

Appendix 2b

Calculation of the Precept (with a 1.99% Council Tax Increase)

RECOMMENDATIONS

Based on an increase in Council Tax of 1.99% in 2015/2016, the Authority is requested to:

- (h) Approve a 1.99% increase in Council Tax for 2015/2016;
- (i) Approve the following amounts for the Authority for the year 2015/2016 which represents a 1.99% increase in Council Tax for 2015/2016, in accordance with Sections 42A to 47 of the Local Government Finance Act 1992 as amended:
 - (i) £61,350,066 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(2)(a) to (d) of the Act;
 - (ii) £41,084,990 - being the aggregate of the amounts which the Authority estimates for the items set out in Section 42A(3)(a) to (b) adjusted for item of the Act;
 - (iii) £20,265,076 - being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Authority in accordance with Section 42A(4) of the Act, as its Council Tax Requirement for the year, Item R in the formula in Section 42B of the Act;
 - (iv) £74.6200 - being the amount at (iii) (Item R) above divided by the Council Tax Base (Item T), calculated by the Authority in accordance with Section 42B(1) of the Act, as the basic amount of its Council Tax for the year.

(v) **Valuation Bands**

£

A	49.7467	being the amount given by multiplying the
B	58.0378	amount at (iv) above by the number which, in
C	66.3289	the proportion set out in Section 5(1) of the Act,
D	74.6200	is applicable to dwellings listed in a particular
E	91.2022	valuation and divided by the number which that
F	107.7844	proportion is applicable to dwellings listed in
G	124.3667	valuation band D, calculated by the Authority in
H	149.2400	accordance with Section 47(1) of the Act, as the
		amounts to be taken into account for the year in
		respect of categories of dwellings listed in
		different valuation bands.

- (j) Note that under Section 52ZB of the Local Government Finance Act, the Authority's relevant basic amount of council tax for 2015/2016 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act (i.e. no referendum is required).
- (k) Approve that in accordance with Section 40 of the Local Government Finance Act 1992, the billing authorities within the area of this authority be issued with precepts in the amount of £20,265,076 for the financial year beginning 1st April 2015, the amount of the respective precepts to be issued to each billing authority's area in accordance with Sections 42A to 48 of the 1992 Act.

Details of the Precept Calculations

1.1 The calculation of the Council Tax Requirement (precept) takes into account the Authority's proposed Net Revenue Budget, Government funding and the local share of business rates. Allowance also has to be made for the Authority's share of any surplus or deficit on the five District Council's council tax collection fund and business rates collection fund.

1.2 The estimated balances at the year ending 31st March 2015 on the billing authorities' Collection Funds in respect of Council Tax are as follows:

	£
Gateshead	51,000
Newcastle	12,075
North Tyneside	2,047
South Tyneside	45,317
Sunderland	30,844
Total	141,283

1.3 The estimated balances at the year ending 31st March 2015 on the billing authorities' Collection Funds in respect of Business Rates are as follows:

	£
Gateshead	-20,280
Newcastle	-14,487
North Tyneside	-44,902
South Tyneside	-14,007
Sunderland	10,359
Total	-83,317

1.4 Assuming a net budget of £49,806,290 is approved, the calculation of the Council Tax Requirement (precept) is shown in the following table below:

2015/2016	£	£
Fire Authority's Net Budget		49,806,290
Less: Government Funding:		
Revenue Support Grant	(14,944,714)	
Top-Up Grant	(9,980,355)	
Section 31 Grant	(127,920)	
SFA Adjustment	(205,759)	(25,258,748)
Less: Local Share of Business Rates		(4,224,500)
Less: Estimated net surplus on Collection Fund at 31st March 2015 (Council Tax)		(141,283)
Add: Estimated net deficit on Collection Fund at 31st March 2015 (Business Rates)		83,317
Council Tax Requirement / (Precept)		20,265,076

Council Tax Base

- 1.5 The 'council tax bases' of the five District Councils are used to calculate the proportion of the Fire Authority's total precept to be levied on each Authority. The tax base is the estimated full year equivalent number of chargeable 'Band D' dwellings with two or more liable adults in respect of which tax will be received.
- 1.6 The 'council tax bases' for 2015/2016, as notified to the Fire Authority, and the total precepts proposed to be levied are set out in the table below:

District Council	Council Tax Base	Precept £
Gateshead	49,924	3,725,329
Newcastle	62,736	4,681,360
North Tyneside	56,424	4,210,359
South Tyneside	36,493	2,723,108
Sunderland	66,000	4,924,920
Total	271,577	20,265,076

Calculation of Fire Authority's Basic Council Tax

- 1.7 The Basic Council Tax for the Fire Authority is calculated by dividing the total precept by the aggregate of tax bases as shown below:

$$\frac{\text{Council Tax Requirement}}{\text{Total Council Tax Base}} = \text{Basic Council Tax (at Band D)}$$

$$= \mathbf{£74.62}$$

- 1.8 A Basic Council Tax (at Band D) of £74.62 for the year 2015/2016 represents a 1.99% increase as compared to the 2014/2015 level.

Based on the Council Tax Requirement of £20,265,076 (known as Item R) and a basic Council Tax of £74.62 (R / T) it is recommended that the Authority adopts the following resolutions:

- 1.9 That for the year ended 31st March 2016:
- (i) the 'council tax base' for the whole of the Authority's area be noted as 271,577 (known as Item T);
 - (ii) the 'basic amount of council tax' be £74.62 and the amount of council tax for each category of dwelling be approved as set out below:



Valuation Band	(Proportion of 'Basic Amount')	Council Tax
		£
A	6/9	49.75
B	7/9	58.04
C	8/9	66.33
D	9/9	74.62
E	11/9	91.20
F	13/9	107.78
G	15/9	124.37
H	18/9	149.24

- (iii) Under Section 52ZB of the Local Government Finance Act, the Authority's relevant basic amount of council tax for 2015/16 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act (i.e. no referendum is required as the authority is freezing its council tax for 2015/2016).
- (iv) Approve that in accordance with Section 40 of the Local Government Finance Act 1992, the billing authorities within the area of this authority be issued with precepts in the amount of £20,265,076 for the financial year beginning 1st April 2015, the amount of the respective precepts to be issued to each billing authority's area in accordance with Sections 42A to 48 of the 1992 Act.

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