

The
FINANCIAL PLAN 2018/2023
and
COUNCIL TAX RESOLUTION
2019/2020

The Financial Plan 2018/2023 and Council Tax Resolution 2019/2020

1. Introduction

- 1.1 This booklet presents a summary of the Financial Plan 2018/2023 as presented to Cabinet on 5 February 2019. It updates the revenue budgets for 2019/2020 and projections for 2020/2021, 2021/2022 and 2022/2023 for changes since the report to Cabinet.
- 1.2 The booklet also details the Council Tax Resolution for 2019/2020 as required by the Local Government Finance Act 1992.

2. Financial Plan 2018/2023

- 2.1 Cabinet on 5 February 2019 received details of the Council's medium-term financial plan in the document "The Financial Plan 2018/2023". Specifically this document detailed the General Fund revenue budgets and projections for 2018/2023. The report and the associated recommendations were subsequently approved.
- 2.2 The Government published the 2019/2020 final local government finance settlement on 29 January 2019. There are no changes to the provisional allocations of New Homes Bonus and the business rates retention baseline funding. The New Homes Bonus for 2019/2020 included in the Financial Plan presented to Cabinet of £1,022,890 was overstated by £3,030 and the corrected figure is £1,019,860.
- 2.3 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 2019/2020. The Middle Level Commissioners have advised that it would look to make every effort to retain the rate or keep any increase to a minimum. The estimated IDB levies have been updated from those included in the Financial Plan 2018-2023 as presented to Cabinet. The Internal Drainage Board levies are detailed in Appendix 1.
- 2.4 The cost reduction savings reported in the Financial Plan presented to Cabinet were understated for actual savings agreed from passing on the full cost of uncontested parish council elections to the parish council. The savings are transferred to the cost reduction reserve in 2018/2019 and 2019/2020 and feed into the budget bottom line from 2020/2021 as detailed in Appendix 2. The revised savings are as detailed in the table below.

Service Area	2018/2019 Saving £	2019/2020 Saving £	2020/2021 Saving £
Parish Council Elections			
Included in Financial Plan presented to Cabinet	0	2,000	2,000
Revised savings – £500 per annum for casual vacancies	0	500	500
£20,000 every 4 years		20,000	
Increase/(Reduction) in savings	0	18,500	(1,500)

3. Parish Precepts and Special Expenses 2019/2020

- 3.1 There are no changes to the Special Expenses figures approved at Cabinet on 5 February 2019.
- 3.2 The Council has now received all parish precept requests for 2019/2020 and figures included in the budget are now formally approved by all Parish/Town Councils as detailed in Appendix 3.

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 2018/2023. At all times the balance remains above determined minimum levels.

- 4.2 The revised General Fund Balances are as follows:

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
	£	£	£	£	£
Balance b/f	5,736,785	7,466,885	7,365,375	6,363,195	4,052,325
Reimbursement of lump sum Pension Payment	1,415,000	1,517,000	0	0	0
Estimated Contribution to/(Draw from) Balances approved at Cabinet 5 February 2019	315,100	(1,628,760)	(1,000,680)	(2,311,370)	(2,695,800)
New Homes Bonus	0	(3,030)			
Internal Drainage Board special levies	0	13,280	0	0	0
Cost Reduction	0	0	(1,500)	500	500
Revised Contribution to/(Draw from) Balances	315,100	(1,618,510)	(1,002,180)	(2,310,870)	(2,695,300)
Balance c/f	7,466,885	7,365,375	6,363,195	4,052,325	1,357,025
Minimum requirement					
5% of Budget Requirement (Balance Required)	962,732	951,519	905,548	894,908	919,445

COUNCIL TAX RESOLUTION 2019/2020

The Council Tax Resolution 2019/2020 deals with the recommendations of the Cabinet meeting on 5 February 2019 and the resolution to set the Council Tax for 2019/2020.

Norfolk County Council met on the 11 February 2019 to set its Council Tax and have approved a general council tax increase of 2.99% with no increase in the Adult Social Care precept.

The Norfolk Police and Crime Panel met on 5 February 2019 and endorsed an increase in Council Tax for the Norfolk Police and Crime Commissioner of £24 on a Band D property.

The Referendums Relating to Council Tax Increases (Principles) (England) Report 2019/2020 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 2019-20, the relevant basic amount of council tax for Norfolk County Council is excessive if the authority's relevant basic amount of council tax for 2019-20 is $3\%+A\%$ (comprising $A\%$ for expenditure on adult social care, and 3% for other expenditure), or more than $3\%+A\%$, greater than its relevant basic amount of council tax for 2018-19.

For 2019-20, 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 2019-20 is:

- (a) 3% , or more than 3% , greater than its relevant basic amount of council tax for 2018-19; and
- (b) more than £5.00 greater than its relevant basic amount of council tax for 2018-19.

For 2019-20, 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 2019-20 is more than £24 greater than its relevant basic amount of council tax for 2018-19.

Local precepting authorities (parish and town councils) are not subject to Council Tax referendums in 2019/2020 (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 CAB122: Financial Plan 2018/2023, of the Cabinet Meeting held on 5 February 2019 Council is requested to:

- 1) Approve the revision to the Budget for 2018/2019** (as set out in Appendix 2 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 7 of “The Financial Plan 2018/2023” as reported to Cabinet on 5 February 2019
- 3) Approve the budget of £19,030,380 for 2019/2020 and note the projections for 2020/2021, 2021/2022 and 2022/2023** (as set out in Appendix 2 of this report).
- 4) Approve the level of Special Expenses for Town/ Parish Councils** as detailed in Appendix 6 of “The Financial Plan 2018/2023” as reported to Cabinet on 5 February 2019
- 5) Approve the Fees and Charges for 2019/2020** as detailed in Appendix 4 of “The Financial Plan 2018/2023” as reported to Cabinet on 5 February 2019
- 6) Approve a minimum requirement of the General Fund balance for 2019/2020 of £951,519.**

- 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 2019/2020:**

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

- (a) 51,179 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 pages 11-12, (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 2019/2020 in accordance with Sections 31A to 36 of the Local Government Finance Act 1992 (as amended by S74 of the Localism Act 2011):**

Total expenditure

- (a) £93,630,100 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) £83,938,400 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) £9,691,700 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 4 of this report).

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

- (d) £189.37 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) £3,249,860 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) £125.87 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
£ 83.91	£ 97.90	£ 111.88	£ 125.87	£ 153.84	£ 181.81	£ 209.78	£251.74

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

- (g) the amounts listed in Col (4), pages 11-12 Special Expenses and pages 13-14 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 on pages 11-12, 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

(h) the amounts listed in Cols (1) to (8), pages 11-12 Special Expenses and pages 13-14 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 2019/2020 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 Non-Adult Social Care charge	Norfolk County Council Adult Social Care Precept	Norfolk Police and Crime Commissioner	Charge in Relation to Band D
A	£844.13	£64.03	£168.72	6/9ths
B	£984.82	£74.70	£196.84	7/9ths
C	£1,125.50	£85.38	£224.96	8/9ths
D	£1,266.19	£96.05	£253.08	9/9ths
E	£1,547.56	£117.40	£309.32	11/9ths
F	£1,828.93	£138.75	£365.56	13/9ths
G	£2,110.32	£160.08	£421.80	15/9ths
H	£2,532.38	£192.10	£506.16	18/9ths

The total Council Tax for each band in each parish (pages 15-16)

- 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 2019/2020 for each of the categories of dwellings shown.**

- 11) Approve that the Deputy Chief Executive/Executive Director - Finance Services (S151 Officer), Revenues and Benefits Manager, Revenues Manager, Revenues Team Leaders, Committal Manager, Committal Officer, Generic Revenues and Benefits Officers, 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, the Non Domestic Rates payable by Ratepayers and the annual Business Improvement District Levy, 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.**