Council agrees and formally approves:
    - a) The specific recommendations, calculations and other matters in respect of the Council's requirements – Appendix C
    - b) The Council Tax for this Council's services – Appendix F.

**That in respect of the recommendations and comments from the Corporate Management Committee, Cabinet:**

- (a) Notes the comments in respect of their proactive approach in supporting the budget and working with other Local Authorities in delivering services, and Portfolio Holders look forward to working with the Committee to support the Council in continuing to set a balanced budget from 2016/17 and beyond
- (b) Asks Officers to investigate including Special Expenses within the overall budget setting process rather than as a separate item, albeit with the same approach in calculating special expenses maintained for 2016/17 and beyond.

**CHANGES SUBSEQUENT TO THE CABINET'S PROPOSALS OF 23 JANUARY 2015**

At the time this report was printed, the final grant settlement from the Government had yet to be received. Historically the final figure has not been significantly different to the draft figures, so if the final settlement differs to the amount currently included in the budgets, then it is proposed that a corresponding adjustment is made to the Austerity Reserve with no impact on the Council Tax Requirement of **£6.539m**.

In accordance with the agreed delegation, the position considered by Cabinet on 23 January 2015 has now been updated to reflect subsequent changes.

The changes required to the budget relate to Business Rates and reflect the figures within the associated 'property base' return that was approved by the Finance and Transformation Portfolio Holder on 29 January 2015.

After taking into account the comprehensive adjustments that are now associated with this very technical area of the Council's budget, additional net income amounts of **£0.438m** and **£0.636m** have been identified for inclusion in the estimates in 2014/15 and 2015/16 respectively. This significant improvement in the overall net income position from business rates is primarily due to the full effect of the Government Grants receivable to 'reimburse' the Council for reduced income from the various business rate reliefs and the 'capping' of increases across years that formed part of the Government's budget and financial settlement announcements.

Due to the complexity of the business rates income forecasts, income that is received on a cash basis may have to be accounted for across different years which introduces

additional risk over and above the underlying volatility of one of the Council's primary income streams.

Due to the above risk and volatility it is proposed to make an additional contribution of **£0.481m** to the NNDR Resilience Reserve in 2015/16. This brings the total amount held in this reserve to **£1.089m** at the end of 2015/16. Given the fact that income from business rates can change significantly year on year due to events in the wider economy, it is prudent to set aside the above amount to ensure the Council can react in a resilient and considered way in the event of any future reductions in income. Therefore based on current forecasts, the above amount would enable the Council to 'cover' 2 to 3 years of reduced business rates income, which provides a reasonable timescale for the Council to reflect it in its medium term financial planning process and identify ways to 'close' the associated funding gap. This approach includes an assessment of the safety net threshold of 7.5% after which the Government underwrites the risk of further reductions in income.

In respect of 2014/15, the additional income of **£0.438m** has been added to the Austerity Reserve, which is estimated to total **£2.816m** at the end of 2014/15.

There have been no further changes required to the budgets.

The original forecast considered by Cabinet on 23 January 2015 included a call on the Austerity Reserve of **£0.155m**. Following the adjustments set out above, there is no longer a need to call on any money from the Austerity Reserve in 2015/16. Therefore the Council has been able to balance its budget for 2015/16 from in-year budget reductions rather than relying on one-off reserves, which is a strong position against which to move forward into 2016/17.

At this stage in the budget setting process it is acknowledged that the Council may still receive notification of additional specific grants from the Government or other funding bodies. A recommendation is set out above that provides a delegation to include such amounts in the budget as necessary.

## GENERAL FUND BUDGET SUMMARIES

The revenue budget and capital programme are summarised below. In respect of the revenue budget, this is based on a Band D Council Tax 'freeze' for this Council's services in 2015/16.

**Table 1 – General Fund Revenue Budget - 2014/15 Revised and 2015/16 Estimates**

|  | <b>2014/15<br/>Original<br/>£m</b> | <b>2014/15<br/>Revised<br/>£m</b> | <b>2015/16<br/>Original<br/>£m</b> |
|--|------------------------------------|-----------------------------------|------------------------------------|
| Net Cost of Services   | 17.584                             | 22.675                            | 15.343                             |
| Revenue support for capital investment                         | 0.396                              | 5.298                             | 3.237                              |
| Financing items  | (1.190)                            | (0.554)                           | (0.692)                            |
| <b>Net Expenditure</b>   | <b>16.790</b>                      | <b>27.419</b>                     | <b>17.888</b>                      |
| Contribution to /(from) Reserves                               | (0.427)                            | (11.521)                          | (3.053)                            |
| <b>Total Net Budget</b>  | <b>16.363</b>                      | <b>15.898</b>                     | <b>14.835</b>                      |
| Locally retained share of Business Rates                       | (4.586)                            | (4.048)                           | (4.358)                            |
| Revenue Support Grant  | (5.104)                            | (5.104)                           | (3.561)                            |
| Collection Fund Surplus  | (0.254)                            | (0.327)                           | (0.377)                            |
| <b>Council Tax Requirement (for Tendring District Council)</b> | <b>6.419</b>                       | <b>6.419</b>                      | <b>6.539</b>                       |
| Parish Precepts  | 1.327                              | 1.327                             | 1.360                              |
| <b>Council Tax Requirement (as per Requisite Calculations)</b> | <b>7.746</b>                       | <b>7.746</b>                      | <b>7.899</b>                       |

**Table 2 – General Fund Capital Programme - 2014/15 Revised and 2015/16 Estimates**

|                              | <b>2014/15<br/>Original<br/>Budget<br/>£m</b> | <b>2014/15<br/>Revised<br/>Budget<br/>£m</b> | <b>2015/16<br/>Original<br/>Budget<br/>£m</b> |
|------------------------------|---|--|---|
| <b>EXPENDITURE</b>           | 18.161  | 19.335                                       | 27.151  |
| <b>FINANCING</b>             |   |  |   |
| External Contributions       | 1.090   | 1.170  | 3.000   |
| S106                         | 0.196   | 0.202  | 0   |
| Leasing                      | 0.160   | 0.160  | 0.283   |
| Government Grants            | 11.599  | 11.599                                       | 20.530  |
| Capital Receipts             | 0.906   | 0.906  | 0.100   |
| Direct Revenue Contributions | 1.196   | 1.277  | 3.238   |
| Earmarked Reserves           | 3.014   | 4.021  | 0   |
| <b>Total Financing</b>       | <b>18.161</b>                                 | <b>19.335</b>                                | <b>27.151</b>                                 |

## ROBUSTNESS OF THE ESTIMATES AND ADEQUACY OF RESERVES

The report *Final General Fund Revenue Budget and Capital Programme 2015/16* considered by Cabinet on 23 January 2015 set out the Chief Finance Officer's (S151 Officer) report on the Robustness of the Estimates and the Adequacy of the Reserves as required by section 25 of the Local Government Act 2003. The relevant extract from the report is attached at **Appendix A**. Taking into account all the relevant issues the estimates

can be considered as robust and are supported by adequate reserves.

At its 12 December 2014 meeting, Cabinet considered the '**UPDATED FINANCIAL BASELINE 2015/16 AND DETAILED BUDGET PROPOSALS FOR A REVISED BUDGET 2014/15 AND ORIGINAL BUDGET FOR 2015/16**'. Within that report a look ahead to the Council's forecasted financial position from 2016/17 onwards was highlighted, which provides the background to the budget setting process for 2015/16 that is worth briefly revisiting as part of this report as follows:

***Based on a number of assumptions and risks, early forecasts show a funding 'gap' of £2.343m in 2016/17 rising to in excess of £5.000m on a cumulative basis by 2019/20. This forecast will be reviewed early in 2015/16 and reported to Members accordingly.***

#### **BACKGROUND PAPERS FOR THE DECISION**

Working papers held in accountancy

#### **APPENDICES**

|                   |   |
|-------------------|---|
| <b>Appendix A</b> | <b>Extract from Cabinet report 23 January 2015 setting out the Chief Finance Officer's (S151 Officer) report on the Robustness of the Estimates and the Adequacy of the Reserves</b>  |
| <b>Appendix B</b> | <b>Special Expenses 2015/16</b>   |
| <b>Appendix C</b> | <b>Required Budget Calculations 2015/16</b>   |
| <b>Appendix D</b> | <b>Calculation of District and Parish / Town Council Taxes for All Areas 2015/16</b>  |
| <b>Appendix E</b> | <b>Precepts on the Collection Fund 2015/16</b>  |
| <b>Appendix F</b> | <b>District and Parish/Town Council Tax Amounts 2015/16. (excludes Council Tax amounts for County, Fire and Police services 2015/16 which will form part of the final Council Tax setting process via the Council Tax Committee )</b> |
| <b>Appendix G</b> | <b>Calculation of Estimated Surplus on the Collection Fund for 2015/16</b>  |

## Extract from Cabinet Report 23 January 2015

**Robustness of Estimates and Adequacy of Reserves – Report under Section 25 of the Local Government Act 2003.**

As part of the requirements set out in legislation, the Chief Finance Officer (S151 Officer) must report to Council as part of the budget process on the following two matters:

***Robustness of the Estimates***

The budget estimates for 2015/16 have been prepared within the framework of a risk based process. Clear rationale has been stated surrounding the formulation of the 2015/16 budget which is supported by reserves. This position has been supported by a programme of actions, including on-going staffing reviews / departmental restructures, which has contributed substantially to delivering a robust and sustainable financial position. A fundamental review of reserves undertaken in 2014 identified that the Council's current level of reserves remain adequate to 'underwrite' risks and uncertainties that are also inherent within the budget setting process. No significant changes have been made in 2015/16 that changes this underlying principle and in fact additional contributions have been made to the Austerity Reserve during 2014/15 as part of the Corporate Budget Monitoring process to further strengthen the Council's financial resilience. A specific statement on reserves is set out further on in this section of the report.

The budget continues to take account of the outturn position from the previous year and the Council's budget process identifies cost pressures which also allow it to remain alert to potential changes to its financial position. Clear actions also form part of the Council's Annual Governance Statement that includes amongst other things a number of financial risks and issues that enable the Council to keep a watching brief on significant upcoming matters that have a financial consequence. Where the Council has made a significant financial commitment, such as to the Clacton and Holland Coast Project and the Crematorium Refurbishment Scheme, money has been found from within existing budgets and set aside accordingly rather than relying on projected savings or future forecasts.

It is recognised that cost pressures will emerge over and above those recognised as 'unavoidable' that have been built into the budgets. It is currently proposed on updating the list of emerging cost pressures early in 2015 with a view to prioritise them and undertake a one-off exercise to identify funding from within one-off budgets such as the Fit for Purpose budget or to review against the Austerity or other earmarked reserves.

Financial Resilience remains at the forefront of the financial planning process with money identified where possible to invest in 'spend to save' projects that will in turn support the Council in delivering a balanced and sustainable budget in the long term. It is important to highlight that the Council continues to aim to find savings from within its underlying revenue budget rather than rely on potentially time limited income such as from the New Homes Bonus to balance the budget.

The need to continue with a planned budget reduction programme is clearly recognised and remains the key focus for the Council to enable it to continue to provide quality services and associated investment at a time of reducing budgets. A self-sufficiency approach now forms part of the Council's medium term financial planning process. Maximising opportunities through investment, especially in regeneration, will form a key element of the Council's approach going into 2015/16 and beyond.

In respect of the 2015/16 budget, work has been undertaken in association with departments to produce detailed budgets that are to a large extent effectively cash limited to previous year's



spending levels. Inflationary pressures have been separately considered with budgets adjusted to take account of such pressures.

2015/16 is the third year of the business rates retention model and Local Council Tax Support Scheme (LCTSS). Work has been undertaken during the year to continue to address the potential risks these significant changes have introduced with robust estimates of their on-going impact made.

It is recognised that there are risks inherent within the Council's financial framework and corresponding detailed estimates. However, action has been taken to mitigate these risks as far as possible. The budgets have been prepared against the background of a continuing and challenging economic climate resulting in on-going reviews of significant budgets within this context especially those that are more volatile in nature such as income forecasts. This significant area of risk will be closely monitored throughout the year.

Within the Financial Strategy framework there is Cabinet involvement at various stages in addition to a comprehensive review and associated input from the Corporate Management Committee. In a change from previous years, the Corporate Management Committee is embarking on activities to identify and deliver significant budget reductions to support the Council in delivering a balanced and sustainable budget in 2016/17 and beyond.

Regular and comprehensive monitoring of the budget will be undertaken during 2015/16 as part of the well-established and comprehensive Corporate Budget Monitoring process so issues can be identified and action can be taken at the earliest opportunity if and when appropriate.

The proposed budget resulting from this process is therefore robust and deliverable and is supported by reserves with further details below.

### ***Adequacy of the Reserves***

An integral part of the Council's overall strategy is that the level of reserves is sufficient to support identified risks along with supporting a sustainable budget position in the longer term. The level of uncommitted reserves forecast at 31 March 2016 is **£4.000m** including the minimum working balance of **£1.600m**. All of the reserves are regarded as adequate and recognise significant risks such as from future welfare changes and potential business rates volatility.

## Proposed Allocation of Special Expenses Budgets 2015/16

|                    | Open<br>Spaces/<br>Play<br>Grounds/<br>Skate Park<br>(A) | Recreation<br>(B) | Total<br>(C)   | Tax Base<br>(D) | Tax<br>(Band D)<br>(E) | Net Impact<br>on Band D<br>Tax<br>(F) |
|--------------------|--|-------------------|----------------|-----------------|------------------------|---------------------------------------|
| Clacton            | 221,280  | 85,937            | 307,217        | 15,951.00       | 19.26                  | 8.06                                  |
| Frinton and Walton | 66,010   | 49,241            | 115,251        | 7,317.50        | 15.75                  | 4.55                                  |
| Harwich            | 60,067   | 13,992            | 74,059         | 5,079.50        | 14.58                  | 3.38                                  |
| Lawford            | 4,340  |                   | 4,340          | 1,377.70        | 3.15                   | (8.05)                                |
| Manningtree        | (4,957)  |                   | (4,957)        | 314.70          | (15.75)                | (26.95)                               |
| All other Parishes |  |                   |                |                 |                        | (11.20)                               |
|                    | <b>346,740</b>   | <b>149,170</b>    | <b>495,910</b> |                 |                        |                                       |

The total value of Special Expenses of £495,910 reduces the General Council Tax by £11.20

Column (E) shows the Special Council tax which will be applicable on the different parts of the District  
Column (F) indicates the net impact on the aggregate Council Tax payable by tax payers

## FOR INFORMATION - Comparison of 2015/16 Special Expenses with 2014/15

|                    | 2014/15 |          |                                |                          | 2015/16 |          |                                |                          | Difference in net impact on total Band D Tax * | % variation in special expenses levy (col g - col c) that will be shown on the Council Tax Bill # |
|--------------------|---------|----------|--------------------------------|--------------------------|---------|----------|--------------------------------|--------------------------|--|---|
|                    | Total   | Tax Base | Special expenses levy (Band D) | £11.27                   | Total   | Tax Base | Special expenses levy (Band D) | £11.20                   |  |   |
|                    |         |          |                                | Net Impact on Band D Tax |         |          |                                | Net Impact on Band D Tax |  |   |
|                    |         |          |                                | (a)                      |         |          |                                | (b)                      |  |   |
| (£)                | (£)     | (£)      | (£)                            | (£)                      | (£)     | (£)      | (£)                            | (£)                      | (%)  |   |
| Clacton            | 303,225 | 15,526.1 | 19.53                          | 8.26                     | 307,217 | 15,951.0 | 19.26                          | 8.06                     | (0.20)   | (1.38)  |
| Frinton and Walton | 114,462 | 7,185.3  | 15.93                          | 4.66                     | 115,251 | 7,317.5  | 15.75                          | 4.55                     | (0.11)   | (1.13)  |
| Harwich            | 73,089  | 4,982.2  | 14.67                          | 3.40                     | 74,059  | 5,079.5  | 14.58                          | 3.38                     | (0.02)   | (0.61)  |
| Lawford            | 4,275   | 1,357.0  | 3.15                           | (8.12)                   | 4,340   | 1,377.7  | 3.15                           | (8.05)                   | 0.07   | 0.00  |
| Manningtree        | (4,938) | 313.5    | (15.75)                        | (27.02)                  | (4,957) | 314.7    | (15.75)                        | (26.95)                  | 0.07   | 0.00  |
| All other Parishes |         |          |                                | (11.27)                  |         |          |                                | (11.20)                  | 0.07   |   |
|                    | 490,113 |          |                                |                          | 495,910 |          |                                |                          |  |   |

\* A difference in brackets is a reduction in levy between the 2 years.

# This percentage will be shown on the Council Tax Bill ( A figure in brackets is a percentage reduction however reductions will not have brackets on the bill, only a "-" ). The Bill does not show the variation in the levy itself.

**REQUISITE BUDGET CALCULATIONS 2015/16**

- (a) It be noted that on 25 November 2014 the Council determined in accordance with the Local Government Act 2003 Section 75, the discounts for second homes and long term empty properties. On 9 January 2015 the Finance and Transformation Portfolio Holder agreed in accordance with delegated power 3.34.7 (decision notice 2510) the following amounts for the year 2015/16 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992 and taking into account the discounts determined by Council on 25 November 2014.
- (i) 44,290.1 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012, as its council tax base for the year.
  - (ii) Part of the Council's area  
The amounts set out in Appendix D column (2) against each area set out in column (1), being the amounts calculated by the Council, in accordance with regulation 6 of the said regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which one or more special items may relate.
- (b) Using the criteria below it is felt that the Council would be justified in passing a contrary resolution in respect of the special expenses which results in a special expenses total of £495,910.

Consideration of Determining the Contrary Resolution

In judging whether the contrary resolution should be passed in respect of any special expenses, the following matters are relevant:

- (i) Whether in respect of this Council's expenditure the function is to be provided generally for the whole district or is to be restricted to a part or parts of the district?
- (ii) To what extent, if any, are restrictions placed on any part of the district as to the accessibility of the function?
- (iii) The use of the facility/activity to which the Special Expense relates.

These matters must each be considered and a view taken as to whether it would be appropriate to pass the contrary resolution in respect of some of the budgeted expenditure on Special Expenses. Budgeted costs have been analysed between Special Expenses and General Expenses areas using the same methodology as that used last year.

- (c) That the tax bases for calculating the burden of special expenses will be as shown in Appendix D column (2)

## APPENDIX C

(d) That the following amounts be calculated by the Council for the year 2015/16 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:

- (i) £110,548,294 Being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2)(a) to (f) of the Act.
- (ii) £102,649,390 Being the aggregate of the amounts that the Council estimates for the items set out in Sections 31A(3)(a) to (d) of the Act.
- (iii) £7,898,904 Being the amount by which the aggregate at d(i) above exceeds the aggregate at d(ii) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax Requirement for the year.
- (iv) £178.34 Being the amount at d(iii) above divided by the amount at a(i) above, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year.
- (v) £1,855,824 Being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (vi) £136.44 Being the amount at d(iv) above less the result given by dividing the amount at d(v) above by the amount at a(i) 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 the parts of its area to which no special items apply.

(viii) Part of the Council's area

The amounts set out in Appendix D column (10) for the areas as set out in column (1), being the amounts given by adding to the amount at d(vi) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount a(ii) above calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

## CALCULATION OF DISTRICT AND PARISH/TOWN 2015/16 COUNCIL TAX FOR ALL AREAS

| Parished or Unparished Areas | Tax Base for Tax Setting Purpose | Parish Precepts  | Council Tax Amount | District Special Expense | Council Tax Amount | Total Special Items (3) + (5) | For all Special Items (4) + (6) | Council Tax For General Expenses | Total (8) + (9) |
|------------------------------|----------------------------------|------------------|--------------------|--------------------------|--------------------|-------------------------------|---------------------------------|----------------------------------|-----------------|
| (1)                          | (2)                              | £ (3)            | £ (4)              | £ (5)                    | £ (6)              | £ (7)                         | £ (8)                           | £ (9)                            | £ (10)          |
| Unparished Area:             |                                  |                  |                    |                          |                    |                               |                                 |                                  |                 |
| Clacton                      | 15,951.0                         |                  |                    | 307,217                  | 19.26              | 307,217                       | 19.26                           | 136.44                           | 155.70          |
| Parishes of:                 |                                  |                  |                    |                          |                    |                               |                                 |                                  |                 |
| Alresford                    | 713.7                            | 71,980           | 100.85             |                          |                    | 71,980                        | 100.85                          | 136.44                           | 237.29          |
| Ardleigh                     | 775.8                            | 30,519           | 39.34              |                          |                    | 30,519                        | 39.34                           | 136.44                           | 175.78          |
| Beaumont-cum-Moze            | 120.4                            | 3,244            | 26.94              |                          |                    | 3,244                         | 26.94                           | 136.44                           | 163.38          |
| Great Bentley                | 757.6                            | 48,440           | 63.94              |                          |                    | 48,440                        | 63.94                           | 136.44                           | 200.38          |
| Little Bentley               | 102.0                            | 1,961            | 19.23              |                          |                    | 1,961                         | 19.23                           | 136.44                           | 155.67          |
| Bradfield                    | 424.7                            | 18,942           | 44.60              |                          |                    | 18,942                        | 44.60                           | 136.44                           | 181.04          |
| Brightlingsea                | 2,661.6                          | 141,501          | 53.16              |                          |                    | 141,501                       | 53.16                           | 136.44                           | 189.60          |
| Great Bromley                | 360.9                            | 18,013           | 49.91              |                          |                    | 18,013                        | 49.91                           | 136.44                           | 186.35          |
| Little Bromley               | 98.6                             | 2,335            | 23.68              |                          |                    | 2,335                         | 23.68                           | 136.44                           | 160.12          |
| Little Clacton               | 895.8                            | 65,388           | 72.99              |                          |                    | 65,388                        | 72.99                           | 136.44                           | 209.43          |
| Elmstead                     | 617.3                            | 27,544           | 44.62              |                          |                    | 27,544                        | 44.62                           | 136.44                           | 181.06          |
| Frating                      | 204.3                            | 8,132            | 39.80              |                          |                    | 8,132                         | 39.80                           | 136.44                           | 176.24          |
| Frinton and Walton           | 7,317.5                          | 349,996          | 47.83              | 115,251                  | 15.75              | 465,247                       | 63.58                           | 136.44                           | 200.02          |
| Harwich                      | 5,079.5                          | 162,645          | 32.02              | 74,059                   | 14.58              | 236,704                       | 46.60                           | 136.44                           | 183.04          |
| Lawford                      | 1,377.7                          | 54,564           | 39.61              | 4,340                    | 3.15               | 58,904                        | 42.76                           | 136.44                           | 179.20          |
| Manningtree                  | 314.7                            | 15,621           | 49.64              | (4,957)                  | (15.75)            | 10,664                        | 33.89                           | 136.44                           | 170.33          |
| Mistley                      | 931.7                            | 54,890           | 58.91              |                          |                    | 54,890                        | 58.91                           | 136.44                           | 195.35          |
| Great Oakley                 | 349.2                            | 18,600           | 53.26              |                          |                    | 18,600                        | 53.26                           | 136.44                           | 189.70          |
| Little Oakley                | 354.8                            | 12,066           | 34.01              |                          |                    | 12,066                        | 34.01                           | 136.44                           | 170.45          |
| Ramsey and Parkeston         | 668.8                            | 36,717           | 54.90              |                          |                    | 36,717                        | 54.90                           | 136.44                           | 191.34          |
| St Osyth                     | 1,702.8                          | 103,293          | 60.66              |                          |                    | 103,293                       | 60.66                           | 136.44                           | 197.10          |
| Tendring                     | 255.9                            | 9,743            | 38.07              |                          |                    | 9,743                         | 38.07                           | 136.44                           | 174.51          |
| Thorpe-le-Soken              | 700.3                            | 32,851           | 46.91              |                          |                    | 32,851                        | 46.91                           | 136.44                           | 183.35          |
| Thorrington                  | 462.8                            | 17,089           | 36.93              |                          |                    | 17,089                        | 36.93                           | 136.44                           | 173.37          |
| Weeley                       | 621.1                            | 31,277           | 50.36              |                          |                    | 31,277                        | 50.36                           | 136.44                           | 186.80          |
| Wix                          | 275.2                            | 17,101           | 62.14              |                          |                    | 17,101                        | 62.14                           | 136.44                           | 198.58          |
| Wrabness                     | 194.4                            | 5,462            | 28.10              |                          |                    | 5,462                         | 28.10                           | 136.44                           | 164.54          |
|                              | <u>44,290.1</u>                  | <u>1,359,914</u> |                    | <u>495,910</u>           |                    | <u>1,855,824</u>              |                                 |                                  |                 |

## PRECEPTS ON THE COLLECTION FUND

| 2014/15      |               |   | 2015/16      |               |               |
|--------------|---------------|---|--------------|---------------|---------------|
| 43,474.6     |               | Council Tax Base                        | 44,290.1     |               |               |
| Amount       | Council       |   | Amount       | Council       | Change        |
| £'000        | Tax           |   | £'000        | Tax           | in Tax        |
|              | £             |   |              | £             | %             |
| 16,363       | 376.37        | Total Net Budget                        | 14,835       | 334.95        |               |
| (9,690)      | (222.89)      | Less Government Support/Business Rates  | (7,919)      | (178.80)      |               |
| <b>6,673</b> | <b>153.48</b> | <b>Net District Council Expenditure</b> | <b>6,916</b> | <b>156.15</b> |               |
| (254)        | (5.84)        | Less Collection Fund Surplus*           | (377)        | (8.51)        |               |
| <b>6,419</b> | <b>147.64</b> | <b>District Council Services</b>        | <b>6,539</b> | <b>147.64</b> | <b>0.00%</b>  |
| 5,929        | 136.37        | District General Expenses               | 6,043        | 136.44        | <b>0.05%</b>  |
| 490          | 11.27         | District Special Expenses               | 496          | 11.20         | <b>-0.62%</b> |
| <b>6,419</b> | <b>147.64</b> | <b>Council Tax Requirement (TDC)</b>    | <b>6,539</b> | <b>147.64</b> | <b>0.00%</b>  |
| 1,327        | 30.54         | Parish Council Services                 | 1,360        | 30.70         | <b>0.52%</b>  |
| <b>7,746</b> | <b>178.18</b> | <b>Council Tax Requirement</b>          | <b>7,899</b> | <b>178.34</b> | <b>0.09%</b>  |

\* Made up of a surplus on Council Tax of £0.358m and Business Rates of £0.019m

## APPENDIX F

### DISTRICT AND PARISH/TOWN COUNCIL TAX AMOUNTS 2015/16

| Band                               | A      | B      | C      | D      | E      | F      | G      | H      |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Multiplier                         | (6/9)  | (7/9)  | (8/9)  | (9/9)  | (11/9) | (13/9) | (15/9) | (18/9) |
| <b>Parished or Unparished Area</b> |        |        |        |        |        |        |        |        |
| Unparished Area:                   |        |        |        |        |        |        |        |        |
| Clacton                            | 103.80 | 121.10 | 138.40 | 155.70 | 190.30 | 224.90 | 259.50 | 311.40 |
| Parishes of :                      |        |        |        |        |        |        |        |        |
| Alresford                          | 158.19 | 184.56 | 210.92 | 237.29 | 290.02 | 342.75 | 395.48 | 474.58 |
| Ardleigh                           | 117.19 | 136.72 | 156.25 | 175.78 | 214.84 | 253.90 | 292.97 | 351.56 |
| Beaumont-cum-Moze                  | 108.92 | 127.07 | 145.23 | 163.38 | 199.69 | 235.99 | 272.30 | 326.76 |
| Great Bentley                      | 133.59 | 155.85 | 178.12 | 200.38 | 244.91 | 289.44 | 333.97 | 400.76 |
| Little Bentley                     | 103.78 | 121.08 | 138.37 | 155.67 | 190.26 | 224.86 | 259.45 | 311.34 |
| Bradfield                          | 120.69 | 140.81 | 160.92 | 181.04 | 221.27 | 261.50 | 301.73 | 362.08 |
| Brightlingsea                      | 126.40 | 147.47 | 168.53 | 189.60 | 231.73 | 273.87 | 316.00 | 379.20 |
| Great Bromley                      | 124.23 | 144.94 | 165.64 | 186.35 | 227.76 | 269.17 | 310.58 | 372.70 |
| Little Bromley                     | 106.75 | 124.54 | 142.33 | 160.12 | 195.70 | 231.28 | 266.87 | 320.24 |
| Little Clacton                     | 139.62 | 162.89 | 186.16 | 209.43 | 255.97 | 302.51 | 349.05 | 418.86 |
| Elmstead                           | 120.71 | 140.82 | 160.94 | 181.06 | 221.30 | 261.53 | 301.77 | 362.12 |
| Frating                            | 117.49 | 137.08 | 156.66 | 176.24 | 215.40 | 254.57 | 293.73 | 352.48 |
| Frinton and Walton                 | 133.35 | 155.57 | 177.80 | 200.02 | 244.47 | 288.92 | 333.37 | 400.04 |
| Harwich                            | 122.03 | 142.36 | 162.70 | 183.04 | 223.72 | 264.39 | 305.07 | 366.08 |
| Lawford                            | 119.47 | 139.38 | 159.29 | 179.20 | 219.02 | 258.84 | 298.67 | 358.40 |
| Manningtree                        | 113.55 | 132.48 | 151.40 | 170.33 | 208.18 | 246.03 | 283.88 | 340.66 |
| Mistley                            | 130.23 | 151.94 | 173.64 | 195.35 | 238.76 | 282.17 | 325.58 | 390.70 |
| Great Oakley                       | 126.47 | 147.54 | 168.62 | 189.70 | 231.86 | 274.01 | 316.17 | 379.40 |
| Little Oakley                      | 113.63 | 132.57 | 151.51 | 170.45 | 208.33 | 246.21 | 284.08 | 340.90 |
| Ramsey and Parkeston               | 127.56 | 148.82 | 170.08 | 191.34 | 233.86 | 276.38 | 318.90 | 382.68 |
| St Osyth                           | 131.40 | 153.30 | 175.20 | 197.10 | 240.90 | 284.70 | 328.50 | 394.20 |
| Tendring                           | 116.34 | 135.73 | 155.12 | 174.51 | 213.29 | 252.07 | 290.85 | 349.02 |
| Thorpe-le-Soken                    | 122.23 | 142.61 | 162.98 | 183.35 | 224.09 | 264.84 | 305.58 | 366.70 |
| Thorrington                        | 115.58 | 134.84 | 154.11 | 173.37 | 211.90 | 250.42 | 288.95 | 346.74 |
| Weeley                             | 124.53 | 145.29 | 166.04 | 186.80 | 228.31 | 269.82 | 311.33 | 373.60 |
| Wix                                | 132.39 | 154.45 | 176.52 | 198.58 | 242.71 | 286.84 | 330.97 | 397.16 |
| Wrabness                           | 109.69 | 127.98 | 146.26 | 164.54 | 201.10 | 237.67 | 274.23 | 329.08 |



## CALCULATION OF ESTIMATED SURPLUS ON THE COLLECTION FUND FOR 2015/16

Under the Local Authorities (Funds) (England) Regulations 1992, the Council (as billing authority) had to estimate, by the 15 January 2015, the Council Tax yield for 2014/15. From the estimated yield and taking into account the actual balance on 31 March 2014, the Council must assess the balance (relating to Council Tax) that will be in the Collection Fund on 31 March 2015.

As the table below shows, this balance is estimated to be a surplus of £2,966,000. This surplus has to be divided between this Council and the three major precepting authorities in proportion to their original budget requirements. This Council's share is £358,142.

**Council Tax Yield 2014/15**

|                                       | Original Estimate |          | Revised Estimate |                |
|---------------------------------------|-------------------|----------|------------------|----------------|
|                                       | £'000             | £'000    | £'000            | £'000          |
| <b>Council Tax Income</b>             |                   | (64,152) |                  | (65,664)       |
| <b>Expenditure</b>                    |                   |          |                  |                |
| Precepts                              |                   |          |                  |                |
| - Essex County Council                | 47,246            |          | 47,246           |                |
| - Essex Fire Authority                | 2,888             |          | 2,888            |                |
| - Essex Police Authority              | 6,272             |          | 6,272            |                |
| - Tendring District Council           | 7,746             |          | 7,746            |                |
|                                       |                   | 64,152   |                  | 64,152         |
| Balances                              |                   |          |                  |                |
| - Essex County Council                | 1,550             |          | 1,550            |                |
| - Essex Fire Authority                | 95                |          | 95               |                |
| - Essex Police Authority              | 202               |          | 202              |                |
| - Tendring District Council           | 253               |          | 253              |                |
|                                       |                   | 2,100    |                  | 2,100          |
| (Surplus)/Deficit for Year            |                   | 2,100    |                  | 588            |
| Add (Surplus)/Deficit Brought Forward |                   | (2,100)  |                  | (3,554)        |
| <b>Balance Carried Forward</b>        |                   | <b>0</b> |                  | <b>(2,966)</b> |

**Apportionment of Surplus Available to Reduce Council Tax Levy in 2015/16**

|                           | £                |
|---------------------------|------------------|
| Essex County Council      | 2,184,370        |
| Essex Fire Authority      | 133,505          |
| Essex Police Authority    | 289,983          |
| Tendring District Council | 358,142          |
|                           | <b>2,966,000</b> |