

ITEM**Overview and Scrutiny Briefing Note**

Title	Andover Special Expenses Levy		
Report of the Head of	Finance		
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Report to	Overview and Scrutiny Committee	Date	26/10/16

Briefing Summary

To review the Andover Special Expenses levy calculation as part of the 2017/18 budget setting process.

Main focus of the documentReason for the levy

A special expenses levy is a tool which can be used to address double taxation. In this context double taxation is where residents in local council areas may be paying twice over for particular public services. It can happen because many local services are 'concurrent functions' – that is, they can be managed and delivered either by local parish and town councils or by principal local authorities such as this Council (TVBC).

This occurs where, within the Borough, services are delivered in some places by TVBC and in other places by parish or Town Councils. This could result in some residents paying for the service in their local council area through its precept, while at the same time they contribute to the cost of provision elsewhere in the Borough through the Council Tax bill.

Sections 34 and 25 of the Local Government Finance Act 1992 allow different amounts of Council Tax to be calculated for different parts of a billing authorities' area. If there are services which a district council is only providing to certain parts of its area they become 'special expenses', unless it resolves otherwise. Special expenses are removed from its general expenses and are shown separately from general expenses on the Council Tax bill. Such functions must be concurrent, must be a district council responsibility and must be being delivered by both tiers (district and local councils) in different places.

The billing authority (TVBC) only charges special expenses to Council Tax payers in those places where it is delivering and funding the relevant services. In other areas local (parish and town) councils are delivering these services and will be funding

them (most probably from the precept they levy on their residents).

The Andover Special Expenses Levy was brought in at a time when the whole of the Borough was parished apart from the Andover wards. In parished areas, the Parish or Town Council is responsible for carrying out local services funded by its precept. To equalise the treatment across the Borough, the Council Taxpayers in the Andover Wards are charged a Special Expenses Levy. This represents a contribution towards TVBC's costs incurred in providing those facilities in Andover, which in Parish areas would be met from Parish Council Tax. Even though Andover now has its own Town Council, the Levy is still relevant because of the limited range of services that the Town Council runs.

Current position in Andover

The Andover special expenses levy was last reviewed in 2014/15 when it was set at £23.85 per Band D property.

The current charge for 2016/17 is £23.05 per Band D property which contributes £301.1k to TVBC's income.

It is made up of charges for cemeteries, grounds maintenance, outdoor sports facilities, playgrounds, public halls and urban parks & open spaces.

Scope of the review for 2017/18

The review will:

- Identify which charges have previously been included in the levy and check that they are still relevant
- Calculate the relevant percentages that should be applied to the charges to identify the Andover costs
- Identify any new areas for which charges should be applied (if any)
- Take into account the latest figures for the Andover Council tax base in calculating a levy for 2017/18.

The outcome of the review will go forward to OSCOM and Cabinet as part of the 2017/18 budget review in January 2017.

Proposed Outcomes for consideration

This briefing note is designed primarily to inform OSCOM of the forthcoming review and its anticipated scope. Work has already begun on collating the necessary data to inform the review, but it is not too late to amend the scope if Members have any particular concerns which may require further investigation as part of the review.

Confidentiality

It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.

No of Annexes:	0
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