

Report For:	COUNCIL
Meeting Date:	21 February 2019
Part:	Part 1 - Open
If Part 2, reason:	N/A

SUMMARY

Title of Report:	COUNCIL TAX SETTING 2019/20
Officer Contact: Direct Dial: Email:	David Skinner 01494 421322 David.skinner@wycombe.gov.uk
Ward(s) affected:	All
Reason for the Decision:	<p>To approve the Council Tax requirement for 2019/20 in accordance with the Local Government Finance Act 1992 as subsequently amended.</p> <p>At its meeting on 4 February 2019 the Cabinet considered the budgets for 2019/20 and agreed to recommend to Full Council for approval. The detailed Cabinet report is available on the Council's website, and the minutes of that Cabinet meeting are included on this agenda.</p> <p>This report shows the precept figures for Buckinghamshire County Council, Thames Valley Police and Crime Commissioner, the Buckinghamshire & Milton Keynes Fire Authority, and the Parish Councils.</p>

<p>Recommendation:</p>	<p>Council is asked to:</p> <ul style="list-style-type: none"> (i) Approve the formal Council Tax Resolution set out in Appendix A; (ii) Note the statement by the Chief Finance Officer regarding the robustness of the budget estimates and level of reserves as set out in Appendix B; and (iii) Note the Council Tax Reduction Scheme for the Council attached (electronically) at Appendix C. The rules of the 2019/20 scheme are unchanged from 2018/19, and are the same as those originally approved in 2013/14.
<p>Sustainable Community Strategy/Council Priorities - Implications</p>	<p>Risk:</p> <p>Equalities: Consideration of the likely impacts of council tax discounts on individual tax payers is a key element of formulating the council's Council Tax Reduction Scheme. These impacts were also taken into account during the consultation undertaken with the major preceptors.</p> <p>Health & Safety:</p>
<p>Monitoring Officer/ S.151 Officer Comments</p>	<p>Monitoring Officer: The Local Government Finance Act 1992 places a duty on the Council as billing authority to set the Council Tax in respect of dwellings situated in the area. Other legal implications are set out in the report.</p> <p>S.151 Officer: This is a S.151 Officer report with all the financial implications set out therein.</p>
<p>Consultees:</p>	<p>Cabinet, Major Preceptors and Parishes</p>
<p>Options:</p>	<p>Considered by Cabinet at their meeting on 4 February 2019.</p>
<p>Next Steps:</p>	<p>N/A</p>
<p>Background Papers:</p>	<p>COUNCIL TAX BASE SETTING 2019/20 AND COLLECTION FUND ESTIMATES SURPLUS, CABINET REPORT, 17 December 2018.</p> <p>REVENUE BUDGET AND COUNCIL TAX SETTING 2019/20, CABINET REPORT, 4 February 2019.</p>
<p>Abbreviations:</p>	<p>None</p>

Appendices to this report are as follows:

Appendix A - Council Tax Resolution.

Appendix B - Statement by CFO on the robustness of the budget estimates and level of reserves.

Appendix C - Council Tax Reduction Scheme for the Council.

1. Background

1.1 The largest source of central government funding for local government is the “**Settlement Funding Assessment**” (SFA), which consists of three funding streams:

1. Business Rates Retention – known as ‘Baseline Funding’
2. Revenue Support Grant (RSG)
3. Tariff/Top Up adjustment amounts

Nationally, the total amount of SFA reduces by 6.5% in 2019/20, down to £14.56m. This completes the downward trend over the four-year settlement, with an aggregate reduction of 31.5% between 2016/17 and 2019/20.

Wycombe council has benefitted from two of the three SFA funding streams: Baseline Funding & RSG, though RSG is reducing from £0.117m in 2018/19 to £0 in 2019/20.

See details of Baseline Funding in para 1.2 below.

As expected, the year on year reduction in the Council’s SFA for 2019/20 is 1.3% (£43k), against a reduction for district councils nationally of 5.8%. Over the four years of the settlement period, however, the reduction is 41.3% for Wycombe against the national average for DCs of 38.3%. This disparity has reduced this year because of funding to remove the negative RSG impact.

The reason Wycombe’s SFA overall reduction is high relative to the DC average is that grant reductions within the four-year settlement were based on Government’s assessment of each council’s **Core Spending Power**. This methodology ensures that the grant reduction for each council also takes into account the amount that a council can raise locally, i.e. through growth in Council Tax Base and increase in Council Tax. Government has assumed a 4.8% increase in Council tax for the year, and on the basis of this technical assessment assumes that Wycombe can absorb a greater reduction in government funding than most district councils. In fact the budget for 2019/20 is based on no increase in Council Tax.

The updated National Core Spending Power figures show an increase of 2.8% for 2019/20, and a total increase of 3.8% for the Spending Review 2015 period, 2015/16 to 2019/20.

1.2 **Baseline Funding** is provided by Business Rates, and the amount is determined by Government’s assessment of need within Wycombe. The final settlement for 2019/20 is £3.293m compared to £3.219m in 2018/19.

1.3 Taking Baseline Funding & RSG together, the comparative figures are £3.293m in 2019/20 and £3.336m in 2018/19, a reduction of 1.3%.

1.4 **Business Rates Pilots (75% retention)** - in July 2018, the government invited authorities to bid for pilot status in 2019/20. Buckinghamshire was successful in its application, alongside 14 other areas around the country (plus the London Pilot). The estimated impact for the Council is new Business Rates income of £1.2m, which has been included in the proposed 2019/20 Budget, invested in Economic Development across the District.

2 The Council tax requirement for 2019/20 is £9,467k as summarised in the table below:

2019/20 Budget Summary by: Portfolio Holder	Net Approved Budget	Movements	Final Net Budget
	2018/19	2019/20	2019/20
	£k	£k	£k
Community	2,029	246	2,275
Youth	78	-	78
Economic Development and Regeneration	(4,930)	434	(4,496)
Environment	5,472	(1,074)	4,398
Housing	1,898	57	1,955
Digital Development and Customer Service	5,364	253	5,617
Strategy and Communications	3,231	1,203	4,434
Planning	1,492	(428)	1,064
Finance and Resources	2,396	3,560	5,956
Net Cost of Services	17,030	4,252	21,282
			-
Interest Receipt	(539)	(390)	(929)
Capital Financing Charges	(2,193)	176	(2,017)
Net movement to/(from) Earmarked Reserves	(587)	(1,449)	(2,036)
Revenue Contribution to Capital Outlay	685	(25)	660
Payment to Parishes	94	(94)	-
Corporate items	(2,540)	(1,782)	(4,322)
Net Budget Requirement	14,490	2,471	16,961
Funded by:			-
Collection Fund Surplus	(261)	122	(139)
Business Rates	(3,225)	(2,595)	(5,820)
Revenue Support Grant	(117)	117	-
New Homes Bonus	(1,560)	25	(1,535)
Net Expenditure before Council Tax	9,327	140	9,467
Council Tax Base	68,084	1,021	69,105
Council Tax Band D	£136.99	£0.00	£136.99
Demand on the Collection Fund	(9,327)	(140)	(9,467)

3 Details of the Capital Programme and its funding are given below:

Capital Plan Summary - Current Plan
2018/19 - 2022/23

All figures in £m

	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	Total 2018/19 - 2023/24
Portfolio							
Community	2.3	3.1	2.2	0.3	0.1	0.3	8.3
Environment	-	2.3	6.2	-	-	-	8.5
Housing	2.2	7.3	5.7	0.8	0.8	-	16.8
Econ. Devt and Regen.	12.7	25.2	1.5	2.0	2.0	-	43.5
Planning	3.3	11.9	9.2	21.6	6.9	-	52.9
Finance and Resources	0.3	0.3	0.3	0.3	0.3	-	1.5
Digital Devt. & Cust. Services	0.7	1.7	0.2	0.1	0.2	-	2.9
Grand Total	21.6	51.8	25.3	25.1	10.3	0.3	134.3

Capital Plan - Funding	2018 / 2019	2019 / 2020	2020 / 2021	2021 / 2022	2022 / 2023	2023 / 2024	Total
Capital Receipts - Capex	-	24.5	17.6	12.3	6.1	0.3	60.8
Borrowing	-	-	-	-	-	-	-
CIL	3.6	9.1	-	-	-	-	12.7
S106	2.2	1.7	-	1.5	1.2	-	6.7
DFG	0.8	0.8	0.8	0.8	0.8	-	4.0
ACF	-	2.7	-	-	-	-	2.7
HiF	0.1	1.4	6.2	10.1	1.7	-	19.5
LRF	0.5	-	-	-	-	-	0.5
Use of Revenue Reserves	14.3	11.5	0.6	0.4	0.6	-	27.5
Funding Grand Total	£21.6m	£51.7m	£25.3m	£25.1m	£10.3m	£0.3m	£134.3m