

## **ADDENDUM REPORT**

### **TITLE OF REPORT: REVENUE BUDGET 2016/17 - FINAL FINANCE SETTLEMENT AND THE DISTRICT COUNCIL TAX REQUIREMENT 2016/17**

REPORT OF THE STRATEGIC DIRECTOR OF FINANCE, POLICY & GOVERNANCE  
PORTFOLIO HOLDER: COUNCILLOR T.W. HONE

#### **1. SUMMARY**

- 1.1 To inform Council of the implications of the final finance settlement announced on 8<sup>th</sup> February 2016.
- 1.2 To inform Council of the precepts demanded by all the local precepting authorities in the District and the resulting total District Council Tax Requirement.

#### **2. RECOMMENDATIONS**

- 2.1 That Council notes the changes to the Council's funding position following the finance settlement announced on 8<sup>th</sup> February 2016.
- 2.2 That Council notes the Parish and Town Council precepts of £1,005,472.
- 2.3 That Council note that the total District Council Tax Requirement is £11,177,378.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 To ensure that all relevant factors are taken into consideration when arriving at the proposed Council Tax precept for 2016/17.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 None.

#### **5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 5.1 Parish and Town Councils were asked to provide notice of their precept requirements by the 22 January 2016 in order that there could be consideration of the total Council Tax Requirement at this meeting.

#### **6. FORWARD PLAN**

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 29 October 2015.

## 7. BACKGROUND

- 7.1 The referral from Cabinet details the recommendation to increase council tax by 1.9% and the workings behind the North Hertfordshire District Council (NHDC) precept, for its own purposes, of £10,171,906.

## 8. ISSUES

- 8.1 The final finance settlement announced on 8<sup>th</sup> February made changes to the 2016/17 and 2017/18 funding position with the introduction of a “transition grant” for those authorities that see significant reductions in their funding position and the deferral of the introduction of negative RSG until 2019/20. The impact of the changes on North Hertfordshire is shown in table 1 and the updated General Fund summary at Appendix 1 to this addendum report.

**Table 1: Projected Government Funding for 2016/17 onwards**

2015/16 £'000		2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
1,887	Revenue Support Grant	821	0	0	0
2,474	Business Rates Baseline	2,495	2,544	2,619	2,703
<b>4,361</b>	<b>Settlement Funding Assessment</b>	<b>3,316</b>	<b>2,544</b>	<b>2,619</b>	<b>2,703</b>
-	Tariff/Top-Up adjustment	0	0	0	(1,071)
<b>4,361</b>	<b>Adjusted Settlement Funding Assessment</b>	<b>3,316</b>	<b>2,544</b>	<b>2,619</b>	<b>1,632</b>
2,401	New Homes Bonus	2,718	2,342	1,944	2,050
-	Transition Grant	145	140	0	0
<b>6,762</b>	<b>Total</b>	<b>6,179</b>	<b>5,026</b>	<b>4,563</b>	<b>3,682</b>
	<b>Change on previous year</b>	<b>-8.62%</b>	<b>-18.66%</b>	<b>-9.21%</b>	<b>-19.31%</b>

- 8.2 The referendum limit for shire district Councils was also amended and Council tax increases may now be up to £5 or 2% whichever is the higher.
- 8.3 The Parish and Town Councils have provided notification of the precepts they wish to levy for 2016/17. It was agreed at the January meeting of this Council to distribute a total of £50,697 to the local precepting authorities as the amount of Council Tax Reduction Scheme Grant for 2016/17. This will be paid to each authority together with their “net precept” requirement shown below. The “net precept” of £1,005,472 will be levied on the relevant council tax base of the District.

**Parish and Town Council Precepts for 2016/17**

PARISHES	2016/17					2015/16	
	Total Precept and Grant	CTRS Grant	Net Precept	Tax Base	Band D Tax	Band D Tax	Change on Band D
	£	£	£	£	£	£	£
ASHWELL	54,500.00	1,705.66	52,794.34	821.60	64.26	60.50	3.76
BARKWAY	36,000.00	756.05	35,243.95	361.70	97.44	98.28	-0.84
BARLEY	22,000.00	724.31	21,275.69	318.00	66.90	66.86	0.04
BYGRAVE	6,000.00	47.09	5,952.91	127.00	46.87	40.79	6.08
CALDECOTE & NEWNHAM	1,500.00	90.41	1,409.59	47.50	29.68	27.67	2.01
CLOTHALL WITH LUFFENHALL	2,000.00	164.46	1,835.54	80.20	22.89	21.61	1.28
CODICOTE	103,400.00	4,280.28	99,119.72	1,574.20	62.97	63.08	-0.11
GRAVELEY	6,000.00	608.69	5,391.31	174.10	30.97	30.80	0.17
GREAT ASHBY	21,690.00	3,308.69	18,381.31	2,050.10	8.97	8.43	0.54
HINXWORTH	10,370.00	123.18	10,246.82	159.60	64.20	66.07	-1.87
HOLWELL	7,950.00	656.10	7,293.90	139.10	52.44	51.72	0.72
ICKLEFORD	45,000.00	3,029.91	41,970.09	731.30	57.39	53.30	4.09
KELSHALL	3,000.00	121.50	2,878.50	77.30	37.24	36.68	0.56
KIMPTON	74,208.00	2,207.42	72,000.58	1,025.70	70.20	71.13	-0.93
KINGS WALDEN	28,500.00	1,119.05	27,380.95	415.40	65.91	65.48	0.43
KNEBWORTH	142,610.00	4,654.99	137,955.01	1,921.70	71.79	69.47	2.32
LILLEY	8,950.00	407.25	8,542.75	170.80	50.02	39.64	10.38
OFFLEY	29,900.00	2,652.83	27,247.17	603.50	45.15	47.72	-2.57
PIRTON	32,020.00	874.74	31,145.26	543.00	57.36	55.84	1.52
PRESTON	6,360.00	248.48	6,111.52	207.70	29.42	29.63	-0.21
RADWELL	975.00	163.03	811.97	54.80	14.82	14.61	0.21
REED	4,180.00	198.75	3,981.25	146.10	27.25	26.69	0.56
ROYSTON TOWN COUNCIL	277,656.00	14,927.43	262,728.57	6,240.90	42.10	42.18	-0.08
RUSHDEN & WALLINGTON	4,200.00	265.27	3,934.73	196.80	19.99	18.54	1.45
SANDON	7,770.00	636.37	7,133.63	229.70	31.06	27.19	3.87
ST IPPOLYTS	25,000.00	1,906.39	23,093.61	878.80	26.28	22.31	3.97
ST PAUL'S WALDEN	38,840.00	1,750.63	37,089.37	550.20	67.41	67.34	0.07
THERFIELD	5,790.00	436.61	5,353.39	249.10	21.49	21.31	0.18
WESTON	19,000.00	1,020.63	17,979.37	432.90	41.53	39.00	2.53
WYMONDLEY	30,800.00	1,610.96	29,189.04	406.60	71.79	58.43	13.36
<b>TOTAL</b>	<b>1,056,169.00</b>	<b>50,697.16</b>	<b>1,005,471.84</b>	<b>47,989.60</b>			

8.4 Cabinet has recommended a 1.9% increase in the council tax rate for 2016/17 for NHDC purposes. This will result in a Band D equivalent tax rate of £211.96. The tax base has been estimated at 47,989.60 and so the precept requirement for NHDC purposes is £10,171,906.

8.5 The NHDC precept requirement is added to the local precepting authorities' requirement to calculate the District council tax requirement. This is £11,177,378.

## **9. LEGAL IMPLICATIONS**

- 9.1 The provision for the Authority to levy and collect a Council tax is provided in section 30 of the Local Government Finance Act 1992 (Aggregating Billing Authority and Preceptors Council Tax Charges).
- 9.2 The principles for referendums relating to council tax increases were announced in the final settlement on 8 February 2016 and do not apply to the local precepting authorities.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The approval of the Council Tax resolution on the 29 February 2016 will authorise the council tax billing of the residents of North Hertfordshire for financial year 2016/17.

## **11. RISK IMPLICATIONS**

- 11.1 The risk of non-collection of council tax is monitored in the Collection Fund. The tax base calculations have assumed a non-collection rate of 1%.

## **12. EQUALITIES IMPLICATIONS**

- 12.1 The Equality Act 2010 came into force on the 1<sup>st</sup> October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5<sup>th</sup> April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 The review and setting of Council Tax is a statutory responsibility of this Council and thus by setting the level of council tax and any rise, it must show that it is mindful of the impact this may have for individual residents' ability to pay against the need of the council to have sufficient base budget to deliver key services for those same residents. The recommendation to pass on a grant of just over £50,000 to the district's town and parish councils to mitigate the impact of Council Tax Reduction Scheme reflects some of the considerations made in reaching this balance.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 There are no direct social value implications.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no direct human resource implications arising.

## **15. APPENDICES**

- 15.1 Revised Appendix 1 - General Fund estimates (1.9% Council Tax increase).

**16. CONTACT OFFICERS**

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**17. BACKGROUND PAPERS**

None.

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