

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Portfolio Holder for Finance and Executive Director - Commercialisation (S151)

**To:** South Holland District Council Wednesday, 27 February 2019

**Author:** Jane Crosby, Head of Finance CPBS

**Subject** Council Tax Setting 2019/20

**Purpose:** To set the amounts of Council Tax applicable for 2019-20 for each valuation band and in each part of the district.

### **Recommendation(s):**

- 1) That Council approves that the charge to be levied on the Council Taxpayers of Spalding for services provided in their town (Spalding Special Estimates) will be £217,700 for 2019/20. This equates to a Band D equivalent charge of £23.67 (£23.49 for 2018/19), a 0.77% increase.
- 2) That Council approves the formal Council Tax resolutions for 2019/20 as set out in Appendix A and summarised at 1.8.

### **1.0 BACKGROUND**

- 1.1 The Cabinet considered final budget proposals at its meeting on 12th February 2019 and its recommendations are now provided to Council for its approval on 27<sup>th</sup> February 2019.
- 1.2 This report incorporates relevant resolutions for the setting of the Council Tax for 2019/20 in accordance with the recommended budget.
- 1.3 Formal resolutions are required to set the Council Tax in accordance with the Local Government Finance Act 1992 (as amended). These resolutions incorporate the precept requirement for South Holland District Council, as well as all other Authorities that issue a precept in the District. The required resolutions are detailed at **Appendix A**.
- 1.4 Schedule 5 of the Localism Act 2011 introduced a change to the Local Government Act 1992. This makes provision for Council Tax Referendums to be held if an authority increases its basic amount of Council Tax in excess of principles determined by the Secretary of State.
- 1.5 These principles are set each year and for 2019/20 the trigger levels have been set as follows:
  - Lincolnshire County Council, as an Adult Social Care (ASC) Authority, can increase its core Council Tax by no more than 3% and an additional 2% on top of this for Adult Social Care use, i.e. a maximum of up to 5%.
  - Lincolnshire Police and Crime Commissioner (LPCC) - If the basic amount of Council Tax increases by more than £24 above its 2018/19 value.

- South Holland District Council – If the basic amount of Council Tax increases by 3% (or more than 3%) and more than £5.
- Local precepting authorities (Parish Councils) are not subject to a Council Tax referendum.

Based on the Council tax resolutions at Appendix A none of the precepting authorities are setting a Council Tax level that would require a referendum.

## 1.6 South Holland District Council Budget

The South Holland District Council budget was considered by Cabinet on 12<sup>th</sup> February 2019 and recommendations are now provided to Council on 27<sup>th</sup> February, setting the band D Council tax at £174.78, a £4.95 (2.91%) increase on 2018/19. The Budget report is based on the finance settlement advised by the Department for Communities and Local Government.

## 1.7 Spalding Special Expenses

It is proposed that the amount to be charged to the residents of Spalding for services provided in their town (Spalding Special Expenses) are as follows:

Gross Expenditure	£217,700
Less reserves funding	£0
Expenditure charged to residents	£217,700
Tax base	9,197
Band D (£.p)	£23.67
% Change from 2017-18	0.77%

## 1.8 Council Tax Resolutions

The required resolutions for the approval of the levels of Council Tax are set out at **Appendix A**. The figures relating to the District Council and the average of the parishes are summarised in the following table:

Resolution Ref	Description	SHDC	Parish Precept (excl Spalding Special)	Total
		£	£	£
3a	Gross expenditure	42,440,280	846,490	43,286,770
3b	Gross Income	37,558,500	0	37,558,500
3c		<b>4,881,780</b>	<b>846,490</b>	<b>5,728,270</b>
1a	Tax base	<b>27,931</b>	<b>27,931</b>	<b>27,931</b>
3d 3f	Band D Council Tax	<b>174.78</b>	<b>30.31</b>	<b>205.09</b>

**1.9** The Council tax bills for 2019/20 include the requirements of Town and Parish Councils (where relevant), Lincolnshire County Council and the Police and Crime Commissioner for Lincolnshire, who are all individually responsible for setting their own Council tax levels. The Council tax resolutions (resolution 3(e), 4 and 5) relating to these organisations are covered at **Appendix A** and summarised below.

**1.10 Town and Parish Councils**

The Town and Parish Council precepts (including Spalding Special) are detailed at **Appendix B** and total £1,064,140. The average band D charge is £38.10 for 2019/20, an increase of 3.45%. **Appendix D** shows the combined parish and district precepts for all valuation bands.

**1.11 Lincolnshire County Council (to be confirmed at the LCC Council meeting on 22nd February 2019)**

Lincolnshire County Council will confirm its precept for 2019/20 at the LCC Meeting on 22nd February 2019. The LCC proposed Council Tax Requirement has been published in advance of the LCC Meeting and this represents a Council Tax Band D charge of £1,292.40 (£1,231.47 for 2018/19) which is a £60.93 (4.95%) increase, although this is subject to final confirmation.

**1.12 Police and Crime Commissioner for Lincolnshire**

The Police and Crime Commissioner's budget for 2019/20 was approved by the Police and Crime Panel on 8<sup>th</sup> February 2019. The proposed Council Tax Requirement represents a Council Tax Band D charge of £241.38 (£217.44 for 2018/19) which is a £23.94 increase (11.01%), although this is subject to final confirmation by the Police and Crime Commissioner.

**1.13** Based on the formal council tax resolutions the total (average) band D Council Tax will be as follows: (subject to formal confirmation of the LCC and PCCL Values).

	<b>2018/19</b>	<b>2019/20</b>	<b>Increase</b>	<b>Increase</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
South Holland DC	169.83	174.78	4.95	2.91%
Lincolnshire County Council	1,231.47	1,292.40	60.93	4.95%
Police and Crime Commissioner for Lincolnshire	217.44	241.38	23.94	11.01%
<b>Sub total</b>	<b>1,618.74</b>	<b>1,708.56</b>	<b>89.82</b>	<b>5.55%</b>
Town and Parish Council, including Spalding Special (average)	36.83	38.10	1.27	3.45%
<b>Total</b>	<b>1,655.57</b>	<b>1,746.66</b>	<b>91.09</b>	<b>5.81%</b>

**1.14** **Appendix E** shows the combined council tax charges to include all precepting authorities by parish and valuation band.

## **2.0 OPTIONS**

**2.1** Approve the recommendations of this report

**2.2** Make changes before approving the recommendations of this report.

## **3.0 REASONS FOR RECOMMENDATIONS**

**3.1** As the billing authority, South Holland Dc is required by the Local Government Finance Act 1992 to set the Council Tax by 11<sup>th</sup> March 2019.

## **4.0 EXPECTED BENEFITS**

**4.1** To set the amounts for Council Tax applicable for 2019/20 for each valuation band and in each part of the District, by the required deadline for South Holland DC which will facilitate billing for the year.

**4.2** Council Tax set in accordance with the resolutions will maintain a balanced budget in 2019/20 as per the recommendations from Cabinet on the Draft Budget, Medium Term Financial Plan and Capital Strategy Report for 2019/20.

## **5.0 IMPLICATIONS**

### **5.1 Financial**

**5.1.1** Financial implications are detailed in the Budget, Medium Term Financial Plan and Capital Strategy report for 2019/20 and in section 1 above.

**5.1.2** Parish Council precepts are financed by parish taxpayers in the same way as special expenses. The additions applicable to the district level of Council Tax for parish expenses are shown in the appendices to this report. The average parish addition to the district level of Council Tax will amount to £38.10 (£36.83 for 2018/19), an increase of £1.27 (3.45%) on last year.

**5.1.3** The Authority must submit a Council Tax Requirement (CTR1) within 7 days of approval of the Council tax Resolutions. All summary figures quoted in this report are included in the return which confirms that the Authority does not appear to be subject to a referendum.

### **5.2 Constitutional & Legal**

**5.2.1** Local Government Finance Act 1992 as amended applies.

**5.2.2** Under section 52ZC of the 1992 Act the question of whether an authority's relevant basic amount of council tax is excessive must be decided in accordance with a set of principles determined by the Secretary of State.

5.2.3 The principles for a financial year must be set out in a report which must be laid before and approved by the House of Commons. If the report for a financial year is not approved on or before the date on which the local government finance report for the same year is approved by the House of Commons, no principles have effect for that year and accordingly no authority's relevant basic amount of council tax is capable of being excessive for that year.

5.2.4 Paragraph 1.5 specifies the proposed referendum principles as they apply to those authorities precepting on South Holland residents.

### **5.3 Risk Management**

5.3.1 All risks are detailed in the budget setting report.

### **5.4 Stakeholders / Constitution / Timescales**

5.4.1 Stakeholders have been consulted as part of the budget setting process for 2019/20.

## **6.0 WARDS/COMMUNITIES AFFECTED**

6.1 All

## **7.0 ACRONYMS**

7.1 None

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Background papers:- [2019/20 Budget, Medium Term Financial Plan and Capital Strategy](#)

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### **Lead Contact Officer**

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**Key Decision:** Yes

**Exempt Decision:** No

### **This report refers to a Mandatory Service**

### **Appendices attached to this report:**

Appendix A	2019/20 Council Tax Resolutions
Appendix B	2019/20 Parish Council Tax base report
Appendix C	2019/20 South Holland District Council plus parishes band D Council Tax
Appendix D	2019/20 South Holland District Council plus parishes Council Tax all valuation bands
Appendix E	2019/20 Council Tax rates including County, and Police and Crime Commissioner for Lincolnshire– all valuation bands
Appendix F	Council Tax resolution – definitions