

## REVENUE ESTIMATES

20. The General Fund summary up to the year ending 31 March 2016 is submitted for Members' approval as **Appendix B1**.
21. The figures in Appendix B1 show the 2014-15 original estimate for Net District Council General Fund Expenditure of £16.215 million decreasing to £16.099 million in the 2015-16 estimate, a decrease of £0.116 million in cash terms (0.7%).
22. **Appendix B2** sets out details of "precautionary" items of expenditure totalling £412,000. These are items of expenditure over which there is some doubt as to whether they would occur in 2015-16, but if they did, the Council would be required to meet them. It has been assumed that expenditure of £75,000 will be incurred on precautionary items in 2015-16 on the basis that there has been limited use of precautionary items in previous years, with most additional demands being met by virements from other budgets.

## COLLECTION FUND BALANCE

23. The Council's Collection Fund includes transactions relating to the Council Tax.
24. Regulations provide that the balance on the Collection Fund at 31st March 2015, whether in hand or overdrawn, must be transferred to the Billing Authority and the major precepting authorities in the same ratio as their 2014-15 precepts.
25. It is estimated that the balance at 31 March 2015 will be a surplus of £1,123,739 of which £142,439 will be transferred to the District in 2015-16.

## PART 2 – SETTING THE COUNCIL TAX

### CALCULATION OF THE TAX

26. The Council Tax figures quoted in this report relate to the tax on a Band D property occupied by two or more adults unless otherwise indicated. Last year the process for setting the tax base changed following the introduction of major changes to the welfare system in April 2013. The principal change was the end of the council tax benefit system. In replacement, billing authorities were required to design and implement their own localised council tax support schemes (LCTSS).
27. Essentially, this is done through the granting of discounts to the council tax bill. Under the legislation, the council is required to grant the equivalent discount in cash terms as benefit for pensioners, so they will not notice any change to their bills. The Council also decided to fully protect other vulnerable groups and to limit the impact on remaining benefit claimants. To partially offset the impact of the new LCTSS, the Council ceased some discounts and exemptions granted to owners of second and empty homes.
28. As a consequence of the changes the District Council saw a reduction to the council tax base. This is because the granting of discounts is treated as a reduction to the amount chargeable as opposed to council tax benefit which is treated as a reduction to the amount payable by the claimant.