

GENERAL FUND REVENUE BUDGET, HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2013/14

Council Tax Resolution 2013/14 – Cabinet Proposals

Summary

1. The purpose of this report is to enable Council to calculate and approve the Council Tax Requirement for 2013/14, in accordance with the Local Government Finance Act 1992 as amended by the Localism Act 2011. In addition, the Act requires Council to determine whether any council tax increase is excessive (that is in excess of 2%) which would require a referendum to be held.
2. Cabinet, at its meeting on 14 February considered and recommended to Council proposals on Hillingdon's General Fund Revenue budget, Housing Revenue Account Budget, Fees & Charges, Capital Programme, Treasury Management Strategy and London Borough of Hillingdon's Pay Policy Statement for 2013/14. The proposals result in a Band D Council Tax for Hillingdon of £1,112.93, which represents a freeze on Council Tax at the 2012/13 level.
3. The report to Cabinet is available in the Group offices, on line at <http://modgov.hillingdon.gov.uk/ieListDocuments.aspx?CId=117&MId=1279&Ver=4> or on request.
4. The Greater London Authority (GLA) precept to be agreed by the London Assembly on 25 February 2013 adds £303.00 to the amount payable by Hillingdon's Council Tax payers. This represents a 1% decrease in the GLA portion of Council Tax compared to 2012/13.
5. Based on the Cabinet's proposals, and the GLA precept, the total Band D Council Tax for 2013/14 will be £1,415.93.

CABINET RECOMMENDATIONS: That:

- 1 The General Fund revenue budget proposals be approved, resulting in a Council Tax requirement for 2013/14 of £97,321,276.**
- 2 Council note that at its meeting on 17 January 2013 the Council calculated the amount of 87,446 as its Council Tax Base for the year 2013/14. This was calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as its Council Tax Base for the year (*Item T in the formula in Section 31B (3) of the Local Government Finance Act 1992*).**
- 3 Hillingdon's own Council Tax be set at £1,112.93 for a Band D property. Taking into account the precept levied by the Greater London Authority, this results in an overall Band D Council Tax of £1,415.93 for the borough.**

4 The following amounts be now calculated by the Council for the year 2013/14, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):

a) £676,619,276 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act. (*Gross Expenditure including the amount required for additions to working balances*).

b) £579,298,000 being the aggregate of the amounts that the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act. (*Gross Income including reserves to be used to meet Gross Expenditure*).

c) £97,321,276 being the amount by which the aggregate at 4 (a) above exceeds the aggregate at 4 (b) above. This is calculated by the Council in accordance with Section 31A(4) of the Act, as its council tax requirement for the year. (*Item R under Section 31B of the Act*).

d) £1,112.93 being the amount at 4 (c) above divided by Item T (2 above). This is, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year. (*Council Tax at Band D for the Council*).

e)

The London Borough of Hillingdon Council Tax			
Band A	Band B	Band C	Band D
£741.95	£865.61	£989.27	£1,112.93
Band E	Band F	Band G	Band H
£1,360.25	£1,607.57	£1,854.88	£2,225.86

being the amounts given by multiplying the amount at 4 (d) 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. This is calculated by the Council in accordance with Section 36 (1) 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.

5 Council note that for the year 2013/14 the Greater London Authority and its functional bodies have stated the following amounts in precepts. These have been issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown below:

The Greater London Authority Precept			
Band A	Band B	Band C	Band D
£202.00	£235.67	£269.33	£303.00
Band E	Band F	Band G	Band H
£370.33	£437.67	£505.00	£606.00

- 6 The Council has calculated the aggregate in each case of the amounts at 4 (e) and 5 above. The Council in accordance with Section 30 and 36 of the Local Government Finance Act 1992 hereby sets the Council Tax for the year 2013/14 for each category of dwelling below:

Total Council Tax 2013/14			
Band A	Band B	Band C	Band D
£943.95	£1,101.28	£1,258.60	£1,415.93
Band E	Band F	Band G	Band H
£1,730.58	£2,045.23	£2,359.88	£2,831.86

- 7 The Housing Revenue Account budget proposals made by Cabinet be approved.
- 8 The proposals for fees and charges and housing rents for both the General Fund and Housing Revenue Account set out in Appendix 7 of the report to Cabinet be approved.
- 9 The capital programme as set out in Appendix 8 of the report to Cabinet be approved.
- 10 The Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Statement for 2013/14 to 2016/17 as set out in Appendix 10 of the report to Cabinet be approved.
- 11 The London Borough of Hillingdon Pay Policy Statement for 2013/14 as set out in Appendix 11 of the report to Cabinet be approved.
- 12 The Council Tax Discount for Older People be retained at 4.87% of Hillingdon's element of the Council Tax.
- 13 the Corporate Director of Finance' comments regarding his responsibilities under the Local Government Act 2003 be noted.
- 14 the Corporate Director of Finance be authorised to approve all virements after 31 March 2013 relating to the 2012/13 financial year of any value beyond the levels currently delegated to Corporate Directors necessary to the closure of accounts, within the deadline set for the 2012/13 financial year.
- 15 (as set out in Schedule C of the Constitution - Budget and Policy Framework Procedure Rules), Cabinet be authorised to utilise the general reserves or balances or approve virements between the General Fund budget, Housing Revenue Account budget or Capital budgets during the

MTFF financial years 2013/14 to 2016/17, in respect of those functions which have been reserved to the Cabinet in Article 7 of the Constitution.

- 16 It be confirmed that the Council’s basic amount of Council Tax for 2012/13 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 and therefore a referendum will not be triggered.**

Council Tax Referendums

6. Schedule 5 of the Localism Act 2011 inserted into the Local Government Finance Act 1992 Chapter 4ZA of Part1 makes provision for council tax referendums to be held if an authority increases its relevant basic amount of council tax in excess of principles determined by the Secretary of State for Communities and Local Government. The Secretary of State has determined that the relevant basic amount of council tax for 2013/14 (as calculated in accordance with Section 52ZX of the Local Government Finance Act 1992) is excessive if it is more than 2% greater than the Council’s relevant basic amount of council tax for 2012/13.
7. The relevant basic amount of council tax is derived from a modified calculation of the basic amount of council tax (the band D amount) which excludes the financial impact of levies on the Hillingdon element of council tax. The amounts of the levies omitted are set out in the table below.
8. With the replacement of Council Tax Benefit by the local Council Tax Reduction Scheme in 2013/14 means that localisation of Council Tax support will in future be treated as a discount to council tax bills. The effect of this change is that the relevant basic amount of council tax will fall in 2013/14 and therefore a comparison between such amounts for 2012/2013 and 2013/2014 would not be on a like for like basis.
9. Under section 52ZE of the Local Government Finance Act 1992 the Secretary of State has specified an alternative notional amount which will be used as the basis of any comparison with the relevant basic amount of council tax for 2012/13. The alternative notional amount for Hillingdon has been set at £1,103.37 for 2012/13 and this will be used to calculate comparison with the relevant basic amount of council tax for 2013/2014 to check whether the proposed council tax level is excessive. The relevant basic amount for 2013/14 is £1,103.29 representing a decrease of £0.08 which equates to 0.0% change and therefore would not trigger a referendum.

Levy	Change in Value 2012/13-2013/14 £'s	2013/14 Amount £'s
Environment Agency	10,209	205,309
Lee Valley Regional Park	(799)	286,971
LPFA	11,780	350,480
Total	21,190	842,759

Financial Implications

10. This is a financial report and the comments of Corporate Finance are contained throughout.

Legal Implications

11. The full advice of the Borough Solicitor is set out in the report to Cabinet. The Borough Solicitor has confirmed that the calculation in this report contains the necessary elements required by the statutory provisions.
12. As is mentioned in the body of the report, the Localism Act has amended the Local Government Finance Act 1992. The most significant change is that local authorities are now required to hold referendums if the relevant basic amount of council tax for 2013/14 is excessive; it will be deemed to be excessive if it is more than 2% greater than its relevant basic amount of council tax for 2012/13. The Cabinet's proposals for the 2013/14 Council Tax Requirement, as set out in this report, will not require a referendum to be held.
13. In addition, Members must have regard to Section 106 Local Government Finance Act 1992, which provides that a Member who has not paid an amount due in respect of Council Tax for at least two months after it becomes payable, may not vote on matters concerning the level of Council Tax or the administration of it. Therefore, any Members who are more than two months in arrears with their Council Tax payments must make a declaration to this effect at the beginning of the meeting.

Background papers: none