

HAMBLETON DISTRICT COUNCIL

Report To: Cabinet
11 February 2014

Subject: COUNCIL TAX 2014/15

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

1.0 PURPOSE AND BACKGROUND:

- 1.1 This report considers for 2014/15 the level of Council Tax and the policy on reserves. In addition, it provides Members with details of the Council's formula grant settlement released on 19 December 2013 and the Council's Business Rates base that will be used by Government to calculate the Business Rates target for 2015/16 for the Retained Business Rates funding mechanism, which from 2014/15 will be operated as a pool across North Yorkshire.
- 1.3 The current Financial Strategy approved on 10 December 2013 assumes that the Council will set a 0% increase in Council Tax and accept the Council Tax Freeze Grant offered by Government. It is proposed that this strategy is followed and that Council Tax in Hambleton is frozen for the fourth consecutive year.
- 1.2 Detailed budget proposals were approved by Council on 10 December 2013. The approved revenue budget for 2014/15 is £7,463,150 approximately a 3% reduction on the 2013/14 revenue budget which was set at £7,691,460.
- 1.4 The impact of the Localisation of Council Tax Benefit on the Council Tax Base and the implications for precepting authorities, in particular parish councils, is discussed in Annex A. Also, Annex A(1) provides a schedule of all Parish Council precepts and Council Tax charges.
- 1.5 The statutory consultation with ratepayers is to be held during January 2014. The results of these 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 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 Council calculated the Council Tax Base 2014/15:-
 - (a) for the whole Council area as £34,021.71 [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 2014/15 (excluding Parish precepts) as £3,044,263.
- (3) That the following amounts be calculated for the year 2014/15 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-
- (a) **District/Parish Gross Expenditure**
£46,092,351.68 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)**
£41,817,567.39 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**
£4,274,784.29 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)**
£125.6377 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**
£1,230,521.68 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)**
£89.4800 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 North Yorkshire Police Authority have issued 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 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 North Yorkshire Police Authority are yet to be determined and will be reported at Council on 18th February 2014.

That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings.

Hambleton District Council

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
59.65	69.60	79.54	89.48	109.36	129.25	149.13	178.96

North Yorkshire County Council

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
£	£	£	£	£	£	£	£

North Yorkshire Police Authority

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 2014/15 (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 taken from the Council Taxpayers Reserve to support the decision at (3) above.

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

JUSTIN IVES

Background papers: None
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Council Tax 2014/15

1.0 INTRODUCTION AND BACKGROUND:

- 1.1 This paper considers the level of Council Tax for 2014/15 in the light of the approved revenue budget for 2014/15 and financial strategy, as well as the Government's Formula Grant settlement and proposals for a fourth year of Council Tax freeze.

2.0 REVENUE ESTIMATE AND FINANCIAL STRATEGY:

- 2.1 The approved revenue estimate for 2014/15 is a net total of £7,463,150 this is approximately a 3% reduction on the 2013/14 approved budget of £7,691,460.
- 2.2 The Financial Strategy approved by Cabinet in November 2012, demonstrated that the approved budget of £7,463,150 was affordable and would allow the Council to set a balanced budget.
- 2.3 The affordability of this budget was predicted on assumptions made in the Financial Strategy around the level of grant funding for 2014/15, this affordability has been confirmed in the level of grant support allocated to the Council as part of the Local Government Finance Settlement announced on 19 December 2013.

3.0 FORMULA GRANT SETTLEMENT AND COUNCIL TAX

- 3.1 The Comprehensive Spending Review announced in October 2010 set out unprecedented grant reductions for Local Government over the 4 year period 2011/12 to 2014/15. The Local Government Finance Settlements following the Comprehensive Spending Review have cut Government Grant support to this Council by £1,661,280 or 28.59%, between 2011/12 and 2013/14.
- 3.2 On 19 December 2013 the Finance Settlement for 2014/15 was announced. This announcement also gave indicative figures for 2015/16. The detail of the settlement is set out below, but in summary the Council is guaranteed to receive £3,905,420 of funding in 2014/15 from a combination of new Revenue Support Grant, Council Tax Freeze Grant, Localisation of Council Tax Benefit Grant and retained Business Rates. This is a £513,165 or 11.8% reduction on the amount received in 2013/14. These figures are broadly similar to those which were budgeted for in the Financial Strategy, however this settlement must be considered against a backdrop of a number of issues:
- 1) Indicative Finance Settlement figures were also released for 2015/16 which reduces the Council's funding settlement by £590,585 or 16%.
 - 2) Further funding reductions beyond 2015/16 are inevitable as the Government continues its austerity drive to reduce the countries budget deficit.
 - 3) Based upon those figures between 2011/12 and 2015/16, this Council will have received a reduction in Government support of £2,775,030 or 48%.

Detailed Funding Settlement

	2014/15 £	2015/16 £ (Indicative)
Business Rates target	26,385,588	TBC
Levy paid to Central Government	(13,192,794)	TBC
Local share of Business Rates	13,192,794	TBC
County Council/Fire share at 20%	(2,638,559)	TBC
Hambleton District Council share at 80%	10,554,235	TBC
Fixed tariff paid to Central Government	8,694,995	TBC
Hambleton District Council Retained Business Rates Target	1,859,240	1,910,557
Hambleton District Council Guaranteed Business Rates based on the Safety Net.	1,719,797	1,767,265
Revenue Support Grant	2,185,623	1,512,196
Total Guaranteed Funding Settlement	3,905,420	3,279,461

% Reduction

16%

- 3.3 The percentage reduction for 2014/15 is broadly the same as that anticipated in the Financial Strategy. However, the Business Rate Retention Funding Mechanism has with it inherent risk for Local Government. Principally, if the business rate target set for the Council is not met the reduction in Business Rates will reduce the local share, not the amounts paid to Central Government. Any loss of income will be met 80% by Hambleton District Council, 18% by North Yorkshire County Council and 2% by North Yorkshire Fire and Rescue Authority.
- 3.4 An aspect of the regulations in respect of the Business Rate Retention Scheme, Councils must set a Business Rates Base figure which is approved, this is used by Government to set the Business Rates Collection Target for the Council in the preceding year. The Business Rates Base figure for 2015/16 is £26,653,371, this is the latest estimate from the National Non-domestic Rates Return.
- 3.5 Increases in Business Rate levels are set each year by Central Government and are based upon the RPI figure for September which stood at 3.2% (capped at 2%). The provisional rate poundage to be applied in 2013/14 has been announced as follows:-
- Non-Domestic Rate 48.2p
 - Small Business Rate 47.1p
- 3.6 Under Schedule 7 of the Local Government Finance Act 1988, the provisional multipliers will be confirmed after either the Local Government Finance Report 2014/15 has been approved by Parliament or by the end of March 2014.

4.0 COUNCIL TAX:

Council Tax Base

- 4.1 Each year the Council is required to formally set the Council Tax Base and advise the appropriate precepting bodies. This must be done by 31 January each year.
- 4.2 The Council Tax Base for 2014/15 is set at 34,021.71.

Council Tax Levels

- 4.3 In producing the table below it must be stressed that some assumptions have been made as the information is not available owing to the precepting authorities not having met at the time of writing this report. Initially, the assumption that has been made is that each of the precepting authorities will accept the Government's proposals of a freeze on Council Tax. However, as stated in paragraph 3.1.5 of the main report the precepting authorities have as yet not provide the information on the level of Council Tax and therefore these figures may be subject to change. Parishes are not currently subject to the provision of the Localism Act relating to excessive Council Tax rises and are not part of the Government's Council Tax Scheme.
- 4.4 If the assumptions made above are current then the 2014/15 Council Tax at Band D will be:-

2013/14 £		2014/15 £	Assumption
1,057.48	County Council	1,057.48	Council Tax freeze
204.55	Police Authority	204.55	Council Tax freeze
62.10	Fire Authority	62.10	Council Tax freeze
34.47	Parishes (average)	36.16	Parishes (average)
89.48	Hambleton	89.48	Council Tax freeze
<hr/>		<hr/>	
1,448.08		1,449.77	

5.0 IMPACT ON RESERVES:

- 5.1 The impact on the Council's Council Taxpayers Reserve from the revenue budget, funding settlement and Council Tax decision as set out in the table below:-

Revenue Budget:	£ 7,463,150
Financed by:-	
Redistributed Business Rates (target)	1,859,240
Additional Retained Business Rates (estimate)	150,000
Formula Grant	2,185,623
Council Tax	3,044,263
Council Tax Freeze Grant	<hr/> 30,442
	7,269,568
Contribution from Reserves	193,582
Balanced budget	<hr/> 0

5.2 It is estimated at this stage that the Council will use £193,582 contribution from the Council Taxpayers Reserve to balance the 2013/14 Revenue Budget. This is £115,258 less than the £308,840 forecast in the Financial Strategy.

6.0 RISK ASSESSMENT:

6.1 There are no major risks associated with this report.

7.0 LOCAL GOVERNMENT ACT 2003:

7.1 Section 25 of the Local Government Act 2003 requires the Council's S151 Officer (Chief Financial Officer) to report to Members on the robustness of the budget and the adequacy of reserves held by the Council.

7.2 The approved revenue budget has now been prepared by the Council's budget holders and has been subjected to challenge by the Finance staff and Chief Officers. I therefore conclude the budgets included in this Council Tax setting process are robust and have been prepared in accordance with proper practices.

7.3 The reserves of the Council are set out in Annex C to this report. I consider the level of reserves adequate to maintain the Council's current revenue expenditure and enable its longer term objectives as set out in the Financial Strategy. Annex C sets out the policy on Reserves and Balances and supports my comments. The Annex also makes recommendations on the level of Balances and Reserves.

HAMBLETON DISTRICT COUNCIL

COUNCIL MEETING - 18 February, 2014

Parish Precepts and Council Tax Amounts 2014/15

<u>Parish</u>	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax										
				Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £			
Ainderby Steeple	1.	3,000.00	3,000.00				30.27							
	2.		89.48											
	3.			79.83	93.14	106.44	119.75	146.36	172.97	199.58	239.50			
	4.			-	-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-	-
	7.			79.83	93.14	106.44	119.75	146.36	172.97	199.58	239.50			
Aiskew	1.	20,712.94	25,000.00				31.37							
	2.		89.48											
	3.			80.57	93.99	107.42	120.85	147.71	174.56	201.42	241.70			
	4.			-	-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-	-
	7.			80.57	93.99	107.42	120.85	147.71	174.56	201.42	241.70			
Aldwark, Flawith & Youlton	1.	2,800.00	3,200.00				23.41							
	2.		89.48											
	3.			75.26	87.80	100.35	112.89	137.98	163.06	188.15	225.78			
	4.			-	-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-	-
	7.			75.26	87.80	100.35	112.89	137.98	163.06	188.15	225.78			

Parish	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax						2014/15 Council Tax Band H £		
				Band A £	Band B £	Band C £	Band D £	Band E £	Band F £		Band G £	
Crathorne	1.	700.00	700.00				8.58					
	2.		89.48									
	3.			65.37	76.27	87.16	98.06	119.85	141.64	163.43	196.12	
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			65.37	76.27	87.16	98.06	119.85	141.64	163.43	196.12	
Crayke	1.	2,540.00	2,540.00				13.24					
	2.		89.48									
	3.			68.48	79.89	91.31	102.72	125.55	148.37	171.20	205.44	
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			68.48	79.89	91.31	102.72	125.55	148.37	171.20	205.44	
Dalton	1.	4,000.00	4,835.00				18.76					
	2.		89.48									
	3.			72.16	84.19	96.21	108.24	132.29	156.35	180.40	216.48	
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			72.16	84.19	96.21	108.24	132.29	156.35	180.40	216.48	
Danby Wiske with Lazenby	1.	1,800.00	1,800.00				14.96					
	2.		89.48									
	3.			69.63	81.23	92.84	104.44	127.65	150.86	174.07	208.88	
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			69.63	81.23	92.84	104.44	127.65	150.86	174.07	208.88	

Parish	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax Band A		2014/15 Council Tax Band B		2014/15 Council Tax Band C		2014/15 Council Tax Band D		2014/15 Council Tax Band E		2014/15 Council Tax Band F		2014/15 Council Tax Band G		2014/15 Council Tax Band H			
				£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Great and Little Broughton			10,462.95																		
	1.				73.80	86.10	98.40	110.70	135.30	159.90	184.50	221.40									
	2.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	3.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	4.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	6.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	7.				73.80	86.10	98.40	110.70	135.30	159.90	184.50	221.40									
					COUNCIL TAX AMOUNT																
Great Langton			650.00																		
	1.																				
	2.																				
	3.				68.22	79.59	90.96	102.33	125.07	147.81	170.55	204.66									
	4.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	6.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	7.				68.22	79.59	90.96	102.33	125.07	147.81	170.55	204.66									
					COUNCIL TAX AMOUNT																
Hackforth, Ainderby Miers with Holtby			1,500.00																		
	1.																				
	2.																				
	3.				72.27	84.32	96.36	108.41	132.50	156.59	180.68	216.82									
	4.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	6.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	7.				72.27	84.32	96.36	108.41	132.50	156.59	180.68	216.82									
					COUNCIL TAX AMOUNT																
Helperby			7,500.00																		
	1.																				
	2.																				
	3.				84.33	98.39	112.44	126.50	154.61	182.72	210.83	253.00									
	4.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	5.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	6.				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	7.				84.33	98.39	112.44	126.50	154.61	182.72	210.83	253.00									
					COUNCIL TAX AMOUNT																

<u>Parish</u>	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax Band A £	2014/15 Council Tax Band B £	2014/15 Council Tax Band C £	2014/15 Council Tax Band D £	2014/15 Council Tax Band E £	2014/15 Council Tax Band F £	2014/15 Council Tax Band G £	2014/15 Council Tax Band H £	
Kirkby in Cleveland												
	1.	2,800.00	3,000.00				19.15					
	2.						89.48					
	3.			72.42	84.49	96.56	108.63	132.77	156.91	181.05	217.26	
	4.			-	-	-	-	-	-	-	-	
	5.			-	-	-	-	-	-	-	-	
	6.			-	-	-	-	-	-	-	-	
	7.			72.42	84.49	96.56	108.63	132.77	156.91	181.05	217.26	
				COUNCIL TAX AMOUNT								
Kirkby Fleetham with Fencotes												
	1.	6,500.00	6,500.00				27.99					
	2.						89.48					
	3.			78.31	91.37	104.42	117.47	143.57	169.68	195.78	234.94	
	4.			-	-	-	-	-	-	-	-	
	5.			-	-	-	-	-	-	-	-	
	6.			-	-	-	-	-	-	-	-	
	7.			78.31	91.37	104.42	117.47	143.57	169.68	195.78	234.94	
				COUNCIL TAX AMOUNT								
Kirklington cum Upsland, Howgrave and Sutton with Howgrave												
	1.	1,700.00	1,700.00				12.43					
	2.						89.48					
	3.			67.94	79.26	90.59	101.91	124.56	147.20	169.85	203.82	
	4.			-	-	-	-	-	-	-	-	
	5.			-	-	-	-	-	-	-	-	
	6.			-	-	-	-	-	-	-	-	
	7.			67.94	79.26	90.59	101.91	124.56	147.20	169.85	203.82	
				COUNCIL TAX AMOUNT								
Knayton with Brawith												
	1.	2,500.00	2,376.00				14.87					
	2.						89.48					
	3.			69.57	81.16	92.76	104.35	127.54	150.73	173.92	208.70	
	4.			-	-	-	-	-	-	-	-	
	5.			-	-	-	-	-	-	-	-	
	6.			-	-	-	-	-	-	-	-	
	7.			69.57	81.16	92.76	104.35	127.54	150.73	173.92	208.70	
				COUNCIL TAX AMOUNT								

<u>Parish</u>	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax Band A £	2014/15 Council Tax Band B £	2014/15 Council Tax Band C £	2014/15 Council Tax Band D £	2014/15 Council Tax Band E £	2014/15 Council Tax Band F £	2014/15 Council Tax Band G £	2014/15 Council Tax Band H £
Linton - on - Ouse	1.	11,000.00	11,000.00				32.28				
	2.						89.48				
	3.			81.17	94.70	108.23	121.76	148.82	175.88	202.93	243.52
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			81.17	94.70	108.23	121.76	148.82	175.88	202.93	243.52
											COUNCIL TAX AMOUNT
Low and High Worsall	1.	4,495.00	4,696.00				31.98				
	2.						89.48				
	3.			80.97	94.47	107.96	121.46	148.45	175.44	202.43	242.92
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			80.97	94.47	107.96	121.46	148.45	175.44	202.43	242.92
											COUNCIL TAX AMOUNT
Morton on Swale	1.	3,200.00	3,000.00				15.01				
	2.						89.48				
	3.			69.66	81.27	92.88	104.49	127.71	150.93	174.15	208.98
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			69.66	81.27	92.88	104.49	127.71	150.93	174.15	208.98
											COUNCIL TAX AMOUNT
Myton on Swale	1.	720.00	720.00				11.20				
	2.						89.48				
	3.			67.12	78.31	89.49	100.68	123.05	145.43	167.80	201.36
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			67.12	78.31	89.49	100.68	123.05	145.43	167.80	201.36
											COUNCIL TAX AMOUNT
Newby	1.	1,220.00	1,220.00				11.25				
	2.						89.48				
	3.			67.15	78.35	89.54	100.73	123.11	145.50	167.88	201.46
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			67.15	78.35	89.54	100.73	123.11	145.50	167.88	201.46
											COUNCIL TAX AMOUNT

Parish	Line	2013/14 Precept £	2014/15 Precept £	2014/15		2014/15		2014/15		2014/15		2014/15	
				Council Tax Band A £	Council Tax Band B £	Council Tax Band C £	Council Tax Band D £	Council Tax Band E £	Council Tax Band F £	Council Tax Band G £	Council Tax Band H £		
Newton on Ouse	1.	3,880.00	4,380.00			17.82							
	2.					89.48							
	3.			83.46	95.38	107.30	131.14	154.99	178.83				214.60
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			71.53	83.46	95.38	107.30	131.14	154.99	178.83			
Northallerton	1.	298,150.00	270,914.84			85.40							
	2.					89.48							
	3.			136.02	155.45	174.88	213.74	252.60	291.47				349.76
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			116.59	136.02	155.45	174.88	213.74	252.60	291.47			
Osmotherley, Kirby Sigston, Ellerbeck Sowerby under Cotcliffe, Thimbleby, Winton, Stank and Hallikeld and West Harlsey	1.	12,500.00	12,500.00			27.59							
	2.					89.48							
	3.			91.05	104.06	117.07	143.09	169.10	195.12				234.14
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			78.05	91.05	104.06	117.07	143.09	169.10	195.12			
Oulston	1.	800.00	800.00			13.65							
	2.					89.48							
	3.			80.21	91.67	103.13	126.05	148.97	171.88				206.26
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			68.75	80.21	91.67	103.13	148.97	171.88				

Parish	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax						2014/15 Council Tax Band H £		
				Band A £	Band B £	Band C £	Band D £	Band E £	Band F £		Band G £	
Overton	1.	140.00	150.00				6.11					
	2.		89.48				89.48					
	3.			74.35	84.97		95.59	116.83	138.07	159.32		191.18
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			63.73	74.35	84.97	95.59	116.83	138.07	159.32		191.18
												COUNCIL TAX AMOUNT
Pickhill with Roxby & Sinderby	1.	2,500.00	2,471.34				11.53					
	2.		89.48				89.48					
	3.			78.56	89.79		101.01	123.46	145.90	168.35		202.02
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			67.34	78.56	89.79	101.01	123.46	145.90	168.35		202.02
												COUNCIL TAX AMOUNT
Picton	1.	400.00	400.00				6.36					
	2.		89.48				89.48					
	3.			74.54	85.19		95.84	117.14	138.44	159.73		191.68
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			63.89	74.54	85.19	95.84	117.14	138.44	159.73		191.68
												COUNCIL TAX AMOUNT
Potto	1.	3,000.00	3,500.00				23.79					
	2.		89.48				89.48					
	3.			88.10	100.68		113.27	138.44	163.61	188.78		226.54
	4.			-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-
	7.			75.51	88.10	100.68	113.27	138.44	163.61	188.78		226.54
												COUNCIL TAX AMOUNT

<u>Parish</u>	Line	2013/14 Precept £	2014/15 Precept £	2014/15		2014/15		2014/15		2014/15		2014/15	
				Council Tax Band A £	Council Tax Band B £	Council Tax Band C £	Council Tax Band D £	Council Tax Band E £	Council Tax Band F £	Council Tax Band G £	Council Tax Band H £		
Raskelf	1.	4,250.00	4,500.00				21.45						
	2.						89.48						
	3.			86.28	86.28	98.60	110.93	135.58	160.23	184.88			221.86
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			73.95	86.28	98.60	110.93	135.58	160.23	184.88			
Romanby	1.	52,500.00	52,500.00				22.64						
	2.						89.48						
	3.			87.20	87.20	99.66	112.12	137.04	161.95	186.87			224.24
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			74.75	87.20	99.66	112.12	137.04	161.95	186.87			
Rounton East and West	1.	900.00	1,000.00				7.87						
	2.						89.48						
	3.			75.72	75.72	86.53	97.35	118.98	140.62	162.25			194.70
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			64.90	75.72	86.53	97.35	118.98	140.62	162.25			
Sandhutton	1.	3,600.00	3,600.00				34.53						
	2.						89.48						
	3.			96.45	96.45	110.23	124.01	151.57	179.13	206.68			248.02
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			82.67	96.45	110.23	124.01	151.57	179.13	206.68			

Parish	Line	2013/14 Precept £	2014/15 Precept £	2014/15		2014/15		2014/15		2014/15		2014/15	
				Council Tax Band A £	Council Tax Band B £	Council Tax Band C £	Council Tax Band D £	Council Tax Band E £	Council Tax Band F £	Council Tax Band G £	Council Tax Band H £		
Scruton	1.	4,250.00	4,250.00				21.14						
	2.						89.48						
	3.			73.75	86.04	98.33	110.62	135.20	159.78	184.37			221.24
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			73.75	86.04	98.33	110.62	135.20	159.78	184.37			221.24
Seamer	1.	4,000.00	4,000.00				14.92						
	2.						89.48						
	3.			69.60	81.20	92.80	104.40	127.60	150.80	174.00			208.80
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			69.60	81.20	92.80	104.40	127.60	150.80	174.00			208.80
Sessay and Hutton Sessay	1.	4,000.00	4,000.00				21.56						
	2.						89.48						
	3.			74.03	86.36	98.70	111.04	135.72	160.39	185.07			222.08
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			74.03	86.36	98.70	111.04	135.72	160.39	185.07			222.08
Shipton by Beningbrough	1.	6,000.00	6,120.00				22.40						
	2.						89.48						
	3.			74.59	87.02	99.45	111.88	136.74	161.60	186.47			223.76
	4.			-	-	-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-	-	-
	7.			74.59	87.02	99.45	111.88	136.74	161.60	186.47			223.76

<u>Parish</u>	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax Band A £	2014/15 Council Tax Band B £	2014/15 Council Tax Band C £	2014/15 Council Tax Band D £	2014/15 Council Tax Band E £	2014/15 Council Tax Band F £	2014/15 Council Tax Band G £	2014/15 Council Tax Band H £
Siltons with Kewpwick											
	1.	796.98	626.40				5.00				
	2.		89.48				89.48				
	3.			62.99	73.48	83.98	94.48	115.48	136.47	157.47	188.96
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			62.99	73.48	83.98	94.48	115.48	136.47	157.47	188.96
				COUNCIL TAX AMOUNT							
Snape with Thorp											
	1.	4,500.00	4,725.00				27.52				
	2.		89.48				89.48				
	3.			78.00	91.00	104.00	117.00	143.00	169.00	195.00	234.00
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			78.00	91.00	104.00	117.00	143.00	169.00	195.00	234.00
				COUNCIL TAX AMOUNT							
Smeaton with Hornby (Great Smeaton, Little Smeaton and Hornby)											
	1.	1,452.00	1,472.00				6.36				
	2.		89.48				89.48				
	3.			63.89	74.54	85.19	95.84	117.14	138.44	159.73	191.68
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			63.89	74.54	85.19	95.84	117.14	138.44	159.73	191.68
				COUNCIL TAX AMOUNT							
South Kilvington											
	1.	1,750.00	1,750.00				15.98				
	2.		89.48				89.48				
	3.			70.31	82.02	93.74	105.46	128.90	152.33	175.77	210.92
	4.			-	-	-	-	-	-	-	-
	5.			-	-	-	-	-	-	-	-
	6.			-	-	-	-	-	-	-	-
	7.			70.31	82.02	93.74	105.46	128.90	152.33	175.77	210.92
				COUNCIL TAX AMOUNT							

<u>Parish</u>	Line	2013/14 Precept £	2014/15 Precept £	2014/15		2014/15		2014/15		2014/15		2014/15	
				Council Tax Band A £	Council Tax Band B £	Council Tax Band C £	Council Tax Band D £	Council Tax Band E £	Council Tax Band F £	Council Tax Band G £	Council Tax Band H £		
Sutton under Whitestonecliffe													
	1.	3,110.00	3,110.00	74.25	86.62	99.00	21.89	136.12	160.87	185.62	222.74		
	2.		89.48	-	-	111.37	89.48	-	-	-	-		
	3.			-	-	-	-	-	-	-	-		
	4.			-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-		
	7.			74.25	86.62	99.00	111.37	136.12	160.87	185.62	222.74		
				COUNCIL TAX AMOUNT									
Sutton-on-the-Forest													
	1.	16,000.00	16,000.00	89.68	104.63	119.57	45.04	164.41	194.31	224.20	269.04		
	2.			-	-	-	89.48	-	-	-	-		
	3.			-	-	-	-	-	-	-	-		
	4.			-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-		
	7.			89.68	104.63	119.57	134.52	164.41	194.31	224.20	269.04		
				COUNCIL TAX AMOUNT									
Thirkleby High and Low with Osgodby													
	1.	1,750.00	1,750.00	69.01	80.52	92.02	14.04	126.52	149.53	172.53	207.04		
	2.			-	-	-	89.48	-	-	-	-		
	3.			-	-	-	-	-	-	-	-		
	4.			-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-		
	7.			69.01	80.52	92.02	103.52	126.52	149.53	172.53	207.04		
				COUNCIL TAX AMOUNT									
Thirn, Thornton Watlass, Clifton on Yore, Burrill with Cowling & Rookwith													
1) Thirn, Thornton Watlass, Clifton on Yore & Rookwith													
	1.	1,600.00	1,600.00	65.39	76.29	87.19	8.61	119.89	141.69	163.48	196.18		
	2.			-	-	-	89.48	-	-	-	-		
	3.			-	-	-	-	-	-	-	-		
	4.			-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-		
	7.			65.39	76.29	87.19	98.09	119.89	141.69	163.48	196.18		
				COUNCIL TAX AMOUNT									

<u>Parish</u>	Line	2013/14 Precept £	2014/15 Precept £	2014/15 Council Tax Band A £	2014/15 Council Tax Band B £	2014/15 Council Tax Band C £	2014/15 Council Tax Band D £	2014/15 Council Tax Band E £	2014/15 Council Tax Band F £	2014/15 Council Tax Band G £	2014/15 Council Tax Band H £
2) Burrill with Cowling											
Hambleton DC	1.	130.00	130.00				11.97				
	2.						89.48				
North Yorkshire CC	3.			67.63	78.91	90.18	101.45	123.99	146.54	169.08	202.90
N Yorks Fire Authority	4.			-	-	-	-	-	-	-	-
N Yorks Police Authority	5.			-	-	-	-	-	-	-	-
COUNCIL TAX AMOUNT	6.			-	-	-	-	-	-	-	-
	7.			67.63	78.91	90.18	101.45	123.99	146.54	169.08	202.90
Thirsk											
Hambleton DC	1.	115,000.00	118,000.00				73.01				
	2.						89.48				
North Yorkshire CC	3.			108.33	126.38	144.44	162.49	198.60	234.71	270.82	324.98
N Yorks Fire Authority	4.			-	-	-	-	-	-	-	-
N Yorks Police Authority	5.			-	-	-	-	-	-	-	-
COUNCIL TAX AMOUNT	6.			-	-	-	-	-	-	-	-
	7.			108.33	126.38	144.44	162.49	198.60	234.71	270.82	324.98
Tholthorpe											
Hambleton DC	1.	800.00	800.00				7.13				
	2.						89.48				
North Yorkshire CC	3.			64.41	75.14	85.88	96.61	118.08	139.55	161.02	193.22
N Yorks Fire Authority	4.			-	-	-	-	-	-	-	-
N Yorks Police Authority	5.			-	-	-	-	-	-	-	-
COUNCIL TAX AMOUNT	6.			-	-	-	-	-	-	-	-
	7.			64.41	75.14	85.88	96.61	118.08	139.55	161.02	193.22
Thormanby											
Hambleton DC	1.	110.00	110.00				2.37				
	2.						89.48				
North Yorkshire CC	3.			61.23	71.44	81.64	91.85	112.26	132.67	153.08	183.70
N Yorks Fire Authority	4.			-	-	-	-	-	-	-	-
N Yorks Police Authority	5.			-	-	-	-	-	-	-	-
COUNCIL TAX AMOUNT	6.			-	-	-	-	-	-	-	-
	7.			61.23	71.44	81.64	91.85	112.26	132.67	153.08	183.70

Parish	Line	2013/14 Precept £	2014/15 Precept £	2014/15		2014/15		2014/15		2014/15		2014/15			
				Council Tax Band A £	Council Tax Band B £	Council Tax Band C £	Council Tax Band D £	Council Tax Band E £	Council Tax Band F £	Council Tax Band G £	Council Tax Band H £				
Welbury	1.	900.00	874.00				7.36								
	2.						89.48								
	3.			64.56	75.32	86.08	96.84	118.36	139.88	161.40			193.68		
	4.			-	-	-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-	-	-		
	7.			64.56	75.32	86.08	96.84	118.36	139.88	161.40				193.68	
														COUNCIL TAX AMOUNT	
Well	1.	1,500.00	1,500.00												
	2.						14.27								
	3.			69.17	80.69	92.22	103.75	126.81	149.86	172.92			207.50		
	4.			-	-	-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-	-	-		
	7.			69.17	80.69	92.22	103.75	126.81	149.86	172.92				207.50	
														COUNCIL TAX AMOUNT	
West Tanfield (and East)	1.	6,300.00	7,188.00												
	2.						30.52								
	3.			80.00	93.33	106.67	120.00	146.67	173.33	200.00			240.00		
	4.			-	-	-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-	-	-		
	7.			80.00	93.33	106.67	120.00	146.67	173.33	200.00				240.00	
														COUNCIL TAX AMOUNT	
Whorlton	1.	9,400.00	7,500.00												
	2.						28.18								
	3.			78.44	91.51	104.59	117.66	143.81	169.95	196.10			235.32		
	4.			-	-	-	-	-	-	-	-	-	-		
	5.			-	-	-	-	-	-	-	-	-	-		
	6.			-	-	-	-	-	-	-	-	-	-		
	7.			78.44	91.51	104.59	117.66	143.81	169.95	196.10				235.32	
														COUNCIL TAX AMOUNT	
															1,235,213.92
															1,230,521.68

Budget Consultation 2014/15

Summary

The Budget Consultation was carried out between 6 December 2013 and 17 January 2014 and well-publicised to all residents and businesses across Hambleton District.

From the 179 responses received, the largest majority responded from the Northallerton area. The bulk of respondents were residents, rather than businesses, and the 45-59 year age group attracted the majority of responses.

Question four lists 12 service areas and respondents were asked to indicate the order of importance to them. The Waste service, incorporating household, green, kerbside and street cleansing, attracted the highest importance, followed closely by Environmental Health and Community Safety.

Leisure, Planning, Economic Development and Public Car Parks all ranked predominantly of moderate importance whereas Benefits and the Housing Service ranked predominantly with least importance.

Question five asked respondents if they would support increasing council tax to invest in council services. Although there were more against than in support, the majority responded as 'maybe' explaining in their response that it would be dependent on which service and/or investment level.

Question six lists four services; Leisure, Public car parks, Recycling and Environmental Health and asks respondents to indicate their support for increasing fees and charges in these services. Out of those who indicated their support for increasing charges, Leisure attracted the majority of responses suggesting the admission costs are kept affordable while balancing the costs of up-to-date facilities.

Finally, when asked for any further suggestions on how the council could increase income or reduce costs, more popular proposals ranged from reviewing Council Tax and Benefit claims to considering Waste, Recycling and Leisure charges. However the majority of comments received were in relation to staffing and management costs and the efficiency of the running of the authority.

Budget Consultation 2014/15

6 December 2013 - 17 January 2014
39 paper and 140 online responses received = 179 total

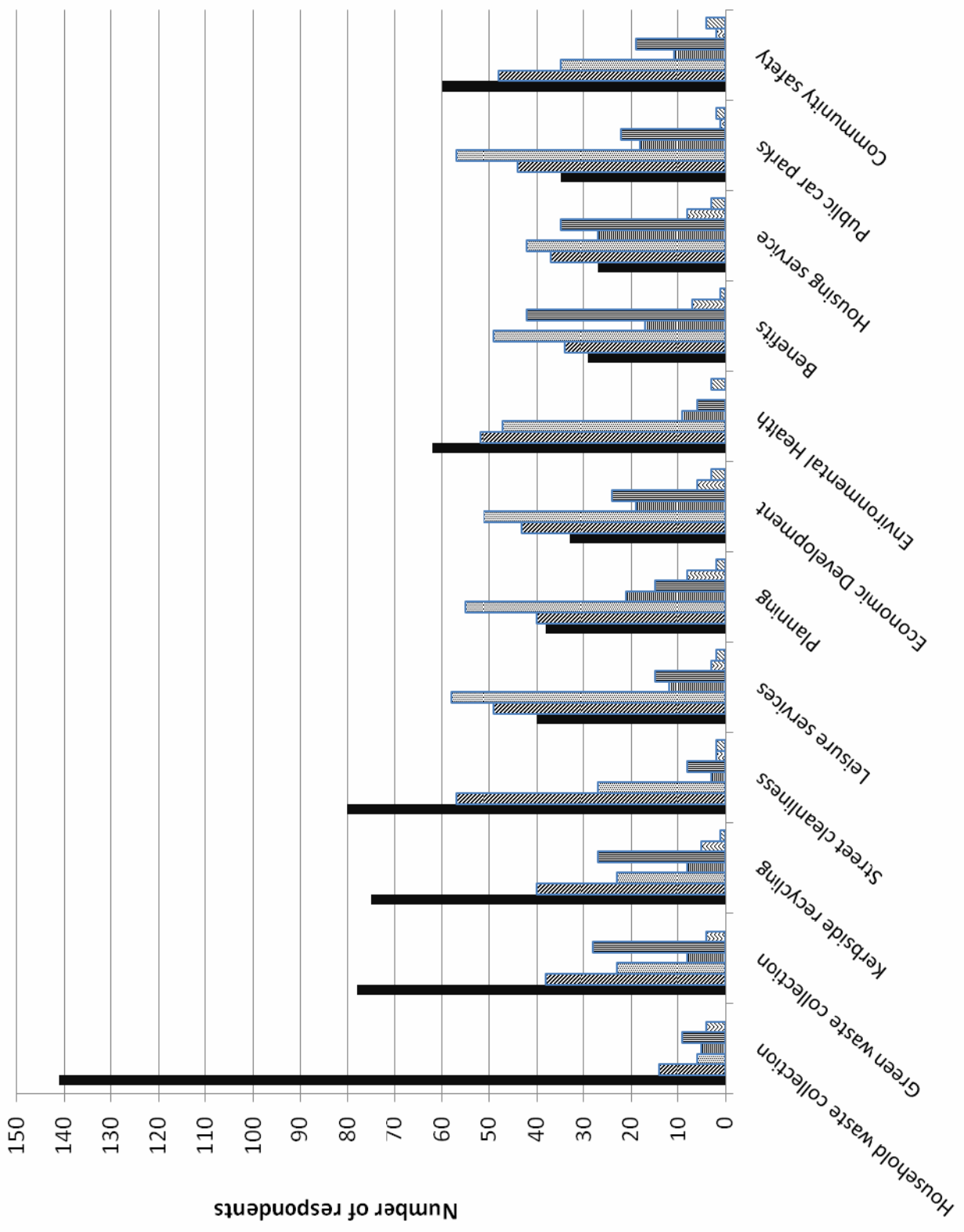
Q1	Which of the following towns do you live in or closest to?	
	31 (17.1%)	Bedale
	17 (9.4%)	Easingwold
	77 (42.5%)	Northallerton
	30 (16.6%)	Stokesley
	25 (13.8%)	Thirsk
	1 (0.6%)	Prefer not to say

Q2	Are you responding as a ...?	
	156 (85.2%)	Resident
	24 (13.1%)	Business
	2 (1.1%)	Voluntary organisation
	1 (0.5%)	Stakeholder group
	0 (0.0%)	Prefer not to say

Q3	Which age group do you belong to?	
	0 (0.0%)	under 18 years
	0 (0.0%)	19-24 years
	49 (27.4%)	25-44 years
	80 (44.7%)	45-59 years
	47 (26.3%)	60 years and over
	3 (1.7%)	Prefer not to say

Q4	Please indicate the importance to you of the following services: (1=very important and 5=not important)							
		1	2	3	4	5	No opinion	No reply
	Household waste collection <i>(black bin)</i>	141 (78.8%)	14 (7.8%)	6 (3.4%)	5 (2.8%)	9 (5.0%)	4 (2.2%)	0 (0.0%)
	Green waste collection <i>(green bin)</i>	78 (43.6%)	38 (21.2%)	23 (12.8%)	8 (4.5%)	28 (15.6%)	4 (2.2%)	0 (0.0%)
	Kerbside recycling <i>(blue box and bag)</i>	75 (41.9%)	40 (22.3%)	23 (12.8%)	8 (4.5%)	27 (15.1%)	5 (2.8%)	1 (0.6%)
	Street cleanliness <i>(including litter collection, graffiti removal, fly-tipping)</i>	80 (44.7%)	57 (31.8%)	27 (15.1%)	3 (1.7%)	8 (4.5%)	2 (1.1%)	2 (1.1%)
	Leisure services <i>(including leisure centres, arts and culture, sports development, children's play, healthy lifestyles)</i>	40 (22.3%)	49 (27.4%)	58 (32.4%)	12 (6.7%)	15 (8.4%)	3 (1.7%)	2 (1.1%)
	Planning <i>(including planning applications and planning policy)</i>	38 (21.2%)	40 (22.3%)	55 (30.7%)	21 (11.7%)	15 (8.4%)	8 (4.5%)	2 (1.1%)
	Economic Development <i>(support to businesses, management of council offices and land)</i>	33 (18.4%)	43 (24.0%)	51 (28.5%)	19 (10.6%)	24 (13.4%)	6 (3.4%)	3 (1.7%)
	Environmental Health <i>(including licensing, food hygiene inspections, nuisance complaints, private water supplies, pest control)</i>	62 (34.6%)	52 (29.1%)	47 (26.3%)	9 (5.0%)	6 (3.4%)	0 (0.0%)	3 (1.7%)
	Benefits <i>(housing benefits and council tax reduction)</i>	29 (16.2%)	34 (19.0%)	49 (27.4%)	17 (9.5%)	42 (23.5%)	7 (3.9%)	1 (0.6%)
	Housing service <i>(housing option advice, homelessness, provision of affordable housing)</i>	27 (15.1%)	37 (20.7%)	42 (23.5%)	27 (15.1%)	35 (19.6%)	8 (4.5%)	3 (1.7%)
	Public car parks <i>(pay & display, free car parks)</i>	35 (19.6%)	44 (24.6%)	57 (31.8%)	18 (10.1%)	22 (12.3%)	1 (0.6%)	2 (1.1%)
	Community safety <i>(including anti-social behaviour, domestic abuse, alcohol awareness)</i>	60 (33.5%)	48 (26.8%)	35 (19.6%)	11 (6.1%)	19 (10.6%)	2 (1.1%)	4 (2.2%)

■ 1=very important
 ▨ 2
 ▩ 3
 ▪ 4
 ▫ 5=not important
 ▬ No opinion
 ▮ No reply



Q5	Would you support increasing Council Tax to invest in Council services?	
	39 (21.8%)	Yes
	67 (37.4%)	No
	70 (39.1%)	Maybe
	1 (0.6%)	No opinion
	2 (1.1%)	No reply

Q6	Would you support increasing fees and charges to facilitate investment in the following services?					
		Yes	No	Maybe	No opinion	No reply
	Leisure	49 (27.4 %)	71 (39.7%)	47 (26.3%)	11 (6.1%)	1 (0.6%)
	Public car parks	36 (20.1%)	103 (57.5%)	31 (17.3%)	6 (3.4%)	3 (1.7%)
	Recycling	41 (22.9%)	84 (46.9%)	40 (22.3%)	12 (6.7%)	2 (1.1%)
	Environmental Health	42 (23.5%)	77 (43.0%)	43 (24.0%)	12 (6.7%)	5 (2.8%)

POLICY ON BALANCES AND RESERVES**1.0 BACKGROUND:**

- 1.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer to report to Members on the robustness of the estimates and the adequacy of the reserves for which the budget provides.
- 1.2 The purpose of this Annex is to:-
- support the statement required to conform to Section 25
 - confirm the use of the Council's balances and reserves, and
 - re-affirm the Council's policy on the level of balances and reserves
- 1.3 The Council currently maintains a number of balances and reserves, each of which has a purpose approved by Members. Each of the balances and reserves will be considered in turn later in this Annex.
- 1.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) considers that a case for introducing a statutory minimum level of reserves, even in exceptional circumstances has not been made. The Institute believes that Local Authorities, on the advice of their finance directors, should make their own judgements on such matters taking into account all the relevant local circumstances. Such circumstances vary and there is a broad range within which authorities might reasonably operate depending on their particular circumstances.
- 1.5 There is no definitive guidance as to the minimum level of balances or reserves, either as an absolute amount or as a proportion of expenditure, since each local authority is independent, operates in a unique local environment and the decision is one of a number of inter-related decisions taken as part of its financial strategy. Section 32 of the Local Government Act 1992 requires billing authorities (such as Hambleton) to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. Budgets are based upon forecasts of pay and price inflation, changes in interest rates, and the demand for and levels of service to be provided. The purpose of balances and reserves is to provide for unexpected changes from these forecasts and to provide for the financing of some expenditure. Consequently the provision of an appropriate level of balances and reserves is a fundamental part of prudent financial management over the medium term.

2.0 BALANCES AND RESERVES:

- 2.1 Each of the Council's balances and reserves is considered below.
- 2.2 General Fund Working Balance
- 2.2.1 Setting the level of this general reserve is just one of several related decisions in the formulation of the medium-term financial strategy and the budget for a particular year. Account should be taken of the key financial assumptions underpinning the budget alongside a consideration of the authority's financial management arrangements. In addition to the cash flow requirements of the authority the following factors should be considered:-

Budget Assumptions

- treatment of inflation
- interest rates
- treatment of demand led pressures (e.g. take-up of housing benefits)
- levels of income
- financial risks inherent in significant funding partnerships
- the availability of other funds to deal with emergencies
- estimates of the level of and timing of and capital receipts, S106 moneys and general cashflows

Financial Standing and Management

- the overall financial standing of the authority
- the authority's track record in budget and financial management
- the capacity to manage in-year budget pressures
- the strength of financial information and reporting arrangements
- the authority's financial procedure rules and budgetary flexibility
- the adequacy of insurance arrangements to cover major unforeseen risks

Adequacy of inflation

- 2.2.2 Budgetary provision is made for inflation in respect of pay, prices and contract expenditure. The 2014/15 budgets contain a sum of £250,000 for such inflation. An adverse variance of 1% in the assumptions made to these forms of expenditure could result in additional expenditure of £125,000.

Adequacy of interest rate assumption

- 2.2.3 The Council is a debt free authority and has substantial funds available for investment. The amount under investment however is sensitive to changes in interest rates especially given the short-term nature (less than 1 year) of most of the investment activity and the need to retain some cash liquidity for day to day purposes. The events occurring in the banking and financial markets in 2009/10 shows how unpredictable this area can be. Fortunately for the Council, most of its investments are in fixed term deposits. The 2014/15 budget assumes an average of 1% over the year but during this time some core cash investments will need re-investing. The budgets were prepared in a period where interest rates have remained at an all time low and have been stable at 0.5%. It is now unlikely that there will be a further reduction in interest rates to 0% and even more unlikely (although technically possible) for there to be a negative interest rate. However, an adverse variance of 1% in interest rates would affect investment income by approximately £300,000. This would be borne by the Council Taxpayers Reserve.

Treatment of demand led pressures

- 2.2.4 Demand volatility can affect both expenditure (e.g. take up of housing benefits) and income (eg number of planning applications). Housing Benefits and Council Tax support are significant items of expenditure estimated at £22.6m in 2014/15. In 2014/15 the Localised Council Tax Support Scheme presents a particular risk to the Councils reserves position, increases in council tax support claimants in year will be funded by the Council, subsidy at a reduced rate will not be received until the following year. If payments increase by 1% the cash flow implications would be in the order of £226,000.

Levels of income

2.2.5 The major income budgets (for fees and charges) in 2014/15 are those relating to:-

	£
- Leisure Services	2,782,970
- Development Control	700,000
- Premises Development	703,900
- Parking Charges	759,200
- Local Taxation	285,230
- Markets	199,780
- Licensing	153,290
- Land Charges	96,720
- Environmental Services	153,550
- Planning Services	45,720
- Waste Collection	118,404

Total income from fees and charges is budgeted to be £6.031m in 2014/15. The economy is clearly still experiencing difficulties at the moment and recovery is expected to be slow. A moderate fall in demand of say 3% would lead to a reduction in income of about £180,936.

External Partnerships

2.2.6 Members are aware that the Council acts as the 'Accountable Body' for a number of partnerships. With the potential for these to grow in number the financial exposure increases and whilst the Council's own management arrangements are maintained under review and subject to audit it is nevertheless felt prudent to allow for some form of contingency in the event of any partnership expenditure/claim being deemed ineligible. The Building Control Partnership in particular is vulnerable as a result of the downturn in the housing market. A figure of £20,000 is suggested for this purpose.

Responding to emergencies

2.2.7 Examples of emergencies in the past include flooding and the outbreak of foot and mouth disease. As a local authority the Council can in certain cases gain financial protection from the Government's Bellwin Scheme. However, this only reimburses 85% of eligible expenditure above a specified threshold (for Hambleton the 2011/12 threshold is £15,952), and until the grant monies are received the Council is required to fund the expenditure. Again, it would be prudent to include a provision for emergencies within the Council's general balances. A figure of £150,000 is suggested (this is similar to the gross cost of the flooding in June 2005).

Capital financing and general cashflows

2.2.8 The Council maintains a capital programme which is supported by external funding and on-going capital receipts. The timing of such receipts rarely matches the expenditure profile, often lagging by months.

2.2.9 Similarly the timing of the Council's income, principally from Council Tax and Business Rate income, does not always match the Council's outgoings (mainly salaries, capital and precept payments). This is particularly the case

in February and March when income from Council Tax and Business Rates reduces significantly as the normal instalments cease.

2.2.10 Consequently it is necessary to maintain a large amount for cash flow purposes, thereby reducing the need to frequently draw back funds. A sum of £1,000,000 is recommended for this purpose.

2.2.11 On this basis it would appear that a General Fund Working Balance of around £2,227,000 is required. However, it would be extremely unlikely that all the events listed above would materialise at the same time and past experience has shown that a figure of £2,000,000 has proved adequate. ***It is recommended that the Council maintain a sum of £2,000,000 as its General Fund Working Balance.*** A level of £2m equates to approximately 4.4% of the Council's gross annual budget requirement. This combined with the Council's internal financial controls should ensure the authority recognises financial 'issues' early and has the capacity to respond accordingly.

2.3 Council Taxpayers Reserve

2.3.1 The purpose of this reserve is currently "To support revenue spending on community projects and on enhancing service delivery". ***It is recommended that the purpose of the Council Taxpayers Reserve is maintained.***

2.3.2 The level of the reserve is considered as part of every review of the financial strategy, and needs to be sufficient to fulfil its purpose over the life of the strategy. Clearly over time the level of the reserve will diminish. However, in order for the Council Taxpayer to receive the maximum benefit from the reserve, this should be in a structured and considered way in accordance with expectations of the level of Council Tax assumed in the financial strategy.

2.4 Repairs and Renewals Fund

2.4.1 The purpose of this reserve is "To provide revenue support to assist funding of the repairs and renewals". ***It is recommended that the purpose of the Repairs and Renewals Fund is maintained.***

2.4.2 The reserve was established from what was the Capital Fund with monies added to it from the Council Tax Payers Reserve. The reserve will be maintained for the duration of the Financial Strategy.

2.5 Computer Fund

2.5.1 The purpose of this reserve is "To provide revenue support to assist funding of computer related purchases". ***It is recommended that the purpose of the Computer Fund is maintained.***

2.5.2 The reserve was established from monies transferred from the Council Tax Payers Reserve. ***It is recommended that the reserve will be maintained for the duration of the Financial Strategy.***

2.6 Community Safety Partnership Reserve

2.6.1 The purpose of this reserve is currently "To receive surpluses and deficits from the Community Safety Partnership Accounts". ***It is recommended that***

the purpose of the Community Safety Partnership Reserve is maintained.

2.6.2 The reserve is kept as good accounting practice and is not expected to have a significant balance in it.

2.7 One-Off Fund

2.7.1 The purpose of this reserve is “To improve or sustain service delivery”. ***It is recommended that the purpose of the One-Off Fund is maintained.***

2.7.2 This reserve is maintained to provide funding for service improvements or unexpected events. It incorporates the former Revenue Efficiency Reserve, Shared Service Efficiency Reserve and the Cyclical Payments Reserve. It is recommended therefore that the minimum balance on this Reserve be kept at £200,000. This is considered adequate, and is sustainable within the current financial strategy. In normal circumstances, however, the level of the fund could be substantially higher than this.

2.8 Hambleton Strategic Partnership Reserve

2.8.1 The purpose of this reserve is currently “To receive surpluses and deficits from the Hambleton Strategic Partnership Accounts”. ***It is recommended that the purpose of the Hambleton Strategic Partnership Reserve is maintained.***

2.8.2 The reserve is kept as good accounting practice and is not expected to have a significant balance in it.

2.9 Grants Fund

2.9.1 The purpose of this reserve is currently “To fund revenue grants to organisations on an annual basis”. ***It is recommended that the purpose of the Grants Fund is maintained.***

2.9.2 The level of the fund was initially established to provide for three years funding, and will therefore have a reducing balance over the period. It is expected that the fund will run low in funds by 2018/19 and therefore a review will be needed before this time.

2.10 New Homes Bonus Reserve

2.10.1 In setting the Financial Strategy for 2014/15 – 2023/24 the Council took the decision to close this reserve and transfer all New Homes Bonus Grant to the Council Tax Payer Reserve.

3.0 LEVEL OF BALANCES AND RESERVES:

3.1 The use of balances and reserves is a critical feature in the Council’s approach to financial management. They enable Council Tax to be maintained at low levels, support the capital programme and deliver service improvements.

3.2 It is considered important therefore that the level of balances is monitored to ensure that adequate levels are maintained to fulfil their purpose. Whilst to a

large extent this is done annually through the review of the resource management plan, which includes the financial strategy, an improvement, introduced six years ago, was the establishment of targets for the level of each reserve which can be monitored. The target established was that each Reserve should have a year end balance which is within a 10% tolerance of the balance reflected in the Council's financial strategy. Performance against the target will continue to be reported to Members as part of the year end procedures.

3.3 Experience has shown however that due to the nature of receipts and payments into and out of the Service Improvement Reserve, it is not possible to accurately forecast the level of this reserve at the year end. A more appropriate target for this reserve would be to ensure that a minimum balance is retained.

3.4 ***It is recommended that the targets for Reserve balances are:***

- a) A minimum balance for the One-Off Fund of £200,000; and***
- b) For all other Reserves, within a 10% tolerance on the year end balance as reflected in the Financial Strategy.***