

COUNCIL TAX

Executive Summary

The Council has considered the Woking Borough Council budgets and the overall Council Tax requirement for 2023/24 as part of this meeting. A 3% increase Council Tax increase is proposed for Woking Borough Council.

Surrey County Council and the Office of the Police and Crime Commissioner for Surrey have determined their requirements and the final precepts have been levied.

The precept levied by Surrey County Council is a 2.99% increase compared with 2022/23, including an increase to the Adult Social Care (ASC) precept. The Surrey Police and Crime Commissioner has increased the precept by £15, the maximum allowed for 2023/24.

The total of the precepts from Surrey County Council, Surrey Police and Crime Commissioner, and the budget required for the Borough's purposes result in a Band D Council Tax of £2,248.77 in 2023/24.

The draft formal resolution is attached at Appendix 3.

There is a statutory requirement for the Council Tax for 2023/24 to be set before 11th March 2023.

Recommendations

The Council is requested to:

RESOLVE in accordance with the draft Council Tax resolution set out at Appendix 3 to the report.

The Council has the authority to determine the recommendation(s) set out above.

Background Papers:	None.
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Date Published:	17 February 2023

1.0 Introduction

- 1.1 The Council has this evening considered the recommendations in respect of the Budget for 2023/24.
- 1.2 Following the Council's decision in respect of these recommendations, this report sets out the details necessary for the Council to determine the Council Tax level for 2023/24.

2.0 External Finance 2023/24

- 2.1 The Government published the Final Local Government Finance Settlement for 2023/24 on 6 February 2023.

3.0 General Fund Budget 2023/24

- 3.1 The General Fund Summary, together with the Housing Revenue Account Summary, are attached at Appendix 1.
- 3.2 The total amount, the Council Tax requirement, to be met from local taxation in 2023/24 for Woking Borough purposes is £11,211,968.

4.0 Budget Variations 2023/24

- 4.1 The year on year change in the precept on the Collection Fund, after taking into account Woking's share of the collection fund surplus is an increase of £605,367. This can be explained as follows:

Budget variation 2022/23 to 2023/24	Feb-23
Cost (+)/ Saving (-)	£'000
Investment Programme/Treasury Management	1,738
Service Pressures (net of Fit for the Future savings)	3,434
Cost pressures	5,172
Increase in Fees and Charges	-280
Increase in Government Funding	-1,136
Increase in Collection Fund Surplus	-224
Increase in Use of Reserves	-2,927
Offset by increased income/savings/reserves	-4,567
Movement in Precept on Collection Fund	605

5.0 Collection Fund Surplus

- 5.1 The Council's share of the collection fund surplus as at 31 March 2022 in respect of Council Tax is £304,284. The budget includes a deficit for 2020/21 of £68,041 which is a third of the total forecast deficit as government regulations required spreading over 3 years. The budget also includes a surplus relating to retained Business Rates of £1,065,000 which represents the forecast expected retained Business Rates over the baseline level, including the benefit of being in the Surrey Business Rates Pool, in 2023/24.

6.0 Council Tax Tax Base 2023/24

- 6.1 It should be noted that the Chief Finance Officer, in accordance with the authority delegated at a meeting of Council on the 6 December 2012, has calculated the Council Tax tax base for 2023/24 for the Borough of Woking to be 42,611.00.

7.0 Borough Council Tax at Band D

7.1 In 2022/23 the Borough element of the Council Tax is £255.46 at Band D.

7.2 For 2023/24 the Borough element of the Council Tax at Band D, is £263.12, representing a 3.0% increase in Council Tax from 2022/23. The 2023/24 Council Tax has been calculated as follows:

	£
Total amount to be met from local taxation and Government Grants for Woking Borough Council	16,128,030
Less External Finance (allocated through B Rates Pilot)	
- Local Retention of Business Rates baseline (NNDR)	-2,214,507
- Local Retention of Business Rates growth/pooling	-1,065,000
- Revenue Support Grant (RSG)	-92,845
- Services Grant	-86,333
- New Homes Bonus	-1,221,134
	-4,679,819
Less Council Tax surplus 31 March 2022	-304,284
Plus Forecast Council Tax deficit 2020/21 (after 3 year spreading)	68,041
Net Council Tax requirement for Borough purposes	11,211,968
Council Tax tax base for the Borough	42,611.00
Borough element of Council Tax at Band D	£263.12
(Net Council Tax requirement for Borough purposes divided by the Council Tax tax base for the Borough)	

8.0 Surrey County Council Requirements 2023/24

8.1 Surrey County Council has determined its requirements for 2023/24 at a meeting on 7 February 2023 and has levied a precept of £71,376,833.88 on the Borough. The resultant Band D Council Tax for Surrey County Council purposes is therefore £1,675.08, compared with £1,626.39 for 2022/23.

8.2 This is an overall 2.99% increase compared to 2022/23 on the SCC Council Tax including the Adult Social Care (ASC) precept.

9.0 Surrey Police and Crime Commissioner Requirements 2023/24

9.1 The requirements for 2023/24 were determined by the Police and Crime Commissioner for Surrey at a meeting on 3 February 2022 a precept of £13,233,698.27 was levied on the Borough. The resultant Band D Council Tax for the Police and Crime Commissioner for Surrey's purposes is therefore £310.57 compared with £295.57 for 2022/23. This equals the maximum allowable £15 increase at Band D, equivalent to a 5.1% increase.

10.0 Composite Council Tax 2023/24

10.1 The Band D Council Tax for 2023/24, compared with 2022/23, is set out below:

Purposes of:	2022/23	2023/24	Increase %
	Actual £	Proposed £	
Surrey County Council - Basic	1,440.91	1,457.14	-
Surrey County Council - Adult Social Care	185.48	217.94	-
Surrey County Council - Total	1,626.39	1,675.08	3.0%
Surrey Police and Crime Commissioner	295.57	310.57	5.1%
Woking Borough Council	255.46	263.12	3.0%
Composite Council Tax	2,177.42	2,248.77	3.3%

10.2 The Council Tax for 2023/24, across all bands, may be summarised as follows:

Valuation Band	Surrey County Council Basic £	Adult Social Care £	Total Surrey County Council £	Surrey Police and Crime Commissioner £	Woking Borough Council £	Aggregate of Council Tax Requirements £
A	971.43	145.29	1,116.72	207.05	175.41	1,499.18
B	1,133.33	169.51	1,302.84	241.55	204.65	1,749.04
C	1,295.24	193.72	1,488.96	276.06	233.88	1,998.90
D	1,457.14	217.94	1,675.08	310.57	263.12	2,248.77
E	1,780.95	266.37	2,047.32	379.59	321.59	2,748.50
F	2,104.76	314.80	2,419.56	448.60	380.06	3,248.22
G	2,428.57	363.23	2,791.80	517.62	438.53	3,747.95
H	2,914.28	435.88	3,350.16	621.14	526.24	4,497.54

10.3 The formal resolution to give effect to the Council Tax is set out at Appendix 3.

11.0 Corporate Strategy

11.1 The Council Tax for 2023/24 will support the Council's General Fund revenue budget which has been prepared to support the priorities within the Woking for All Strategy. These will be reviewed between April-June 2023 recognising the financial position of the Council.

11.2 The updated Medium Term Financial Strategy will be considered by the Council in March 2023 and will be the subject of regular reporting during 2023/24.

12.0 Implications

Finance and Risk

12.1 The financial implications are explicit in the report.

12.2 The Council is in a serious financial position. There are a number of risks which have been reported to the Council through the Medium Term Financial Strategy and General Fund report. These areas will be subject to further reports during the year.

Equalities and Human Resources

- 12.3 There are no human resource or training and development implications arising from the recommendations in this report.

Legal

- 12.4 In accordance with the Local Government Finance Act 1992, the Council is required to set council tax by 11th March each year.

13.0 Engagement and Consultation

- 13.1 There has been no specific engagement or consultation in relation to this report.

REPORT ENDS

GENERAL FUND SUMMARY

	ESTIMATE 2022/23 £	ESTIMATE 2023/24 £
TOTAL PROGRAMME REQUIREMENTS	4,046,406	8,872,205
Provision for lost income due to Covid-19 (2022/23 only)	1,818,000	
MTFS savings requirement	-100,000	
PROGRAMME REQUIREMENTS AND SAVINGS TARGETS	5,764,406	8,872,205
Management of Change	250,000	250,000
Risk Contingency	250,000	250,000
PFI Unitary Charge and management	175,000	175,000
Investment Programme items funded from revenue	134,000	120,000
NET COST OF SERVICES	6,573,406	9,667,205
<u>INTEREST AND OTHER ITEMS</u>		
- Interest costs	55,520,055	62,036,006
- Interest and Investment Income	-38,503,475	-43,281,301
NET OPERATING EXPENDITURE	23,589,986	28,421,910
<u>USE OF RESERVES/BALANCES</u>		
- Net Use of Revenue Reserves	-4,033,535	-8,346,609
- Contribution from Wolsley Place reserve	-1,003,347	
- Contribution from Capital Reserves (Depreciation)	-4,006,238	-3,947,271
- Contribution from Reserves - Management of Change	-250,000	
- Contribution from Reserves - IP items funded from revenue	-134,000	
AMOUNTS TO BE MET FROM LOCAL TAXATION AND GOVERNMENT GRANTS	14,162,866	16,128,030
EXTERNAL FINANCE - SETTLEMENT FUNDING ASSESSMENT	-2,134,965	-2,214,507
- Revenue Support Grant	0	-92,845
- Lower Tier Services Grant	-95,753	0
- Services Grant (New 2022/23)	-147,156	-86,333
New Homes Bonus	-230,905	-1,221,134
Business Rates Surrey Pool	-935,000	-1,065,000
PRECEPT ON COLLECTION FUND	10,619,087	11,448,211
<u>FORECAST COUNCIL TAX LEVEL</u>		
Precept on Collection Fund (from above)	10,619,087	11,448,211
Working share of Collection Fund Surplus(-)/Deficit	-80,527	-304,284
Working share of 2020/21 Collection Fund Deficit	68,041	68,041
	10,606,601	11,211,968
Council Tax Taxbase	41,519	42,611
Council Tax Requirement (£)	£255.46	£263.12
Year on year increase (£)	£5.00	£7.66
Year on year increase (%)	2.00%	3.00%

HOUSING REVENUE ACCOUNT

	REVISED ESTIMATE 2022/23	REVISED ESTIMATE 2023/24
<u>EXPENDITURE</u>		£
SUPERVISION & MANAGEMENT		
Estate Management	4,517,573	5,727,572
Rent Accounting/Collection	271,400	354,857
Home Support Service	799,880	773,555
Tenant Participation	54,517	62,532
Repairs Admin	713,248	885,082
Democratic Process	1,665,704	1,741,682
Transfer to hardship fund		50,000
	8,022,322	9,595,280
DEPRECIATION	3,956,449	3,956,449
MAINTENANCE		
Day to Day Repairs	2,246,447	2,787,866
Revenue Voids		
Planned Maintenance	373,969	433,850
	2,620,415	3,221,716
Debt Management Expenses	36,000	36,000
TOTAL EXPENDITURE	14,635,186	16,809,445
<u>INCOME</u>		
GROSS RENTS & SERVICE CHARGES	19,322,718	20,983,724
INTEREST COUNCIL HOUSE MORTGAGES	1,150	1,150
TOTAL INCOME	19,323,868	20,984,874
NET (COST)/SURPLUS OF SERVICES	4,688,681	4,175,429
Interest Payable and Similar Charges	5,463,712	5,540,927
Amortisation of Premiums and Discounts	29,817	0
Revenue Contribution to Capital Outlay		0
Surplus (Deficit) for Year	-804,848	-1,365,498