

Minute 49 of Executive Board

Meeting of the Council

23 February 2022

Report of the Corporate Director - Resources

General Fund Revenue Estimates 2022/23 and Setting the Council Tax 2022/23

1 Summary

- 1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2022/23.

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 2022/23 are detailed in Appendix B and total £1,130,856.51. The increase in the average Band D Council Tax for Town and Parish Councils is 1.33% and results in an average Band D Council Tax figure of £52.55 for 2022/23.

4 Warwickshire County Council

- 4.1 Warwickshire County Council has set a precept of £34,237,465.88. This results in a Band D Council Tax of £1,590.93.

5 Warwickshire Police Authority

- 5.1 The Police and Crime Commissioner for Warwickshire has set a precept of £5,653,621.96 for 2022/23. This results in a Band D Council Tax of £262.71.

6 Conclusions

- 6.1 The recommendations of the Executive Board, including the £5.00 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:

	2021/22 £	2022/23 £	Increase %
North Warwickshire Borough Council	217.30	222.30	2.30
Warwickshire County Council	1,533.51	1,590.93	3.74
Warwickshire Police Authority	252.96	262.71	3.85
Sub-Total	2,003.77	2,075.94	3.60
Town and Parish Council (average)	51.86	52.55	1.33
Total	2,055.63	2,128.49	3.54

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.

	2021/22 Revised £000	2022/23 Estimate £000	2023/24 Estimate £000	2024/25 Estimate £000	2025/26 Estimate £000
Board Requirements	10,076	9,758	10,057	10,160	10,459
Covid-19 Grants	(338)	-	-	-	-
Use of Earmarked Reserves	(300)	-	-	-	-
Investment Income	(102)	(323)	(449)	(402)	(418)
Financing Adjustment	(868)	(722)	(558)	(502)	(445)
Earmarked Reserve Contribution from HRA	(50)	(50)	(40)	-	-
Net Expenditure	8,418	8,663	9,010	9,256	9,596
NDR - Baseline	(1,922)	(1,922)	(1,961)	(1,999)	(2,040)
NDR – Additional rates	(500)	(500)	(500)	(500)	(500)
Section 31 Grant – business rate multiplier	(100)	(158)	(158)	(158)	(158)
New Homes Bonus	(577)	(723)	-	-	-
Lower Tier Grant	(82)	(86)	(88)	(90)	(91)
Services Grant	-	(132)	(135)	(138)	(141)
Collection Fund (Surplus) / Deficit	9	(80)	(97)	(109)	(114)
Council Tax	(4,579)	(4,784)	(4,965)	(5,150)	(5,340)
Use of / (Contribution to) Balances	667	278	1,106	1,112	1,212
2023/24 requirement to reduce expenditure	-	-	(1,000)	(1,000)	(1,000)
2024/25 requirement to reduce expenditure	-	-	-	(100)	(100)
2025/26 requirement to reduce expenditure	-	-	-	-	(150)
Adjusted Use of / (Contribution to) Balances	667	278	106	12	(38)
Level of Balances	1,804	1,526	1,420	1,408	1,446

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 2022/23 and Setting the Council Tax 2022/23	NWBC	Report to Executive Board	14 Feb 2022
Financial Strategy 2021/26	NWBC	Report to Executive Board	20 Sept 2021

GENERAL FUND REVENUE ESTIMATES 2022/23 AND SETTING THE COUNCIL TAX 2022/23

The Council is recommended to resolve as follows:

- a That the savings of £525,520 be approved (Appendix D);**
- b That the revised revenue estimate for 2021/22 and the revenue estimate for 2022/23 be approved (Appendix E);**
- c That a Band D Council Tax increase of £5 for 2022/23 be approved;**
- d That the Corporate Director Resources, in consultation with the Chairman of Executive Board and Leader of the Opposition, be given delegated powers with regard to a Discretionary Policy for the Energy Price Council Tax Rebate highlighted in paragraph 7.7 of agenda Item 10 of the Executive Board;**
- e That the use of the Business Rate Reserve to fund capital expenditure on the MRF be approved;**
- f That the Corporate Director - Resource's comments on the minimum acceptable level of general reserves be noted (Appendix F);**
- g That the workforce estimate for the year 2022/23 be approved (Appendix G);**
- h1 That it be noted that in January 2022, the Council calculated the Council Tax Base for 2022/23:**
 - a for the whole Council area as 21,520.41 (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.**
- h2 That the Council Tax Requirement for the Council's own purposes for 2022/23 (excluding Parish precepts) is £4,783,990;**
- h3 That the following amounts be calculated by the Council for the year 2022/23, in accordance with Sections 31 to 36 of the Act:-**
 - a £53,708,036.51 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 £47,793,190.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act,**
 - c £5,914,846.51 being the amount by which the aggregate at h3(a) above exceeds the aggregate of h3(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 £274.85 being the amount at h3(c) above (Item R), all divided by Item T (h1(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 £1,130,856.51 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 £222.30 being the amount of h3(d) above, less the result given by dividing the amount at h3(e) above by Item T (h1(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 2022/23, 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 2022/23 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	148.20	172.90	197.60	222.30	271.70	321.10	370.50	444.60
Warwickshire CC	943.24	1,100.45	1,257.65	1,414.86	1,729.27	2,043.69	2,358.10	2,829.72
Warwickshire CC – Adult Social care	117.38	136.94	156.51	176.07	215.20	254.32	293.45	352.14
Warwickshire Police Auth.	175.14	204.33	233.52	262.71	321.09	379.47	437.85	525.42
Aggregate of Council Tax Requirements	1,383.96	1,614.62	1,845.28	2,075.94	2,537.26	2,998.58	3,459.90	4,151.88

h6 The Council has determined that its relevant basic amount of Council Tax for 2022/23 is not excessive, in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992.

COUNCIL TAX AMOUNTS 2022/23

APPENDIX B

Area Name	A	B	C	A	B	C
	Precept £	2021/22 Taxbase*	Band D £	Precept £	2022/23 Taxbase*	Band D £
<u>Parishes</u>						
Ansley	28,370.00	731.14	38.80	23,605.00	779.32	30.29
Arley	25,000.00	848.75	29.46	28,000.00	851.51	32.88
Astley	1,430.00	78.06	18.32	1,430.00	77.93	18.35
Atherstone	147,529.00	2,705.85	54.52	155,624.00	2,750.86	56.57
Austrey	15,756.00	469.18	33.58	16,560.00	493.15	33.58
Baddesley Ensor	63,028.00	505.28	124.74	68,737.98	551.05	124.74
Baxterley	12,050.00	129.59	92.99	12,050.00	131.43	91.68
Bentley/ Merevale	800.00	48.51	16.49	800.00	48.46	16.51
Caldecote	0.00	82.18	-	0.00	86.60	-
Coleshill	250,718.38	2,473.46	101.36	252,974.85	2,495.65	101.37
Corley	18,250.00	339.64	53.73	18,250.00	337.52	54.07
Curdworth	36,200.00	471.44	76.79	36,200.00	472.12	76.68
Dordon	29,963.00	859.26	34.87	30,370.03	870.95	34.87
Fillongley	22,000.00	658.02	33.43	24,400.00	671.73	36.32
Great Packington	0.00	55.51	-	0.00	55.30	-
Grendon	19,536.50	675.46	28.92	19,732.00	764.93	25.80
Hartshill	101,037.58	1,061.53	95.18	101,037.58	1,059.48	95.37
Kingsbury	36,020.00	2,355.07	15.29	37,821.00	2,364.37	16.00
Lea Marston	12,000.00	140.28	85.54	12,211.69	142.76	85.54
Little Packington	0.00	17.68	-	0.00	17.44	-
Mancetter	30,000.00	665.56	45.07	32,000.00	678.85	47.14
Maxstoke	7,350.00	113.92	64.52	7,350.00	113.26	64.89
Middleton	13,132.00	319.17	41.14	13,132.00	324.09	40.52
Nether Whitacre	18,500.00	491.90	37.61	19,000.00	501.18	37.91
Newton Regis/ Seckington	10,900.00	229.55	47.48	11,000.00	232.37	47.34
Over Whitacre	2,500.00	187.80	13.31	5,000.00	194.78	25.67
Polesworth	95,000.00	2,659.21	35.72	97,850.00	2,747.85	35.61
Shustoke	13,478.00	219.68	61.35	14,556.00	221.37	65.75
Shuttington	7,000.00	157.45	44.46	8,000.00	165.75	48.27
Water Orton	73,785.80	1,258.09	58.65	81,164.38	1,252.86	64.78
Wishaw	1,500.00	62.85	23.87	2,000.00	65.49	30.54
Total Precept	1,092,834.26	21,071.07	51.86	1,130,856.51	21,520.41	52.55

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)	183.23	213.77	244.31	274.85	335.93	397.01	458.08	549.70
North Warwickshire Borough Council (excluding Parishes)	148.20	172.90	197.60	222.30	271.70	321.10	370.50	444.60
Warwickshire County Council WCC - Adult Social Care Precept	943.24 117.38	1,100.45 136.94	1,257.65 156.51	1,414.86 176.07	1,729.27 215.20	2,043.69 254.32	2,358.10 293.45	2,829.72 352.14
Warwickshire Police Authority	175.14	204.33	233.52	262.71	321.09	379.47	437.85	525.42
Parishes								
Ansley	20.19	23.56	26.92	30.29	37.02	43.75	50.48	60.58
Arley	21.92	25.57	29.23	32.88	40.19	47.49	54.80	65.76
Astley	12.23	14.27	16.31	18.35	22.43	26.51	30.58	36.70
Atherstone	37.71	44.00	50.28	56.57	69.14	81.71	94.28	113.14
Austrey	22.39	26.12	29.85	33.58	41.04	48.50	55.97	67.16
Baddesley Ensor	83.16	97.02	110.88	124.74	152.46	180.18	207.90	249.48
Baxterley	61.12	71.31	81.49	91.68	112.05	132.43	152.80	183.36
Bentley/ Merevale	11.01	12.84	14.68	16.51	20.18	23.85	27.52	33.02
Caldecote	-	-	-	-	-	-	-	-
Coleshill	67.58	78.84	90.11	101.37	123.90	146.42	168.95	202.74
Corley	36.05	42.05	48.06	54.07	66.09	78.10	90.12	108.14
Curdworth	51.12	59.64	68.16	76.68	93.72	110.76	127.80	153.36
Dordon	23.25	27.12	31.00	34.87	42.62	50.37	58.12	69.74
Fillongley	24.21	28.25	32.28	36.32	44.39	52.46	60.53	72.64
Great Packington	-	-	-	-	-	-	-	-
Grendon	17.20	20.07	22.93	25.80	31.53	37.27	43.00	51.60
Hartshill	63.58	74.18	84.77	95.37	116.56	137.76	158.95	190.74
Kingsbury	10.67	12.44	14.22	16.00	19.56	23.11	26.67	32.00
Lea Marston	57.03	66.53	76.04	85.54	104.55	123.56	142.57	171.08
Little Packington	-	-	-	-	-	-	-	-
Mancetter	31.43	36.66	41.90	47.14	57.62	68.09	78.57	94.28
Maxstoke	43.26	50.47	57.68	64.89	79.31	93.73	108.15	129.78
Middleton	27.01	31.52	36.02	40.52	49.52	58.53	67.53	81.04
Nether Whitacre	25.27	29.49	33.70	37.91	46.33	54.76	63.18	75.82
Newton Regis/ Seckington	31.56	36.82	42.08	47.34	57.86	68.38	78.90	94.68
Over Whitacre	17.11	19.97	22.82	25.67	31.37	37.08	42.78	51.34
Polesworth	23.74	27.70	31.65	35.61	43.52	51.44	59.35	71.22
Shustoke	43.83	51.14	58.44	65.75	80.36	94.97	109.58	131.50
Shuttington	32.18	37.54	42.91	48.27	59.00	69.72	80.45	96.54
Water Orton	43.19	50.38	57.58	64.78	79.18	93.57	107.97	129.56
Wishaw	20.36	23.75	27.15	30.54	37.33	44.11	50.90	61.08

SAVINGS INCLUDED WITHIN 2022/2023

Board	Description	2022/2023 £
C&E	Additional income from the Garden Waste service	160,310
C&E	Leisure service move to Polesworth Workspace Units	34,420
C&E	Additional income from the adaptation of Coleshill Leisure Centre	17,000
C&E	Reduced support for mobile CCTV	4,000
Resources Recharged	Completion of the central administration review	53,200
Resources Recharged	Software saving	10,500
Resources Recharged	Recruitment to a lower graded post in the Financial Services team	37,810
Resources Recharged	Revised postage arrangements	9,000
Resources Remaining	Additional rental income from council property	7,160
Resources Remaining	closure of the public conveniences in Atherstone	32,120
Executive	Removal of Outreach support post	37,000
Corporate	Investment income from the Material Recycling Facility	123,000
	Total Savings Included	525,520

SUMMARY OF REVENUE REQUIREMENTS

Revised Gross Expenditure 2021/22	Revised Gross Income 2021/22	Revised Net Expenditure 2021/22		Gross Expenditure 2022/23	Gross Income 2022/23	Net Expenditure 2022/23
£	£	£		£	£	£
9,341,840.00	3,013,130.00	6,328,710.00	Community and Environment	9,279,880.00	3,276,460.00	6,003,420.00
956,140.00	677,030.00	279,110.00	Planning and Development	997,150.00	728,580.00	268,570.00
152,080.00	102,360.00	49,720.00	Licensing	131,990.00	109,520.00	22,470.00
17,586,960.00	14,900,770.00	2,686,190.00	Resources	13,268,850.00	10,718,420.00	2,550,430.00
728,780.00	-	728,780.00	Executive	775,540.00	3,060.00	772,480.00
15,209,640.00	15,209,640.00	-	Council Housing	12,637,560.00	12,637,560.00	-
3,350.00	-	3,350.00	Contingencies	141,000.00	-	141,000.00
-	338,200.00	(338,200.00)	Covid-19 Grants	-	-	-
(300,000.00)	-	(300,000.00)	Use of Earmarked Reserves	-	-	-
-	102,000.00	(102,000.00)	Interest on Balances	-	323,000.00	(323,000.00)
-	917,920.00	(917,920.00)	Financing Adjustment	-	772,510.00	(772,510.00)
-	17,266,870.00	(17,266,870.00)	Business Rates	-	17,267,170.00	(17,267,170.00)
15,345,210.00	-	15,345,210.00	Business Rates - Tariff	15,345,210.00	-	15,345,210.00
-	500,000.00	(500,000.00)	Additional Business Rates	-	500,000.00	(500,000.00)
-	577,680.00	(577,680.00)	New Homes Bonus	-	722,970.00	(722,970.00)
-	100,120.00	(100,120.00)	S31 Grant - Business Rate Multiplier	-	157,890.00	(157,890.00)
-	81,840.00	(81,840.00)	Lower tier Grant	-	86,200.00	(86,200.00)
-	-	-	Services Grant	-	132,470.00	(132,470.00)
9,110.00	-	9,110.00	Surplus/Deficit on Collection Fund - CT	-	79,720.00	(79,720.00)
59,033,110.00	53,787,560.00	5,245,550.00		52,577,180.00	47,515,530.00	5,061,650.00
-	666,810.00	(666,810.00)	Use of Balances	-	277,660.00	(277,660.00)
59,033,110.00	54,454,370.00	4,578,740.00		52,577,180.00	47,793,190.00	4,783,990.00
1,092,834.26	-	1,092,834.26	Special Items - Parish Precepts	1,130,856.51	-	1,130,856.51
60,125,944.26	54,454,370.00	5,671,574.26		53,708,036.51	47,793,190.00	5,914,846.51

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 2021 - 2026 Budget Strategy, approved by the Executive Board at its meeting in September 2021.

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 2022/23 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 2022/23 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 2022/23 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 deliver the required reductions in net expenditure.

WORKFORCE BUDGET

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

	2021/22 Estimate (original) FTE	2022/23 Estimate FTE
Monthly Paid	345	313
Total	<hr/> 345 <hr/>	<hr/> 313 <hr/>