Kilworthy Park, Drake Road, Tavistock, Devon PL19 0BZ

Tel: 01822 813600 **Fax:** 01822 813634 **Text:** 07624 804164

Customer Service Centres:

Kilworthy Park, Tavistock

10 St James Street, Okehampton

West Devon Borough Council

Please reply to: Cllr Philip Sanders, Leader of the Council Direct telephone: 01822 612265 E-Mail: cllr.Philip.Sanders@westdevon.gov.uk

The Clerk Dartmoor Forest Parish Council

Our Ref: PS/Fin 30 September 2014

DX 82405 Tavistock

Dear Clerk

Council Tax Support Grant to Town and Parish Councils

At the Council's Resources Committee meeting on 7th October 2014 Members will consider the proposal to be minded to pass on a reduction in grant funding to you in 2015/16. This is in relation to the allocation of Council Tax Support Grant which Towns and Parishes receive.

I wanted to write to you in advance of the meeting so that Town and Parish Clerks have prior notice that Members will be meeting to consider this and so that you are informed for precept setting purposes as to the direction that the Borough Council may take.

As you are aware Council Tax Benefit was abolished in 2013/14 with the Council implementing a cost neutral local Council Tax Reduction Scheme in 2014/15. These changes reduced the council tax base not only for the Borough Council but also for Towns and Parishes, as well as Devon County Council, the Police & Crime Commission and Devon & Somerset Fire Authority.

The Government provides financial support for local authorities (Council Tax Support Grant) to assist them in dealing with the effects of the benefit change.

In the December 2013 Statement, the Minister reminded local authorities that within the funding for Council Tax Support Schemes there is an element to specifically reflect reductions in the parish tax base that resulted from the introduction of Localised Support for council tax. He confirmed that the funding is not separately identified, because it is not ring-fenced and there is recognition that as caseloads change and schemes evolve, the amount that different parishes need will change. He also stated that there is an expectation by the Government that billing authorities will continue to pass on support to town and parish councils to help mitigate any reduction in their tax base due to the local council tax support scheme.

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Last year we consulted with Town and Parish Councils to explain that as the Borough Council's Government funding was being reduced each year we would need to pass on the same reduction in grant funding to Town and Parish Councils in respect of the Council Tax Support Grant.

For 2014/15 the Borough Council approved a grant distribution of £103,137. It is estimated that the Council's Government funding will decrease by 15.37% in 2015/16, which will result in the grant to Town and Parish Councils being reduced to £87,284. This will mean that your Council Tax Support Grant allocation would reduce from £1657 in 2014/15 to £1402 in 2015/16 (please see attached schedule).

I want to emphasise that the reduction in the Council Tax Support Grant is not a West Devon Borough Council initiative but we are simply passing onto Town and Parish Councils the reduction that the Council has received from the Government.

We expect the Government to announce the actual finance settlement in late December 2014 and hope to notify you of your 2015/16 Council Tax Base as soon as possible after that. For financial planning purposes I would ask you to prepare for a 15.37% reduction in the Council Tax Support Grant payable for the 2015/16 financial year.

In line with the practice in previous years we will request completed Precept forms be returned to West Devon Borough Council by 30th January, 2015. These will be sent to you with your Council Tax Base information.

Yours sincerely

Councillor Philip Sanders Leader of the Council