

## **GENERAL FUND REVENUE BUDGET, HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2016/17**

### **Council Tax Resolution 2016/17 – Cabinet Proposals**

#### **Summary**

1. The purpose of this report is to enable the Council to calculate and approve the Council Tax Requirement for 2016/17, 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 4%) which would require a referendum to be held.
2. **All Members have been supplied with a copy of the proposed budget and are cordially requested to bring that to the Council meeting.**
3. Cabinet on 18 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 2016/17. The proposals result in a Band D Council Tax for Hillingdon of £1,112.93, which represents a freeze on Council Tax at the 2015/16 level.
4. 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=115&MId=2281&Ver=4>
5. The Greater London Authority (GLA) precept agreed by the London Assembly on 22 February 2016 adds £276.00 to the amount payable by Hillingdon's Council Tax payers. This represents a 6.4% decrease in the GLA portion of Council Tax compared to 2015/16.
6. Based on the Cabinet's proposals, and the GLA precept, the total Band D Council Tax for 2016/17 will be £1,388.93.

#### **CABINET RECOMMENDATIONS: That:**

- 1 **The General Fund revenue budget proposals made by Cabinet be approved, resulting in a Council Tax requirement for 2016/17 of £106,585,306;**
- 2 **Council note that at its meeting on 14 January 2016 the Council calculated the amount of 95,770 as its Council Tax Base for the year 2016/17. 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 £1,388.93 for the borough;
- 4 The following amounts have been calculated by the Council for the year 2016/17, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):

- a) £425,635,706 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) £319,050,400 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) £106,585,306 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 2016/17 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:

<b>The Greater London Authority Precept</b>			
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
£184.00	£214.67	£245.33	£276.00
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
£337.33	£398.67	£460.00	£552.00

- 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 2016/17 for each category of dwelling below:

<b>Total Council Tax 2015/16</b>			
<b>Band A</b>	<b>Band B</b>	<b>Band C</b>	<b>Band D</b>
£925.95	£1,080.28	£1,234.60	£1,388.93
<b>Band E</b>	<b>Band F</b>	<b>Band G</b>	<b>Band H</b>
£1,697.58	£2,006.24	£2,314.88	£2,777.86

- 7 The Housing Revenue Account budget proposals made by Cabinet be approved;
- 8 The Capital Programme as set out in Appendix 6 of the attached report to Cabinet be approved;
- 9 The Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Statement for 2016/17 to 2020/21 as set out in Appendix 9 of the attached report to Cabinet be approved;
- 10 The Efficiency Strategy for the 2016/17 year as detailed in Appendix 10 of the attached report to Cabinet be approved;
- 11 The London Borough of Hillingdon Pay Policy Statement for 2016/17 as set out in Appendix 11 of the attached report to Cabinet be approved;
- 12 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;
- 13 The Council Tax Discount for Older People be retained at 4.88% of Hillingdon's element of the Council Tax;
- 14 Council note the Corporate Director of Finance's comments regarding his responsibilities under the Local Government Act 2003;

- 15 Council authorises the Corporate Director of Finance to approve all virements after 31 March 2016 relating to the 2015/16 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 2015/16 financial year;
- 16 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 MTF financial years 2016/17 to 2020/21 in respect of those functions which have been reserved to the Cabinet in Article 7 of the Constitution;
- 17 Council confirm that the Council's relevant basic amount of Council Tax for 2016/17 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**

7. 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.
8. The Secretary of State has determined the principles for the year 2016/17 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 2016/17 is 4% or more than 4% greater than its relevant basic amount of Council Tax for 2015/16. This 4% threshold for excessive increases includes the 2% additional flexibility available to local authorities with responsibility for providing adult social care.
9. 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 no increase in the Council Tax level between 2015/16 and 2016/17 and is therefore not excessive.

### **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 attached report. The Borough Solicitor confirms that the calculations set out in this report fully accord with all necessary statutory requirements.
12. As is mentioned in the body of the report, 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 there is an increase in the relevant basic amount of Council Tax of 4%, or more than 4%, in 2016/17 compared to the relevant basic amount of Council Tax for 2015/16.
13. The Cabinet's proposals for the 2016/17 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.
14. 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: None