

Minute 55 of Executive Board

Meeting of the Council

22 February 2023

Report of the Corporate Director - Resources

General Fund Revenue Estimates 2023/24 and Setting the Council Tax 2023/24

1 Summary

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2023/24.

Recommendation

- a To approve the formal Council Tax resolution at Appendix A; and**
b To approve the updated strategy set out in paragraph 8.1.1.

2 Background

- 2.1 The Local Government Finance Act 1992 requires the billing authority to calculate a Council Tax requirement for the year.
- 2.2 Since the meeting of the Executive Board the precept levels of other precepting bodies have been received. These are detailed below.

3 Town & Parish Councils

- ... 3.1 The Town and Parish Council Precepts for 2023/24 are detailed in Appendix B and total £1,188,554.08. The increase in the average Band D Council Tax for Town and Parish Councils is 3.8% and results in an average Band D Council Tax figure of £54.55 for 2023/24.

4 Warwickshire County Council

- 4.1 Warwickshire County Council has set a precept of £36,026,048.48. This results in a Band D Council Tax of £1,653.57.

5 Warwickshire Police Authority

- 5.1 The Police and Crime Commissioner for Warwickshire has set a precept of £6,028,628.72 for 2023/24. This results in a Band D Council Tax of £276.71.

6 Conclusions

6.1 The recommendations of the Executive Board, including the 2.95% increase in Council Tax, are set out in the formal Council Tax Resolution in Appendix A.

6.2 If the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	2022/23 £	2023/24 £	Increase %
North Warwickshire Borough Council	222.30	228.86	2.95
Warwickshire County Council	1,590.93	1,653.57	3.94
Warwickshire Police Authority	262.71	276.71	5.33
Sub-Total	2,075.94	2,159.14	4.01
Town and Parish Council (average)	52.55	54.55	3.81
Total	2,128.49	2,213.69	4.00

7 Restrictions on Voting

7.1 Under Section 106 of the Local Government Finance Act 1992, a Member is not entitled to vote on any decision which affects the budget, if at the time of the decision they owe council tax which has been outstanding for two months or more.

7.2 In these circumstances, the Member affected needs to disclose the fact that Section 106 applies to them. The Member is still able to speak on budget matters, but is not entitled to vote. Failure to comply with Section 106 is a criminal offence.

8 Report Implications

8.1 Financial Implications

8.1.1 The Financial Strategy includes the Council Tax recommendation in Appendix A. This is summarised in the table below.

	2022/23 Revised £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000	2026/27 Estimate £000
Board Requirements	10,655	11,522	11,571	11,843	12,223
Use of Earmarked Reserves	(955)	-	-	-	-
Investment Income	(515)	(1,160)	(823)	(644)	(620)
Financing Adjustment	(886)	(766)	(484)	(441)	(433)
Earmarked Reserve – Contribution from HRA	(50)	(40)	-	-	-
Net Expenditure	8,249	9,556	10,264	10,758	11,170
NDR - Baseline	(1,922)	(1,993)	(2,073)	(2,115)	(2,157)
NDR – Additional rates	(500)	(500)	(500)	(500)	(500)
Section 31 Grant – business rate multiplier	(158)	(340)	(353)	(360)	(367)
RSG	-	(81)	(84)	(86)	(87)
New Homes Bonus	(723)	(519)	-	-	-
Lower Tier Grant	(86)	-	-	-	-
Services Grant	(132)	(75)	(75)	(75)	(75)
Funding Guarantee Grant	-	(315)	(328)	(334)	(341)
Collection Fund (Surplus) / Deficit	(80)	(74)	(85)	(88)	(92)
Council Tax	(4,784)	(4,986)	(5,210)	(5,444)	(5,689)
Use of / (Contribution to) Balances	(136)	673	1,556	1,756	1,862
2024/25 requirement to reduce expenditure	-	-	(1,500)	(1,500)	(1,500)
2025/26 requirement to reduce expenditure	-	-	-	(250)	(250)
2026/27 requirement to reduce expenditure	-	-	-	-	(150)
Adjusted Use of / (Contribution to) Balances	(136)	673	56	6	(38)
Level of Balances	2,283	1,610	1,554	1,548	1,586

8.2 Safer Communities Implications

8.2.1 The Council provides services and takes part in initiatives that work to improve Crime and Disorder levels within the Borough, and provision is included within the budgets for this.

8.3 Environment and Sustainability Implications

8.3.1 The Financial Strategy is linked to the delivery of targets and actions identified in the Corporate Plan and service plans. Continuing the budget strategy will allow the Council to manage its expected shortfall in resources without disruption of these targets and without disrupting essential services. Progress against both performance and financial targets are reported regularly to Service Boards.

8.3.2 Parts of the corporate and service plans directly support the sustainability agenda, for example, recycling and the green space strategy.

8.4 Equality Implications

8.4.1 Equality Assessments should be undertaken when making financial decisions to determine what the adverse impact on individuals or communities will be.

The Contact Officer for this report is Sue Garner (719374).

Background Papers

Local Government Act 1972 Section 100D, as substituted by the Local Government Act, 2000 Section 97

Background Paper No	Author	Nature of Background Paper	Date
General Fund Revenue Estimates 2023/24 and Setting the Council Tax 2023/24	NWBC	Report to Executive Board	13 Feb 2023
Financial Strategy 2022/27	NWBC	Report to Executive Board	12 Oct 2022

GENERAL FUND REVENUE ESTIMATES 2023/24 AND SETTING THE COUNCIL TAX 2023/24

The Council is recommended to resolve as follows:

- a** That the savings of £857,860 be approved (Appendix D);
- b** That the revised revenue estimate for 2022/23 and the revenue estimate for 2023/24 be approved (Appendix E);
- c** That a Band D Council Tax increase of 2.95% for 2023/24 be approved;
- d** That the use of the Business Rate Reserve to fund capital expenditure of £3.1 million be approved;
- e** That the Corporate Director - Resource's comments on the minimum acceptable level of general reserves be noted (Appendix F);
- f** That the workforce estimate for the year 2023/24 be approved (Appendix G);
- g1** That it be noted that in January 2023, the Council calculated the Council Tax Base for 2023/24:
 - a** for the whole Council area as 21,786.83 (item T in the formula in section 31B of the Local Government Finance Act 1992, as amended [the "Act"]); and
 - b** for dwellings in those parts of its area to which a Parish precept relates as in the attached Appendix B.
- g2** That the Council Tax Requirement for the Council's own purposes for 2023/24 (excluding Parish precepts) is £4,986,130.00;
- g3** That the following amounts be calculated by the Council for the year 2023/24, in accordance with Sections 31 to 36 of the Act:-
 - a** £59,784,024.08 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils,
 - b** £53,609,340.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act,
 - c** £6,174,684.08 being the amount by which the aggregate at g3(a) above exceeds the aggregate of g3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in section 31B of the Act),
 - d** £283.41 being the amount at g3(c) above (Item R), all divided by Item T (g1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Councils),
 - e** £1,188,554.08 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).

f £228.86 being the amount of g3(d) above, less the result given by dividing the amount at g3(e) above by Item T (g1(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 Parish precept relates.

h4 To note that for 2023/24, Warwickshire County Council and the Office of the Police and Crime Commissioner for Warwickshire have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of category of dwellings in the Council's area as indicated in the table below.

h5 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.

Precepting Authority	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
North Warwickshire BC	152.57	178.00	203.43	228.86	279.72	330.58	381.43	457.72
Warwickshire CC	974.40	1,136.80	1,299.20	1,461.60	1,786.40	2,111.20	2,436.00	2,923.20
Warwickshire CC – Adult Social care	127.98	149.31	170.64	191.97	234.63	277.29	319.95	383.94
Warwickshire Police Auth.	184.47	215.22	245.96	276.71	338.20	399.69	461.18	553.42
Aggregate of Council Tax Requirements	1,439.42	1,679.33	1,919.23	2,159.14	2,638.95	3,118.76	3,598.56	4,318.28

h6 The Council has determined that its relevant basic amount of Council Tax for 2023/24 is not excessive, in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992.

COUNCIL TAX AMOUNTS 2023/24

APPENDIX B

Area Name	A	B	C	A	B	C
	Precept £	2022/23 Taxbase*	Band D £	Precept £	2023/24 Taxbase*	Band D £
<u>Parishes</u>						
Ansley	23,605.00	779.32	30.29	24,723.00	819.86	30.16
Arley	28,000.00	851.51	32.88	30,000.00	863.64	34.74
Astley	1,430.00	77.93	18.35	2,000.00	78.19	25.58
Atherstone	155,624.00	2,750.86	56.57	175,298.00	2,765.66	63.38
Austrey	16,560.00	493.15	33.58	16,560.00	500.44	33.09
Baddesley Ensor	68,737.98	551.05	124.74	69,301.80	555.57	124.74
Baxterley	12,050.00	131.43	91.68	12,050.00	132.22	91.14
Bentley/ Merevale	800.00	48.46	16.51	800.00	49.73	16.09
Caldecote	0.00	86.60	-	0.00	85.81	-
Colleshill	252,974.85	2,495.65	101.37	267,403.18	2,512.37	106.43
Corley	18,250.00	337.52	54.07	18,250.00	339.30	53.79
Curdworth	36,200.00	472.12	76.68	36,924.00	474.29	77.85
Dordon	30,370.03	870.95	34.87	30,879.13	885.55	34.87
Fillongley	24,400.00	671.73	36.32	26,840.00	673.99	39.82
Great Packington	0.00	55.30	-	0.00	55.33	-
Grendon	19,732.00	764.93	25.80	20,225.30	779.15	25.96
Hartshill	101,037.58	1,059.48	95.37	103,058.33	1,069.18	96.39
Kingsbury	37,821.00	2,364.37	16.00	37,821.00	2,375.19	15.92
Lea Marston	12,211.69	142.76	85.54	12,375.07	144.67	85.54
Little Packington	0.00	17.44	-	0.00	17.35	-
Mancetter	32,000.00	678.85	47.14	33,000.00	685.73	48.12
Maxstoke	7,350.00	113.26	64.89	7,350.00	115.04	63.89
Middleton	13,132.00	324.09	40.52	13,394.64	329.43	40.66
Nether Whitacre	19,000.00	501.18	37.91	19,000.00	502.60	37.80
Newton Regis/ Seckington	11,000.00	232.37	47.34	14,000.00	249.87	56.03
Over Whitacre	5,000.00	194.78	25.67	2,500.00	193.21	12.94
Polesworth	97,850.00	2,747.85	35.61	100,412.00	2,819.79	35.61
Shustoke	14,556.00	221.37	65.75	17,556.00	218.76	80.25
Shuttington	8,000.00	165.75	48.27	10,000.00	165.51	60.42
Water Orton	81,164.38	1,252.86	64.78	84,332.63	1,264.18	66.71
Wishaw	2,000.00	65.49	30.54	2,500.00	65.22	38.33
Total Precept	1,130,856.51	21,520.41	52.55	1,188,554.08	21,786.83	54.55

COUNCIL TAX CHARGES BY PRECEPTING AUTHORITY

Area Name	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	6/9 £	7/9 £	8/9 £	9/9 £	11/9 £	13/9 £	15/9 £	18/9 £
North Warwickshire Borough Council (including average Parish charge)	188.94	220.43	251.92	283.41	346.39	409.37	472.35	566.82
North Warwickshire Borough Council (excluding Parishes)	152.57	178.00	203.43	228.86	279.72	330.58	381.43	457.72
Warwickshire County Council WCC - Adult Social Care Precept	974.40 127.98	1,136.80 149.31	1,299.20 170.64	1,461.60 191.97	1,786.40 234.63	2,111.20 277.29	2,436.00 319.95	2,923.20 383.94
Warwickshire Police Authority	184.47	215.22	245.96	276.71	338.20	399.69	461.18	553.42
Parishes								
Ansley	20.11	23.46	26.81	30.16	36.86	43.56	50.27	60.32
Arley	23.16	27.02	30.88	34.74	42.46	50.18	57.90	69.48
Astley	17.05	19.90	22.74	25.58	31.26	36.95	42.63	51.16
Atherstone	42.25	49.30	56.34	63.38	77.46	91.55	105.63	126.76
Austrey	22.06	25.74	29.41	33.09	40.44	47.80	55.15	66.18
Baddesley Ensor	83.16	97.02	110.88	124.74	152.46	180.18	207.90	249.48
Baxterley	60.76	70.89	81.01	91.14	111.39	131.65	151.90	182.28
Bentley/ Merevale	10.73	12.51	14.30	16.09	19.67	23.24	26.82	32.18
Caldecote	-	-	-	-	-	-	-	-
Coleshill	70.95	82.78	94.60	106.43	130.08	153.73	177.38	212.86
Corley	35.86	41.84	47.81	53.79	65.74	77.70	89.65	107.58
Curdworth	51.90	60.55	69.20	77.85	95.15	112.45	129.75	155.70
Dordon	23.25	27.12	31.00	34.87	42.62	50.37	58.12	69.74
Fillongley	26.55	30.97	35.40	39.82	48.67	57.52	66.37	79.64
Great Packington	-	-	-	-	-	-	-	-
Grendon	17.31	20.19	23.08	25.96	31.73	37.50	43.27	51.92
Hartshill	64.26	74.97	85.68	96.39	117.81	139.23	160.65	192.78
Kingsbury	10.61	12.38	14.15	15.92	19.46	23.00	26.53	31.84
Lea Marston	57.03	66.53	76.04	85.54	104.55	123.56	142.57	171.08
Little Packington	-	-	-	-	-	-	-	-
Mancetter	32.08	37.43	42.77	48.12	58.81	69.51	80.20	96.24
Maxstoke	42.59	49.69	56.79	63.89	78.09	92.29	106.48	127.78
Middleton	27.11	31.62	36.14	40.66	49.70	58.73	67.77	81.32
Nether Whitacre	25.20	29.40	33.60	37.80	46.20	54.60	63.00	75.60
Newton Regis/ Seckington	37.35	43.58	49.80	56.03	68.48	80.93	93.38	112.06
Over Whitacre	8.63	10.06	11.50	12.94	15.82	18.69	21.57	25.88
Polesworth	23.74	27.70	31.65	35.61	43.52	51.44	59.35	71.22
Shustoke	53.50	62.42	71.33	80.25	98.08	115.92	133.75	160.50
Shuttington	40.28	46.99	53.71	60.42	73.85	87.27	100.70	120.84
Water Orton	44.47	51.89	59.30	66.71	81.53	96.36	111.18	133.42
Wishaw	25.55	29.81	34.07	38.33	46.85	55.37	63.88	76.66

SAVINGS INCLUDED WITHIN 2023/2024

Board	Description	2023/2024 £
C&E	Reduced gate fee for the disposal of recycling	146,230
C&E	Increase in Cesspool charges	20,000
C&E	Reduced subscriptions to voluntary organisations	18,480
Resources	Reduced vodaphone contract cost	3,500
Resources	Lease car savings	6,920
Corporate	Use of Volatility Reserve to fund the purchase of Refuse Vehicles in stead of borrowing	276,720
Corporate	Investment income from the Material Recycling Facility	45,000
C&E	Reduction in Community development / Policy support	140,000
C&E	Move to Digital communications	13,340
C&E	Set up of the LATCo	155,500
Resources	Reduced Mayoral budget	11,770
Resources	Stop the contribution to the LEP	20,400
	TOTAL SAVINGS	857,860

SUMMARY OF REVENUE REQUIREMENTS

Revised Gross Expenditure 2022/23	Revised Gross Income 2022/23	Revised Net Expenditure 2022/23		Gross Expenditure 2023/24	Gross Income 2023/24	Net Expenditure 2023/24
£	£	£		£	£	£
10,034,130.00	3,094,260.00	6,939,870.00	Community and Environment	10,770,750.00	3,236,250.00	7,534,500.00
925,030.00	707,080.00	217,950.00	Planning and Development	1,042,510.00	722,230.00	320,280.00
128,510.00	109,570.00	18,940.00	Licensing	145,650.00	100,360.00	45,290.00
12,890,100.00	9,891,080.00	2,999,020.00	Resources	12,782,000.00	9,751,770.00	3,030,230.00
721,530.00	20,000.00	701,530.00	Executive	658,390.00	3,060.00	655,330.00
12,637,560.00	12,637,560.00	-	- Council Housing	13,589,210.00	13,589,210.00	-
88,290.00	-	88,290.00	Contingencies	277,600.00	-	277,600.00
377,970.00	688,700.00	(310,730.00)	Additional costs of pay award / additional vacancies	-	-	-
-	-	-	- Reductions not yet included in Service Boards	(341,010.00)	-	(341,010.00)
-	955,000.00	(955,000.00)	Use of Earmarked Reserves	-	-	-
-	515,000.00	(515,000.00)	Interest on Balances	-	1,160,000.00	(1,160,000.00)
-	936,260.00	(936,260.00)	Financing Adjustment	-	806,420.00	(806,420.00)
-	17,267,170.00	(17,267,170.00)	Business Rates	-	21,663,940.00	(21,663,940.00)
15,345,210.00	-	15,345,210.00	Business Rates - Tariff	19,670,370.00	-	19,670,370.00
-	500,000.00	(500,000.00)	Additional Business Rates	-	500,000.00	(500,000.00)
-	722,970.00	(722,970.00)	New Homes Bonus	-	518,900.00	(518,900.00)
-	157,890.00	(157,890.00)	S31 Grant - Business Rate Multiplier	-	339,580.00	(339,580.00)
-	86,200.00	(86,200.00)	Lower tier Grant	-	-	-
-	132,470.00	(132,470.00)	Services Grant	-	74,650.00	(74,650.00)
-	-	-	- Funding Guarantee	-	314,900.00	(314,900.00)
-	-	-	- RSG	-	80,840.00	(80,840.00)
-	79,720.00	(79,720.00)	Surplus/Deficit on Collection Fund - CT	-	74,140.00	(74,140.00)
53,148,330.00	48,500,930.00	4,647,400.00		58,595,470.00	52,936,250.00	5,659,220.00
136,590.00	-	136,590.00	Use of Balances	-	673,090.00	(673,090.00)
53,284,920.00	48,500,930.00	4,783,990.00		58,595,470.00	53,609,340.00	4,986,130.00
1,130,856.51	-	1,130,856.51	Special Items - Parish Precepts	1,188,554.08	-	1,188,554.08
54,415,776.51	48,500,930.00	5,914,846.51		59,784,024.08	53,609,340.00	6,174,684.08

STATEMENT FROM THE CORPORATE DIRECTOR - RESOURCES

The Local Government Act 2003 requires the Chief Financial Officer to report on the robustness of the revenue estimates made for the budget calculations and the adequacy of the proposed financial reserves.

The information used in the preparation of the budget put forward for Members' approval tonight within the revenue budget resolution has undergone extensive and detailed analysis by;

- The Council's Management Team
- Directors and Budget holders within their areas of responsibility
- The Boards of the Council
- The Corporate Director – Resources and staff within Management Accounts

The revenue estimates have been prepared within the guidelines established by the 2022 - 2027 Budget Strategy, approved by the Executive Board at its meeting in October 2022.

I am therefore convinced that the revenue estimates that are put forward for approval have been prepared upon realistic assumptions of Council service requirements and represent a robust budget.

Only identified reductions in expenditure have been included within the 2023/24 budget proposal being considered. In the event that some are not achieved, due to unexpected circumstances, the Council has sufficient reserves to cover any immediate budget shortfall and manage its financial position. A robust approach will need to be taken to continue reducing expenditure to meet the shortfall in resources over the remainder of the Medium Term Financial Strategy, to enable the Council to continue to manage its financial position. Where possible, budget reductions should be found and included in the budget as early as possible, as this has a beneficial impact on the level of balances available.

As part of the overall process, a comprehensive risk assessment has been undertaken of the Council's financial position and it has been determined that the Council's minimum general reserve provision of £1.4 million is appropriate for the Council. The budgetary requirement set out for 2023/24 and the forecasts for the subsequent three years, will keep the level of reserves above this minimum level.

Therefore, I am of the view that the budget proposed for 2023/24 does provide for an adequate level of reserves, and this will be maintained over the Medium Term, provided the Council adheres to its approved Medium Term Financial Strategy and delivers the required reductions in net expenditure and only progresses capital schemes provided the associated revenue costs are affordable.

WORKFORCE BUDGET

The Board estimates contain the effect of the following changes in employee numbers.

	2022/23 Estimate (original) FTE	2023/24 Estimate FTE
Monthly Paid	319	320
Total	319	320