

GENERAL FUND REVENUE BUDGET, HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2015/16

Council Tax Resolution 2015/16 – Cabinet Proposals

Summary

1. The purpose of this report is to enable the Council to calculate and approve the Council Tax Requirement for 2015/16, 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 on 12 February considered proposals to Council 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 2015/16. The proposals result in a Band D Council Tax for Hillingdon of £1,112.93, which represents a freeze on Council Tax at the 2014/15 level.
3. The report to Cabinet is available in the Group Offices, on request to the Head of Democratic Services or online at:
<http://modgov.hillingdon.gov.uk/ieListDocuments.aspx?CId=117&MId=1958&Ver=4>
4. The Greater London Authority (GLA) precept agreed by the London Assembly on 23 February 2015 adds £295.00 to the amount payable by Hillingdon's Council Tax payers. This represents a 1.3% decrease in the GLA portion of Council Tax compared to 2014/15.
5. Based on the Cabinet's proposals, and the GLA precept, the total Band D Council Tax for 2015/16 will be £1,407.93.

CABINET RECOMMENDATIONS: That:

- 1 The General Fund revenue budget be approved, resulting in a Council Tax requirement for 2015/16 of £101,499,216.**
- 2 Council note that at its meeting on 15 January 2015 the Council calculated the amount of 91,200 as its Council Tax Base for the year 2015/16. 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 £1,407.93 for the borough.**

4 The following amounts be now calculated by the Council for the year 2015/16, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):

a) **£693,527,916** 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) **£592,028,700** 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) **£101,499,216** 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 2015/16 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
£196.67	£229.44	£262.22	£295.00
Band E	Band F	Band G	Band H
£360.56	£426.11	£491.67	£590.00

- 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 2015/16 for each category of dwelling below:**

Total Council Tax 2015/16			
Band A	Band B	Band C	Band D
£938.62	£1,095.05	£1,251.49	£1,407.93
Band E	Band F	Band G	Band H
£1,720.81	£2,033.68	£2,346.55	£2,815.86

- 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 12 of the attached report to Cabinet be approved.**
- 9 The capital programme as set out in Appendix 6 of the attached report TO Cabinet be approved.**
- 10 The Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Statement for 2015/16 to 2018/19 as set out in Appendix 9 of the attached report to Cabinet be approved.**
- 11 The London Borough of Hillingdon Pay Policy Statement for 2015/16 as set out in Appendix 10 of the attached 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 Council note the Corporate Director of Finance' comments regarding his responsibilities under the Local Government Act 2003.**
- 14 Council authorises its Corporate Director of Finance to approve all virements after 31 March 2015 relating to the 2014/15 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 2014/15 financial year.**
- 15 Council (as set out in Schedule G of the Constitution - Budget and Policy Framework Procedure Rules) resolves that Cabinet may 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 2015/16 to 2019/20 in respect of those functions which have been reserved to the Cabinet in Article 7 of the Constitution.

- 16 Council confirm that the Council's relevant basic amount of Council Tax for 2015/16 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 Part 1 makes provision for a council tax referendum 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. Section 41 of the Local Audit and Accountability Act 2014 amended Chapter 4ZA of Part 1 of the Local Government Finance Act 1992 by imposing new obligations on the Council. These include a requirement that as soon as is reasonably practicable after determining that it is required to hold a referendum in relation to its relevant basic amount of Council Tax for the financial year, the Council must notify that fact in writing to any Body that has issued a levy or a special levy to it for the financial year.
7. The Secretary of State has determined the principles for the year 2015/16 under section 52ZC(1) of the Local Government Act 1992 that a council tax increase will be excessive if the authority's relevant basic amount of Council Tax for 2015/16 is 2% or more than 2% greater than its relevant basic amount of council tax for 2014/15.
8. The relevant basic amount of council tax as calculated is the same as the Band D Council Tax for Hillingdon and if the proposals within this report are approved there will be therefore no increase in the Council Tax level between 2014/15 and 2015/16 and is therefore not excessive.

Financial Implications

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

Legal Implications

10. The full advice of the Borough Solicitor is contained within the Cabinet report. The Borough Solicitor confirms that the calculations set out in this report fully accord with all necessary statutory requirements.
11. The Local Government Finance Act 1992 has been amended by both the Localism Act 2011 and section 41 of the Local Audit and Accountability Act 2014. Local authorities are now required to hold a referendum if their relevant basic amount of Council Tax for 2015/16 is 2% or more than 2% of its relevant basic amount of Council Tax for 2014/15.

12. The Cabinet's proposals for the 2015/16 Council Tax requirement, as set out in the attached report, do not require a referendum to be held and therefore the notification requirements set out in section 41 of the Local Audit and Accountability Act do not apply.
13. Finally, Members must have regard to section 106 of the Local Government Finance Act 1992. This 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 Council 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 Council meeting.

Background Documents: The relevant guidance setting out the business rate retail relief scheme was published in January 2014 at the following web address:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/275589/Business_Rates_Retail_Relief_guidance.pdf.