

Local Audit & Accountability Act 2014

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BACKGROUND

IDB funding overview

The penny rate

Rating history

Differential Rating



LAA ACT 2014

The issues – clause 41

ADA Lobbying

Referendum Limits



WORKED EXAMPLE – 1.0 Hectare

	AV	Pump	Grav	£TP	£TG
Drainage Rate	100	.156	.073	15.60	7.30
Trf to:					
Special Levy	4,000	.156	.073	624	292



WORKED EXAMPLE – Domestic Development

Land in special levy is developed (40 houses per Ha)

Assume Council Tax band B = £108.92

Total Council Tax (x40) = £4,356.80

Therefore £4,356.80 v £624 (special levy)

+ New Homes bonus

WORKED EXAMPLE – Business Rates

Land in special levy is developed (20 Offices per Ha)

Assume £10,000 per office

Total Business Rates = £200,000

Therefore under the new resourcing arrangement the council would retain £100,000

CAVEATS

Timing

Discounts and Exemptions

Additional Services

HOWEVER

District Councils will generate additional income when land is transferred to special levy area



REFERENDUMS – Gearing is important

Reasons for Rate Increases

- reduced income

- inflation

- EA precept

Special Levy Increases

- As above

- Land Transfers

- Boundary changes

- Revaluations