

**The
FINANCIAL PLAN 2023/2028
and
COUNCIL TAX RESOLUTION
2024/2025**

**As submitted to the
Council**

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The Financial Plan 2023/2028 and Council Tax Resolution 2024/2025

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The Financial Plan 2023/2028 and Council Tax Resolution 2024/2025

1. Introduction

- 1.1 This report presents a summary of the Financial Plan 2023/2028 as presented to Cabinet on 7 February 2024. It updates the revenue budgets for 2024/2025 and projections for 2024/2025, 2025/2026 and 2026/2027, for changes since the report was presented to Cabinet.
- 1.2 The report also details the Council Tax Resolution for 2024/2025 as required by the Local Government Finance Act 1992.

2. Financial Plan 2023/2028

- 2.1 On 7 February 2024, Cabinet was presented with details of the Council’s medium-term financial plan in the document “The Financial Plan 2023/2028”. This document set out in detail the General Fund revenue budgets and projections for 2023/2028. An updated summary of the projections can be found at Appendix 1. The report and the associated recommendations were subsequently approved by Cabinet.
- 2.2 On 5 February 2024, the Department for Levelling Up, Housing and Communities (DLUHC) laid the statutory reports in the House of Commons and published the documents online for the 2024/2025 local government finance settlement. This follows on from the provisional settlement consultation announced in December. Full details can be found on the gov.uk website at [Final local government finance settlement: England, 2024 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/final-local-government-finance-settlement-england-2024-to-2025). The final settlement was approved by the House of Commons 7 February 2024.
- 2.3 The Final Settlement made changes to grant allocations from those set out in the provisional settlement. However, this improves financing in the Financial Plan 2023-2028 in 2024/2025 by £174,900, as detailed in the below table. Due to the increase in Rural Services Delivery Grant, this has resulted in an increase in future year assumptions of £86k each year.

	Provisional	Revised Allocation	Adverse / (Favourable)
Funding	£	£	£
Revenue Support Grant	(1,015,160)	(1,015,160)	0
Rural Services Delivery Grant	(542,380)	(628,535)	(86,155)
Funding Guarantee Grant	(435,060)	(520,418)	(85,358)
Service Grant	(34,950)	(38,339)	(3,389)
Other Government Grants	(2,027,550)	(2,202,452)	(174,902)
New Homes Bonus	(338,620)	(338,620)	0
Total	(2,366,170)	(2,541,072)	(174,902)

The Financial Plan 2023/2028 has been updated with these changes as reflected in Appendix 1.

- 2.4 DLUHC also announced a further £3m of funding to those authorities facing high levies from Internal Drainage Boards. Whilst the council is anticipating an allocation from this

funding, it is not clear whether the funding will be allocated to the same 15 authorities that received it last year so it is difficult to estimate how much funding will be received. The announcement on allocations is due in the coming weeks. It is recommended that this funding will be used to offset the drawdown in 2024/25 against the General Fund Reserve.

2.5 Other changes to the funding position for 2024/25 are set out below:

(£46,050)	Allocation of returned business rates from Government
(£53,970)	Green Plant & Machinery Business Rates Exemption Compensation
(£52,020)	Collection Fund Surplus for Business Rates
(£51,650)	Collection Fund Surplus for Council Tax
£55,000	Continuation of Member Community Fund
£148,690	TOTAL

2.5 The final schedule of fees and charges for 2024/2025 remain unchanged from those presented to Cabinet on 7 February 2024.

3. Capital Programme

3.1 Cabinet met on 6 February and agreed a recommendation to increase the budget for Lynnsport 1 Major Housing Project. On 7 February 2024 at its meeting to consider the budget, Cabinet re-iterated the proposal to include the increased budget in the 2023-2028 capital programme in its recommendation to Council. There are no further updates to the capital programme. The revised capital report is presented separately to Council.

4. Treasury Management Strategy and Capital Strategy

4.1 Following its meeting on 15 January Cabinet approved development of a facility for the Council to borrow in order to lend to its wholly owned companies in accordance with appropriate due diligence considerations. The Cabinet also agreed that, *“delegated authority be granted to the Section 151 Officer in consultation with the Portfolio Holder for Business to amend the Capital Strategy for 2023-2024 to reflect the approved Drawdown facility to the Companies”*. It is likely activity of this nature will have a greater impact on the Treasury Management Strategy from 2024/2025 onwards. The timescales will be influenced by market conditions and appropriate due diligence assessments undertaken by both the Council itself and the Board of the appropriate Company.

4.2 The possibility of this arrangement has been incorporated into both the Treasury Management Strategy and the Capital Strategy. Reporting and implementation prior to such an event taking place, will be reported in accordance with the Council constitution and through quarterly monitoring of Treasury Management Activity. The amended report and recommendations are presented separately to Council.

5. Parish Precepts and Special Expenses 2024/2025

5.1 The Council has now received all parish precept requests for 2024/2025 and figures included in the budget are now formally approved by all Parish/Town Councils as detailed in Appendix 4. There has been no change to the special expenses figures since they were presented to Cabinet on 7 February 2024 as detailed in Appendix 5.

6. General Fund Balances

- 6.1 The working balances of the Council will be used to support the budget requirements during the period 2023/2027. These balances are reduced to the minimum required level in 2026/2027 leaving a budget gap to be addressed. The MTFP confirms the need for a costs and income opportunities to close the budget gaps in 2026/2027 of £3.314m and 2027/2028 of £5.913m. At its meeting on 31 January 2024 Council agreed to increase Council Tax on empty homes after 12 months from 1 April 2024 and second homes falling into class B from 1 April 2025.
- 6.2 As reported to Cabinet and reflecting the changes set out in this report, the general fund balances are estimated as follows:

Projected Movements in General Fund Balances	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
	£	£	£	£	£
Opening Balance	9,644,559	5,327,936	5,038,806	2,827,526	1,230,370
Repurposed reserves achieved for 2023/2024	1,471,359	0	0	0	0
Target repurposed reserves remaining balance for 2023/2024	1,389,287	0	0	0	0
AWN Management Fee – Risk	(412,000)	0	0	0	0
Pension Lump Sum Replenishment	(3,620,000)	1,810,000	1,810,000	0	0
Estimated contribution to / (from) GF Fund Budget	(3,145,269)	(2,099,130)	(4,021,280)	(1,597,156)	14,650
Closing Balance	5,327,936	5,038,806	2,827,526	1,230,370	1,245,020

7. COUNCIL TAX RESOLUTION 2024/2025

- 7.1 The Council Tax Resolution 2024/2025 deals with the recommendations of the Cabinet meeting on 7 February 2024 and the resolution to set the Council Tax for 2024/2025.
- 7.2 This report anticipates that Norfolk County Council will meet on the 21 February 2024 to set its Council Tax at a proposed increase of 4.99% on 2023/24 levels (a general council tax increase of 2.99% on the 2023/2024 levels and 2% Adult Social Care precept), in line with the Government's Capping level.
- 7.3 The Norfolk Police and Crime Panel met on 6 February 2024 and endorsed an increase in Council Tax for the Norfolk Police and Crime Commissioner of 4.28% (£12.96) on a Band D property.
- 7.4 The Referendums Relating to Council Tax Increases (Principles) (England) Report 2024/2025 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.
- 7.5 The excessiveness principles are set each year and the Secretary of State has determined that:

- For 2024/2025, the relevant basic amount of council tax for Norfolk County Council is excessive if the authority's relevant basic amount of council tax for 2024/2025 is 5% (comprising 2% for expenditure on adult social care, and 3% for other expenditure), or more than 5% greater than its relevant basic amount of council tax for 2023/2024.
- For 2024/2025, 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 2024/2025 is:
 - 3%, or more than 3%, greater than its relevant basic amount of council tax for 2023/2024; and
 - more than £5.00 greater than its relevant basic amount of council tax for 2023/2024.
- For 2024/2025, 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 2024/2025 is more than £13.00 greater than its relevant basic amount of council tax for 2023/2024.
- Local precepting authorities (parish and town councils) are not subject to Council Tax referendums in 2024/2025 (but could be in future years depending on the excessiveness principles which may apply in those years).

7.6 The following recommendations 1 to 9 deal with the approval of the Budget, the Policy on Earmarked Reserves and the General Fund Balance, Fees and Charges, minimum requirement of the general fund balance, the Capital Programme and the Treasury Management Strategy.

7.7 The recommendations 10 to 12 deal with the final recommendation of the Cabinet – the setting of the council tax. Recommendations 13 and 14 provide for officers to properly demand and take action to recover council tax.

Pursuant to Agenda Item 11: Financial Plan 2023/2028, of the Cabinet Meeting held on 7 February 2024 Council is requested to:

- 1) Approve the revision to the Budget for 2024/2025 (as set out in Appendix 1 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 2023/2028" as reported to Cabinet on 7 February 2024**
- 3) Approve the budget of £24,731,820 for 2024/2025 and note the projections for 2024/2025, 2025/2026 and 2026/2027 (as set out in Appendix 1 of this report).**
- 4) Approve the Fees and Charges for 2024/2025 as detailed in Appendix 4 of "The Financial Plan 2023/2028" as reported to Cabinet on 7 February 2024**
- 5) Approve a minimum requirement of the General Fund balance for 2024/2025 of £1,236,590.**

6) Pursuant to Section 25 of the Local Government Act, have due regard to the statement of the Section 151 Officer at Section 9 of the Financial Plan 2023/2028 as reported to Cabinet on 7 February 2023 (Updated Appendix 3 to this report)

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 2024/2025:**

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

- (a) 53,748 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 in Appendix 4 Parish Taxbases & Precepts, (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.

10) Approve that the following amounts be now calculated by the Council for the year 2024/2025 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) £102,993,375 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 2 of this report).

Total income

- (b) £90,756,890 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 2 of this report).

The difference between expenditure and income

- (c) £12,236,485 being the amount by which the aggregate at 10(a) above exceeds the aggregate at 10(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its total budget for the year. (See Appendix 2 of this report).

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

- (d) £227.67 being the amount at 10(c) above divided by the amount at 9(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) £4,262,045 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) £148.37 being the amount at 10(d) above less the result given by dividing the amount at 10(e) above by the amount at 9(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
£98.91	£115.40	£131.88	£148.37	£181.34	£214.31	£247.28	£296.74

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

- (g) the amounts listed in Col (4), Appendix 5 Special Expenses and Appendix 6 Parish Precepts, when added to the amount at 10 (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 in Appendix 4 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), Appendix 5 Special Expenses and Appendix 6 Parish Precepts, together with the amounts shown above in 10(f)(2) as valuation bands A to H - being the amounts given by multiplying the amounts at 10(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.

- 11) Note that for the year 2024/2025 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	£962.64	£152.10	£210.60	6/9ths
B	£1,123.08	£177.45	£245.70	7/9ths
C	£1,283.52	£202.80	£280.80	8/9ths
D	£1,443.96	£228.15	£315.90	9/9ths
E	£1,764.84	£278.85	£386.10	11/9ths
F	£2,085.72	£329.55	£456.30	13/9ths
G	£2,406.60	£380.25	£526.50	15/9ths
H	£2,887.92	£456.30	£631.80	18/9ths

The total Council Tax for each band in each parish (Appendix 7)

- 12) Approve that, having calculated the aggregate in each case of the amounts at 10(h) and 11 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 2024/2025 for each of the categories of dwellings shown.
- 13) Approve that the Assistant Director Resources (S151 Officer), Revenues and Benefits Manager, Revenues Manager, Revenues Team Leaders, Committal Manager, Committal Officer, Non-Domestic Rates 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.

- 14) 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.**