

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
12 February 2019

Subject: COUNCIL TAX 2019/20

All Wards
Portfolio Holder for Economic Development and Finance: Councillor P R Wilkinson

1.0 PURPOSE AND BACKGROUND:

- 1.1 This report considers the level of Council Tax for 2019/20 and the policy on reserves. It also provides Members with details of the Council's formula grant funding settlement for 2019/20, the 75% Business Rates Retention Scheme and the requirement for the Council to generate income from a variety of projects. The 75% Business rate Retention Scheme is a pilot scheme for 1 year only which is across North Yorkshire and West Yorkshire Councils. It is expected to benefit the Council in obtaining increased funding, and is a precursor to the new 75% Business Rate Retentions Scheme from 2020/21 that is currently under consultation with the Ministry of Housing Communities and Local Government (MHCLG).
- 1.2 The current Financial Strategy assumes that the Council will increase Council Tax by £5 on a Band D equivalent property in 2019/20 to £109.48. Council tax did not rise for five years up to 2016/17 however since that date the reduction in funding from Central Government detailed in the four year funding settlement has resulted in a decrease of 36% to zero in the council's funding making any further council tax freezes no longer viable.
- 1.3 Detailed budget proposals have been considered previously on this Cabinet agenda. The Revenue Budget for 2019/20 is £9,085,870; an increase of £989,700 from 2018/19 where the increase in the budget mainly relates to an increase in salaries and members allowance across the organisation. This is two-fold where the 'national employer' offer across all local authorities has suggested increasing salaries by 2% and also ensures those on lower wages receive the national living wage. Secondly, due to pressures that have arisen in Departments during 2018/19 new employees have been appointed to support the delivery of services across the district, the projects detailed in the Council plan as well as the review of plans to generate other sources of income for the future sustainability of the financial strategy.
- 1.4 The Council Tax, the implications of the Local Government finance settlement, the 75% Business Rate Retention scheme, the generation of income from new revenue streams and the budget for 2019/20 are discussed further in Annex A.
- 1.5 The Council has a specific statutory duty to consult with the Business Community regarding expenditure plans for the coming financial year. A budget consultation was undertaken between September and December 2018 where aims to balance the various needs of the Council and all its stakeholders, to produce a soundly based financial plan for the future, were reviewed. The budget consultation process 2019/20 is set against the background of the Council's Financial Strategy, which, in turn, uses information from the Government's Local Government finance settlement, the 75% Business Rate Retention Scheme pilot and locally generated income. The results of the consultation exercises have been considered as part of the budget process and are attached in Annex B.

1.6 A policy on the Balances and Reserves of the Council is set out in Annex C for Members' approval.

2.0 RISK ASSESSMENT:

2.1 There are no major risks associated with the recommendations in this report.

3.0 RECOMMENDATIONS:

3.1 That Cabinet recommends to Council:-

(1) That it be noted that on 15 January 2019 Hambleton District Council calculated the Council Tax Base for 2019/20:-

- (a) for the whole Council area as 36,847.22 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
- (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached Annex A(1).

(2) That the Council has calculated the Council Tax requirement for the Council's own purposes for 2019/20 (excluding Parish precepts) as £4,034,033.65

(3) That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

(a) **District/Parish Gross Expenditure**

£ 47,644,004.00

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils

(b) **District/Parish Gross Income (including Government Grants, use of Reserves and Collection Fund Surpluses etc)**

£ 42,107,836.30

being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act

(c) **District/Parish Net Expenditure**

£ 5,536,167.70

being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act)

(d) **Basic Amount of Tax (including average Parish Precepts)**

£ 150.2466

being the amount at 3(c) above (Item R) all divided by Item T (1(a) above), calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts)

(e) **Parish Precepts**

£ 1,502,134.05

being the aggregate of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Annex 'A')

(f) **Basic Amount of Tax (Unparished Areas)**

£109.4800

being the amount at 3(d) above less the result given by dividing the amount at 4(e) above by Item T (1(a) above), calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates

- (4) **Major Precepting Authorities** That it be noted that the North Yorkshire County Council, the North Yorkshire Fire and Rescue Authority and the Police and Crime Commissioner North Yorkshire will issue precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area and this will be as indicated in the table below and at Annex A(1).
- (5) **Council Tax Bands for All Councils**
Figures for North Yorkshire County Council, North Yorkshire Fire and Rescue Authority and Police and Crime Commissioner North Yorkshire are yet to be determined and will be reported at Council on 26 February 2019.

That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts in the tables below as the amounts of Council Tax for 2019/20 for each part of its area and for each of the categories of the dwellings.

Hambleton District Council

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
72.99	85.15	97.32	109.48	133.81	158.14	182.47	218.96

North Yorkshire County Council – excluding Adult Social Care

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£

North Yorkshire County Council – Adult Social Care

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£

North Yorkshire Fire and Rescue Authority

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£

Police and Crime Commissioner North Yorkshire

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£

(6) **Excessive Council Tax**

That the Council determines that the Council's basic amount of Council Tax for 2019/20 (at 3(f) above) is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.

(7) The appropriate amount is transferred to the Council Taxpayers Reserve to support the decision at (3) above.

(8) The policy on Balances and Reserves at Annex C is approved.

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Background papers: None

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