

The
FINANCIAL PLAN 2016/2021
and
COUNCIL TAX RESOLUTION
2017/2018

The Financial Plan 2016/2021 and Council Tax Resolution 2017/2018

1. Introduction

- 1.1 This booklet presents a summary of the Financial Plan 2016/2021 as presented to Cabinet on 31 January 2017. It updates the revenue budgets for 2017/2018 and projections for 2018/2019, 2019/2020 and 2020/2021 for changes since the report to Cabinet.
- 1.2 The booklet also details the Council Tax Resolution for 2017/2018 as required by the Local Government Finance Act 1992.

2. Financial Plan 2016/2021

- 2.1 Cabinet on 31 January 2017 received details of the Council's medium-term financial plan in the document "The Financial Plan 2016/2021". Specifically this document detailed the General Fund revenue budgets and projections for 2016/2021. The report and the associated recommendations were subsequently approved.
- 2.2 Additional savings have been identified and reported in the December 2016 and January 2017 monitoring reports.
- 2.3 The parliamentary debate on the 2017/2018 final local government finance settlement has been confirmed as Wednesday 22 February 2017. It is expected that the final settlement will be published by the Government ahead of this debate. At the time of writing this report the Financial Plan includes the provisional Revenue Support Grant, Baseline Business Rates and New Homes Bonus funding allocations as presented to Cabinet.
- 2.4 With the exception of those Internal Drainage Boards (IDBs) administered by the Middle Level Commissioners the Council has received confirmed figures in respect of the special levies for 2017/2018. The Middle Level Commissioners have advised that any increase in special levies will at worst be no greater than inflation as at December 2016. The estimated IDB levies have been updated from those included in the Financial Plan 2016-2021 as presented to Cabinet. The Internal Drainage Board levies are detailed in Appendix 1.
- 2.5 Confirmation of the council tax support administration grant has now been received. The adjustments detailed in the table below have been made to the Financial Plan 2017-2021 as reported to Cabinet.

2017/2018	2018/2019	2019/2020	2020/2021
£	£	£	£
(56,770)	(48,250)	(41,010)	(21,680)

- 2.6 Following a recent service review the following service areas have moved from the Chief Executive Service Area to Commercial Services. The service budgets have been reallocated. There is no overall financial impact on the Financial Plan 2016-2021.

Economic Regeneration
Regeneration Programmes
Tourism Marketing and Development
Corporate Projects

3. Parish Precepts and Special Expenses 2017/2018

- 3.1 There are no changes to the Special Expenses figures approved at Cabinet on 31 January 2017.
- 3.2 The Council has now received all precept requests for 2017/2018 and figures included in the budget are now formally approved by all Parish/Town Councils as detailed in Appendix 2.

4 General Fund Balances

- 4.1 The amendments detailed in section 2 are summarised in the table below. It can be seen that the working balances of the Council have been used to support the budget requirements over the period 2016/2021. At all times the balance remains above determined minimum levels.

4.2 The revised General Fund Balances are as follows:

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
	£	£	£	£	£
Balance b/f	5,735,034	8,576,774	5,635,434	5,879,144	5,355,564
Financial Plan Contribution to/(Draw from) balances approved at Cabinet 31 January 2017					
Reimbursement of lump sum Pension Payment	1,266,000	(2,932,000)	1,415,000	1,517,000	0
Estimated Contribution to/(Draw from) Balances	1,518,580	(68,890)	(1,222,360)	(2,084,480)	(2,620,490)
Adjustment for December 2016 and January 2017 monitoring reports	57,160	0	0	0	0
Internal Drainage Board Special Levies	0	2,780	2,820	2,890	2,950
Council Tax Support Administration Grant	0	56,770	48,250	41,010	21,680
Revised Contribution to/(Draw from) balances	1,575,740	(9,340)	(1,171,290)	(2,040,580)	(2,595,860)
Balance c/f	8,576,774	5,635,434	5,879,144	5,355,564	2,759,704
Minimum requirement					
5% of Budget Requirement	922,378	887,737	853,883	855,724	847,416
Balance Required	922,378	887,737	853,883	855,724	847,416

COUNCIL TAX RESOLUTION 2017/2018

The Council Tax Resolution 2017/2018 deals with the recommendations of the Cabinet meeting on 31 January 2017 and the resolution to set the Council Tax for 2017/2018.

Norfolk County Council will meet on the 20 February 2017 to set its Council Tax and have recommended an increase of 4.8%, including a 3% adult social care precept.

The Norfolk Police and Crime Panel met on 2 February 2017 and endorsed an increase in Council Tax for the Norfolk Police and Crime Commissioner of 1.99%.

The Referendums Relating to Council Tax Increases (Principles) (England) Report 2017/2018 presented to the House of Commons pursuant to section 52ZD(1) of the Local Government Finance Act 1992 as inserted by Schedule 5 to the Localism Act 2011 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.

The excessiveness principles are set each year and the Secretary of State has determined that:

For 2017-18, the relevant basic amount of council tax for Norfolk County Council is excessive if the authority's relevant basic amount of council tax for 2017-18 is 5% (comprising 3% for expenditure on adult social care and 2% for other expenditure), or more than 5%, greater than its relevant basic amount of council tax for 2016-17.

For 2017-18, the relevant basic amount of council tax for the Borough Council of King's Lynn and West Norfolk is excessive if the authority's relevant basic amount of council tax for 2017-18 is:

- (a) 2%, or more than 2%, greater than its relevant basic amount of council tax for 2016-17; and
- (b) more than £5.00 greater than its relevant basic amount of council tax for 2016-17.

For 2017-18, the relevant basic amount of council tax for the Norfolk Police and Crime Commissioner is excessive if the authority's relevant basic amount of council tax for 2017-18 is 2%, or more than 2%, greater than its relevant basic amount of council tax for 2016-17.

As noted above local precepting authorities (parish and town councils) are not subject to Council Tax referendums in 2017/2018 (but could be in future years depending on the excessiveness principles which may apply in those years).

The first six of the following recommendations deal with the approval of the Budget, Special Expenses, Fees and Charges, minimum requirement of the general fund balance and the Policy on Earmarked Reserves and General Fund Working Balance.

The recommendations 7 to 10 deal with the final recommendation of the Cabinet – the setting of the council tax. Recommendations 11 and 12 provide for officers to properly demand and take action to recover council tax.

Pursuant to Minute CAB119: The Budget 2016/2021, of the Cabinet Meeting held on 31 January 2017 Council is requested to:

- 1) Approve the revision to the Budget for 2016/2017** (as set out in Appendix 3 of this report).
- 2) Reaffirm the Policy on Earmarked Reserves and General Fund Working Balance and the maximum balances set for the reserves** as detailed in Appendix 6 of “The Financial Plan 2016/2021” as reported to Cabinet on 31 January 2017
- 3) Approve the budget of £17,754,730 for 2017/2018 and note the projections for 2018/2019, 2019/2020 and 2020/2021** (as set out in Appendix 3 of this report).
- 4) Approve the level of Special Expenses for Town/ Parish Councils** as detailed in Appendix 5 of “The Financial Plan 2016/2021” as reported to Cabinet on 31 January 2017.
- 5) Approve the Fees and Charges for 2017/2018** as detailed in Appendix 3 of “The Financial Plan 2016/2021” as reported to Cabinet on 31 January 2017.
- 6) Approve a minimum requirement of the General Fund balance for 2017/2018 of £887,737.**

- 7) The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 contain rules for the calculation of the Council Tax Base, which is an amount required by the Local Government Finance Act 1992 to be used in the calculation of the tax by the Council as the billing authority, and Norfolk County Council and the Norfolk Police and Crime Commissioner as major precepting authorities, and in the calculation of the precept payable by the Council to the County Council and Norfolk Police and Crime Commissioner. **Under Officer Delegated Decision the Council Tax Base was calculated as follows for the year 2017/2018:**

Number of dwellings in each Council Tax band; taking into account the multipliers, discounts, exemptions, rate of collection and Council Tax Support.

- (a) 48,774 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax Base for the year.

The tax base for each Parish

- (b) the amounts listed on, "Special Items 2017/18 Special Expenses" (Column headed - Taxbase) being the amounts calculated by the Council, in accordance with Regulation 6 of the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as the amount of its Council Taxbase for the year for dwellings in those parts of its area to which one or more special items relate.

- 8) **Approve that the following amounts be now calculated by the Council for the year 2017/2018 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992:**

Total expenditure

- (a) £92,941,690 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act. (See Appendix 4 of this report).

Total income

- (b) £84,442,820 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act. (See Appendix 4 of this report).

The difference between expenditure and income

- (c) £8,498,870 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its total budget for the year. (See Appendix 3 of this report).

Average Council Tax for Band D property (Borough and Parish)

- (d) £174.25 being the amount at 8(c) above divided by the amount at 7(a) above, calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

The total of Parish Precepts and Special Expenses

- (e) £2,798,650 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

The Borough Council's Council Tax for a Band D property (excluding Parish Precepts and Special Expenses)

- (f)(1) £116.87 being the amount at 8(d) above less the result given by dividing the amount at 8(e) above by the amount at 7(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 special item relates.

The Borough Council's Council Tax for each valuation band

(f)(2)

A	B	C	D	E	F	G	H
£ 77.91	£ 90.90	£ 103.88	£ 116.87	£ 142.84	£ 168.81	£ 194.78	£233.74

The Borough, Special Expenses and Parish Councils' Council Tax for a Band D property in each Parish

- (g) the amounts listed in Col (4), "Special Items 2017/18 Special Expenses" and "Special Items 2017/18 Parish Precepts", when added to the amount at 8(f)(1) above being the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned divided in each case by the taxbases, calculated by the Council, in accordance with Section 34(3) of the Act, gives the basic amounts of its Council Tax for the year for dwelling in those parts of its area to which one or more special items relate.

The Borough and Parish Councils' Council Tax for each tax band in each Parish
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(h) the amounts listed in Cols (1) to (8), "Special Items 2017/18 Special Expenses and Special Items 2017/18 Parish Precepts, together with the amounts shown above in 8(f)(2) as valuation bands A to H - being the amounts given by multiplying the amounts at 8(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

9) Note that for the year 2017/2018 Norfolk County Council and the Norfolk Police and Crime Commissioner have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Band	Norfolk County Council	Norfolk Police and Crime Commissioner	Charge in Relation to Band D
	£	£	
A	831.96	144.78	6/9ths
B	970.62	168.91	7/9ths
C	1,109.28	193.04	8/9ths
D	1,247.94	217.17	9/9ths
E	1,525.26	265.43	11/9ths
F	1,802.58	313.69	13/9ths
G	2,079.90	361.95	15/9ths
H	2,495.88	434.34	18/9ths

The total Council Tax for each band in each parish

- 10) Approve that, having calculated the aggregate in each case of the amounts at 8(h) and 9) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets these as the amounts of Council Tax for the year 2017/2018 for each of the categories of dwellings shown.**

- 11) Approve that the Assistant Director (S151 Officer), Revenues and Benefits Manager, Revenues Manager, Revenues Team Leaders, Committal Manager, Committal Officer, Revenues Officers and Revenues Assistants be authorised to demand and recover, in accordance with the Local Government Finance Act 1992, the Council Tax set by this resolution and be authorised to appear on behalf of the Council in Magistrates' Courts in respect of recovery proceedings.**

- 12) Approve that the Officers be authorised to give notice of the setting of the Council Tax in accordance with Section 96 of the Local Government Finance Act 1992.**