

GENERAL FUND REVENUE BUDGET, HOUSING REVENUE ACCOUNT AND CAPITAL PROGRAMME 2023/24

Reporting Officer: Lloyd White, Head of Democratic Services

Summary

1. The purpose of this report is to enable the Council to calculate and approve the Council Tax Requirement for 2023/24, in accordance with the Local Government Finance Act 1992 as subsequently amended. In addition, the Act requires Council to determine whether any Council Tax increase is excessive (that is in excess of 5%) which would require a referendum to be held.
2. This report sets out the Cabinet's proposals to Council on Hillingdon's General Fund revenue budget, Housing Revenue Account budget, Capital Programme, amendments to the approved schedule of Fees & Charges, Capital Investment Strategy, Treasury Management Strategy, Investment Strategy, Minimum Revenue Provision Statement and Pay Policy Statement. In addition, this report also considers reasons for, and implications arising from these proposals. The proposals result in a Band D Council Tax for Hillingdon of £1,326.32, which represents a 4.99% uplift on the Council's element of Council Tax at the 2022/23 level.
3. **The report to Cabinet is available in the Group Offices, on request to the Head of Democratic Services or online at:**

<https://modgov-int.hillingdon.gov.uk/ieListDocuments.aspx?CId=115&MId=4492>
4. The Greater London Authority (GLA) budget proposals add £434.14 to the amount payable by Hillingdon's Council Taxpayers, which represents an 9.7% increase in the GLA portion of Council Tax compared to 2022/23.
5. Based on the Cabinet's proposals, and the GLA precept, the total Band D Council Tax for 2023/24 will be £1,760.46.

CABINET RECOMMENDS that:

- 1 **The General Fund revenue budget proposals made by Cabinet be approved, resulting in a Council Tax requirement for 2023/24 of £137,439,910;**
- 2 **Council note that at its meeting on 12 January 2023 the Council calculated the amount of 103,625 as its Council Tax Base for the year 2023/24. 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 **The Hillingdon element of Council Tax be set at £1,326.32 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 £1,760.46 for the borough;**

4 The following amounts have been calculated by the Council for the year 2023/24, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):

a) £896,367,185 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) £758,927,275 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) £137,439,910 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) £1,326.32 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
884.19	1,031.57	1,178.95	1,326.32
Band E	Band F	Band G	Band H
1,621.04	1,915.79	2,210.51	2,652.61

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 B and 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 2023/24 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
289.43	337.66	385.90	434.14
Band E	Band F	Band G	Band H
530.62	627.09	723.57	868.28

- 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 2023/24 for each category of dwelling below:

Total Council Tax 2023/24 (£)			
Band A	Band B	Band C	Band D
1,173.62	1,369.23	1,564.85	1,760.46
Band E	Band F	Band G	Band H
2,151.66	2,542.88	2,934.08	3,520.89

- 7 The Council Tax Discount for Older People be retained for 2023/24 with a 1.18% discount on Hillingdon's element of the Council Tax for those who joined the scheme on or after 1 April 2020, 2.70% for those who joined the scheme before or on 31 March 2019 and 5.79% for those who joined before or on 31 March 2018, with the scheme closed to new applicants from 1 April 2021;
- 8 The General Fund Capital Programme for 2023/24 to 2027/28 as set out in Appendix A8 of the report to Cabinet be approved;
- 9 The Housing Revenue Account budget proposals, HRA Capital Programme and housing rents set out in Appendix B of the report to Cabinet be approved;
- 10 The proposed amendments to Fees and Charges set out in Appendix C of the report to Cabinet be approved;
- 11 The Capital Investment Strategy, Treasury Management Strategy, Investment Strategy, Minimum Revenue Provision Statement for 2023/24 to 2027/28 as set out in Appendix D of the report to Cabinet be approved;
- 12 The London Borough of Hillingdon Pay Policy Statement for 2023/24 as set out in Appendix E of the report to Cabinet be approved;
- 13 Council note the Corporate Director of Finance's comments regarding his responsibilities under the Local Government Act 2003;
- 14 Council note the planned use of the Flexible Use of Capital Receipts to fund transformation activity as outlined in Appendix 6a of the report to Cabinet;

- 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 during 2023/24 in support of functions designated to the Cabinet in line with Part 4 of the Constitution;**
- 16 Council confirm that the Council's relevant basic amount of Council Tax for 2023/24 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 and therefore a referendum will not be triggered.**

Greater London Authority Precept

6. As one of thirty-three billing authorities across the capital, the London Borough of Hillingdon collects Council Tax on behalf of the Greater London Authority (GLA) which is paid over in full as the annual precept. While the Council has no control over the level of this precept or the resulting GLA share of Council Tax payable by residents of the borough, current regulations require that billing authorities calculate the total amount of Council Tax payable as part of the budget setting resolution. The level at which the GLA sets the precept for the forthcoming year does not impact upon the Council's own budgets or the Hillingdon share of Council Tax.
7. The GLA precept this year is set to increase by £20 per annum to support TfL with the Government again granting the Mayor this bespoke additional flexibility. Additionally, a further £15 is being added that will go directly to the Metropolitan Police. Finally, £3.55 is being added to support the London Fire Commissioner. The GLA have therefore increased their precept by £38.55, or 9.7%, to cover rising costs associated with these areas, this takes the GLA precept to £434.14 for a Band D property.

Council Tax Referendums

8. 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.
9. The Secretary of State has determined the principles for the year 2023/24 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 2023/24 is 5% or greater than its relevant basic amount of Council Tax for 2022/23. This 5% threshold for excessive increases includes the 2% additional flexibility available to local authorities with responsibility for providing Adult Social Care.

10. 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 a 4.99% increase in the Council Tax level between 2022/23 and 2023/24 and is therefore not excessive.

Financial Implications

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

Legal Implications

The Borough Solicitor can confirm that the budgetary proposals and calculations set out in this report fully accord with all necessary statutory requirements.

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. For this year local authorities are required to hold a referendum if there is an increase in the relevant basic amount of Council Tax of 5% or greater than its relevant amount of Council Tax for 2022/23.

The Cabinet's proposals for the 2023/24 Council Tax requirement, as set out in the attached report, do not require a referendum to be held and therefore the notification requirements as set out in Section 41 of the Local Audit and Accountability Act do not apply.

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 Papers: The Council's Budget - Medium Term Financial Forecast 2023/24 - 2027/28 - Cabinet's Budget proposals approved on 16 February 2023