

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Cabinet  
11 February 2020

**Subject:** COUNCIL TAX 2020/21

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

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### **1.0 PURPOSE AND BACKGROUND:**

- 1.1 This report considers the level of Council Tax for 2020/21 and the policy on reserves. It also provides Members with details of the Council's other sources of funding - grant received from Government in the Local Government finance settlement, business rates and the requirement for the Council to generate income from a variety of projects. For 2020/21, there are no new business rates pilots and therefore the North and West Yorkshire 75% pilot pool which was for one year in 2019/20 will finish 31 March 2020. As a result, the Government regulations governing business rates retention will revert back to the 50% business rates pool scheme where the application submitted by North and West Yorkshire Pool on 25 October 2019 was successful. The business rates model to be adopted ensures that authorities are no worse off in this North and West Yorkshire Pool, than they would be in a pre-2019/20 pilot pool.
- 1.2 The current Financial Strategy assumes that the Council will increase Council Tax by £5 on a Band D equivalent property in 2020/21 to £114.48. Council tax did not rise for five years up to 2016/17 however, since the start of the four year funding assessment in 2016/17, the cut in the Settlement Funding Assessment (a combination of the level of revenue support grant and rural service delivery grant received along with the expected business rates to be achieved) has been 30.1% in cash terms. The increase in 2020/21 estimated at 1.6% has changed the direction of travel but has not replaced the massive cuts that have occurred in local government funding which therefore makes 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 2020/21 is £9,269,670; an increase of £183,800 from 2019/20 where the increase in the budget mainly relates to an increase in salaries across the organisation. It is estimated that the 'national employer' offer across all local authorities will increase by 2.5% in 2020/21. Other increases to the 2020/21 expenditure budget have occurred in line with inflation and the overall net budget increase is estimated at 2%. These other increases are not apparent in the overall net budget rise from 2019/20 because these costs are negated by estimated increases in planning fees and income to be generated from projects as detailed in the Council Plan. The review of the plans to generate other sources of income, for the future sustainability of the financial strategy, is ongoing.
- 1.4 The Council Tax, the implications of the Local Government finance settlement, the Business Rate Retention scheme, the generation of income from new revenue streams and the budget for 2020/21 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 2019 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. A presentation on the budget occurred at the beginning of December where businesses from across the District were invited to comment. The budget consultation process 2020/21 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 business rates retention scheme 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 2020 Hambleton District Council calculated the Council Tax Base for 2020/21:-

- (a) for the whole Council area as 37,256.42 [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 2020/21 (excluding Parish precepts) as £4,265,115

- (3) That the following amounts be calculated for the year 2020/21 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

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

£ 48,006,456.82

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)**

£ 42,187,844.99

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**

£ 5,818,611.83

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)**

£ 156.1774

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**

£ 1,553,496.87

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)**

£114.4800

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 25 February 2020.***

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 2020/21 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
£	£	£	£	£	£	£	£
76.32	89.04	101.76	114.48	139.92	165.36	190.80	228.96

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 2020/24 (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.

LOUISE BRANFORD-WHITE  
DIRECTOR OF FINANCE AND COMMERCIAL (s151 Officer)

**Background papers:** None

**Author ref:** LBW

**Contact:** Louise Branford-White  
Director of Finance and Commercial (s151)  
Direct Line No: 01609 767024