

COUNCIL TAX 2019-2020

Executive Summary

The Executive considered the draft service plans and budgets and the overall Council Tax requirement for 2019/20 on 7 February 2019 and has recommended their approval. Minutes 7 to 10 of the Executive meeting refer.

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

The precept levied by Surrey County Council is a 3% increase compared to 2018/19, there is no increase to the Adult Social Care (ASC) precept this year. The Surrey Police and Crime Commissioner has increased the precept by £24 the maximum allowed for 2019/20.

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 £1,954.53 in 2019/20.

The draft formal resolution is attached at Appendix 3.

There is a statutory requirement for the Council Tax for 2019/20 to be set before 11th March 2019.

Recommendations

The Council is requested to:

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

The Council has authority to determine the recommendation above.

Background Papers:

Precept decisions of Surrey County Council and Surrey Police and Crime Commissioner
Finance Settlement figures
Sustainability Impact Assessment
Equalities Impact Assessment

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1.0 Introduction

- 1.1 The Executive at its meeting on 7 February 2019 made recommendations in respect of the Budget for 2019/20.
- 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 2019/20.

2.0 External Finance 2019/20

- 2.1 The Government announced the Final Local Government Finance Settlement for 2019/20 on 28 January 2019 and this was incorporated into the Executive budget report.

3.0 General Fund Budget 2019/20

- 3.1 The General Fund Summary, the variations across the People, Place and Us Programme requirements, together with the Housing Revenue Account Summary, are attached at Appendix 1. A summary of the revenue reserves is attached at Appendix 2.
- 3.2 The total amount, the council tax requirement, to be met from local taxation in 2019/20 for Woking Borough purposes is £9,936,686.

4.0 Budget Variations 2019/20

- 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 £357,822. This can be explained as follows:

	£'000
Increased obligations and cost pressures:	
Inflation and increases to service costs	1,404
Reductions income	879
Increased Asset Financing Costs	7,101
Reduction in use of reserves and Collection fund surplus	2,002
	11,386
Offset by:	
Increased income	-10,960
Cost reductions	-25
Increase in grant income	-43
	358

5.0 Collection Fund Surplus

- 5.1 The Council’s share of the collection fund surplus as at 31 March 2019 in respect of Council Tax is £98,683. The budget includes an expected surplus relating to retained Business Rates of £200,000.

6.0 Council Tax Tax Base 2019/20

- 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 2019/20 for the Borough of Woking to be 41,323.

7.0 Borough Council Tax at Band D

7.1 In 2018/19 the Borough element of the Council Tax is £233.46 at Band D.

7.2 For 2019/20 the Borough element of the Council Tax at Band D, is £240.46, representing a 3% increase in Council Tax from 2018/19. The 2019/20 tax has been calculated as follows:

	£
Total amount to be met from local taxation and Government Grants for Woking Borough Council	12,135,772
Less External Finance (allocated through B Rates Pilot)	
- Local Retention of Business Rates (NNDR)	-2,100,403
- Revenue Support Grant (RSG)	0
- Transition Grant	0
	<hr/>
	-2,100,403
Less Council Tax Collection Fund surplus	-98,683
Net Council Tax requirement for Borough purposes	<u>9,936,686</u>
Council Tax tax base for the Borough	41,323
Borough element of Council Tax at Band D	£240.46
(Net Council Tax requirement for Borough purposes divided by the Council Tax tax base for the Borough)	

8.0 Surrey County Council Requirements 2019/20

8.1 Surrey County Council has determined its requirements for 2019/20 at a meeting on 5 February 2019 and has levied a precept of £60,062,980.50 on the Borough. The resultant Band D Council Tax for Surrey County Council purposes is therefore £1,453.50, compared with £1,411.29 for 2018/19.

8.2 This is a 3% increase compared to 2018/19 on the main SCC Council Tax. The Adult Social Care (ASC) precept is unchanged compared to 2018/19 at £102.39 at Band D.

9.0 Surrey Police and Crime Commissioner Requirements 2019/20

9.1 The Surrey Police and Crime Commissioner has determined his requirements for 2019/20 at a meeting on 4 February 2019 and has levied a precept of £10,767,534.11 on the Borough. The resultant Band D Council Tax for the Surrey Police and Crime Commissioners purposes is therefore £260.57 compared with £236.57 for 2018/19.

10.0 Composite Council Tax 2019/20

10.1 The Band D Council Tax for 2019/20, compared with 2018/19 is set out below:

Council Tax 2019-2020

Purposes of:	2018/19 Actual £	2019/20 Proposed £	Increase %
Surrey County Council - Basic	1,308.90	1,351.11	3.0%
Surrey County Council - Adult Social Care	102.39	102.39	0.0%
Surrey County Council - Total	1,411.29	1,453.50	3.0%
Surrey Police and Crime Commissioner	236.57	260.57	10.1%
Woking Borough Council	233.46	240.46	3.0%
Composite Council Tax	1,881.32	1,954.53	3.9%

10.2 The Council Tax for 2019/20, 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	900.74	68.26	969.00	173.71	160.31	1,303.02
B	1,050.86	79.64	1,130.50	202.67	187.02	1,520.19
C	1,200.99	91.01	1,292.00	231.62	213.74	1,737.36
D	1,351.11	102.39	1,453.50	260.57	240.46	1,954.53
E	1,651.36	125.14	1,776.50	318.47	293.90	2,388.87
F	1,951.60	147.90	2,099.50	376.38	347.33	2,823.21
G	2,251.85	170.65	2,422.50	434.28	400.77	3,257.55
H	2,702.22	204.78	2,907.00	521.14	480.92	3,909.06

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

11.0 Implications

Financial

11.1 The financial implications are explicit in the report.

Human Resource/Training and Development

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

Community Safety

11.3 There are no Community Safety implications arising from this report.

Risk Management

11.4 The budget includes a risk contingency of £250,000. There are a number of areas of risks which have been reported to the Executive, and these areas will be closely monitored during the year.

Sustainability

11.5 There are no Sustainability implications arising from the recommendations in this report.

Equalities

11.6 There are no Equalities implications arising from the recommendations in this report.

Safeguarding

11.7 There are no Safeguarding implications arising from the recommendations in this report.

12.0 Conclusions

12.1 There have been no public consultations.

REPORT ENDS

GENERAL FUND SUMMARY

	ESTIMATE 2018/19 £	ESTIMATE 2019/20 £
TOTAL PROGRAMME REQUIREMENTS	5,810,060	-2,430,535
MTFS savings requirement	-100,000	-100,000
PROGRAMME REQUIREMENTS AND SAVINGS TARGETS	5,710,060	-2,530,535
Management of Change	250,000	250,000
Risk Contingency	250,000	250,000
New Homes Bonus	-1,386,037	-1,317,017
Business Rates Surrey Pool/Pilot	-200,000	-200,000
PFI Unitary Charge and management	175,000	175,000
Investment Programme items funded from revenue	289,000	419,000
NET COST OF SERVICES	5,088,023	-2,953,552
INTEREST AND OTHER ITEMS		
- Interest costs	28,806,189	42,361,356
- Interest and Investment Income	-18,662,586	-25,098,320
NET OPERATING EXPENDITURE	15,231,626	14,309,484
USE OF RESERVES/BALANCES		
- Contribution to Investment Strategy Reserve	1,345,805	1,362,257
- Use of/contribution to MTFS Reserve	-308,911	1,307,221
- New Homes Bonus transferred to Reserve	386,037	717,017
- Contribution from Wolsey Place reserve	-1,003,347	-1,003,347
- Contribution from Capital Reserves	-3,339,020	-3,887,860
- Contribution from Reserves - Management of Change	-250,000	-250,000
- Contribution from Reserves - IP items funded from revenue	-289,000	-419,000
AMOUNTS TO BE MET FROM LOCAL TAXATION AND GOVERNMENT GRANTS	11,773,190	12,135,772
EXTERNAL FINANCE - SETTLEMENT FUNDING ASSESSMENT	-2,057,592	-2,100,403
- Transition Grant	0	0
PRECEPT ON COLLECTION FUND	9,715,598	10,035,369
FORECAST COUNCIL TAX LEVEL		
Precept on Collection Fund (from above)	9,715,598	10,035,369
Working share of Collection Fund Surplus(-)/Deficit	-136,734	-98,683
	9,578,864	9,936,686
Council Tax Taxbase	41,030	41,323
Council Tax Requirement (£)	£233.46	£240.46
Year on year increase (£)	£6.75	£7.00
Year on year increase (%)	2.98%	3.00%

SUMMARY OF VARIATIONS

	People £	Place £	Us £	Total £
Original Estimate 2018/19	9,459,075	-9,251,410	5,602,395	5,810,060
General Budget Pressures				
Changes in Management and Administration costs	186,056	340,234	201,507	727,797
Changes in Capital Charges	72,073	435,153	0	507,226
Contractual Inflation	28,800	24,648	0	53,448
Changes in Facilities Management Contract	51,796	66,198	0	117,994
Changes in Energy Costs	47,290	52,378	0	99,668
Business Rates Changes	1,681	15,187	0	16,868
Changes in Insurance	0	51,960	0	51,960
Changes in Fees and Charges	-123,046	-12,637	-5,575	-141,258
Other Minor Variations	75,350	33,862	-4,885	104,327
Specific Service Issues				
Women's Support Centre administration costs	80,000			80,000
Community Engagement Interpretation services	51,000			51,000
Consolidation of Grants to Organisations	1,630			1,630
Lakeview Community Action Group Grant	35,218			35,218
Annual indexation of Leisure Management Contract	-206,219			-206,219
Other running costs for The Sportsbox (net of income)	-3,109			-3,109
Community Transport Grant changes	-16,920			-16,920
Changes In Grounds Maintenance	-1,221			-1,221
Changes in Temporary Accommodation Income\Costs	2,786			2,786
Changes in Private Sector Leasing Scheme Income\Costs	-5,776			-5,776
Selective Licensing Financial Penalties	177,304			177,304
Housing Bed & Breakfast Rent Income Profiling	33,500			33,500
Transfer of CRB Mental Health Grant to central Grants service	-5,280			-5,280
Brockhill Cleaning Costs	9,646			9,646
Meals Service Provisions	39,030			39,030
Careline Equipment	20,571			20,571
Homelink Surrey County Council Funding	12,550			12,550
Homelink Contributions - Services Provided to Other Authorities	-25,502			-25,502
Environmental Maintenance - reduction in SCC funding		125,494		125,494
Waste contribution reduction from Surrey County Council		86,052		86,052
Increase in Building Control income target		-30,000		-30,000
Havering Farm Land Management Costs		44,000		44,000
Commercial Properties rent and maintenance adjustments		-30,784		-30,784
Income from new Market arrangements (offset by staffing costs)		-173,797		-173,797
Dukes Court Insurance recharge (offsets Insurance cost above)		-58,000		-58,000
Income from new Strategic Properties		-10,221,189		-10,221,189
Increase in Development Control income target		-50,000		-50,000
Reduction in Wolsey Place rents		307,000		307,000
Parking card handling fees		10,800		10,800
Freedom of the Borough Service			20,000	20,000
Members Allowances			2,031	2,031
Reduction in Housing Benefit Admin subsidy			15,000	15,000
Original Estimate 2019/20	9,993,843	-18,254,851	5,830,473	-2,430,535

HOUSING REVENUE ACCOUNT

<u>EXPENDITURE</u>	ORIGINAL ESTIMATE 2018/19 £	ORIGINAL ESTIMATE 2019/20 £
SUPERVISION & MANAGEMENT		
Estate Management	5,004,923	5,175,701
Rent Accounting/Collection	-26,461	-41,265
Home Support Service	905,123	940,415
Tenant Participation	12,506	12,499
Repairs Admin	29,861	54,686
Democratic Process	927,054	941,669
	6,853,006	7,083,705
DEPRECIATION	3,982,000	3,932,544
MAINTENANCE		
Day to Day Repairs	770,751	686,808
Revenue Voids	434,925	446,815
Planned Maintenance	893,747	1,153,142
	2,099,423	2,286,765
Debt Management Expenses	36,000	36,000
TOTAL EXPENDITURE	12,970,429	13,339,014
<u>INCOME</u>		
GROSS RENTS & SERVICE CHARGES		
	18,990,503	19,015,675
53 Week Rent Year		339,219
INTEREST COUNCIL HOUSE MORTGAGES	1,149	1,149
TOTAL INCOME	18,991,652	19,356,043
NET (COST)/SURPLUS OF SERVICES	6,021,223	6,017,029
Interest Payable and Similar Charges	4,825,683	5,147,975
Amortisation of Premiums and Discounts	29,817	29,817
Revenue Contribution to Capital Outlay	1,120,000	732,000
Surplus (Deficit) for Year	45,723	107,237
<u>WORKING BALANCE STATEMENT</u>		
Surplus (Deficit) brought forward	504,895	501,085
Surplus (Deficit) for Year	45,721	107,237
Interest on Working Balances	469	518
Surplus (Deficit) carried forward	551,085	608,840
TRANSFER TO (FROM) RESERVES (HIP Reserve)	50,000	105,000
Surplus (Deficit) carried forward	501,085	503,840
No. of Dwellings @ 31 March	3,347	3,367
WORKING BALANCE PER PROPERTY	150	150

<u>INVESTMENT STRATEGY RESERVE</u>	2018/19 Original £'000	2018/19 Revised £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Balance Brought Forward	4,274	4,099	3,569	2,544	2,257
Source of Funds					
Planned contribution from General Fund	1,346	1,346	1,362	1,470	1,470
New Homes Bonus	386	386	717	216	-25
Transfer from Town Centre Management Reserve	150	150	150	150	150
2018/19 Forecast underspend (December Green Book)		129			
Total Available Funds	6,156	6,110	5,798	4,380	3,852
Use of Funds					
Management of Change (GF only)	-250	-250	-250	-250	-250
Use of Selective Licensing Surplus			-180		
Financing IP Revenue Items	-289	-418	-340	-240	-190
Celebrate Woking	-150	-150	-150	-150	-150
Flood Prevention schemes	-750	-371	-750	-400	
Best Bar None	-18	-18			
Sheerwater Social Support	-125	-125	-125	-125	-125
Community Meals Office Relocation		-29			
Repairs to Road Outside St John's Church		-15			
Queen Elizabeth Gardens Drainage, Landscaping & Lighting		-37			
Total Use of Funds	-1,582	-1,413	-1,795	-1,165	-715
Transfer to Other Revenue Reserves					
Transfer to Wolsey Place reserve	-300	-300	-300	-300	-300
Transfer to New Homes Bonus Reserve	-386	-386	-717	-216	
Transfer to Equipment reserve	-50	-50	-50	-50	-50
Transfer to Town Centre Management Account Reserve	-92	-92	-92	-92	-92
Transfer of On-street Parking to Surrey	-116	-116	-116	-116	-116
Transfer to Community Fund	-174	-174	-174	-174	-174
Transfer to Provision for Flexibility	-10	-10	-10	-10	-10
Total Transfer to Other Revenue Reserves	-1,128	-1,128	-1,459	-958	-742
Balance Carried Forward	3,446	3,569	2,544	2,257	2,395

Council Tax 2019-2020

	2018/19 Original £'000	2018/19 Revised £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
<u>Group Company reserve</u>					
balance b/f	750	750	750	750	750
in year movement	0	0	0	0	0
balance c/f	750	750	750	750	750
<u>Wolsey Place reserve</u>					
balance b/f	5,402	5,915	5,082	4,364	3,616
Contribution to reserve	300	300	300	300	300
Under-recovery of rents/service charges	-1,003	-1,003	-1,003	-1,003	-1,003
Refurbishments	-330	-346	-200	-200	-200
Subtotal	4,369	4,866	4,179	3,460	2,713
Interest (included in GF Summary - Interest costs)	195	216	185	156	127
	4,564	5,082	4,364	3,616	2,840
<u>New Homes Bonus reserve</u>					
balance b/f	670	1,239	130	347	63
In year income	386	386	717	216	0
Sheerwater Access Road reserve repayment of loan funding	-400	-400			
Grant to Brookwood Cemetery	-500	-1,051	-500	-500	-500
West Byfleet Play Area		-35			
Developing a Favourable Conservation Status Licence		-9			
balance c/f	156	130	347	63	-437
<u>Insurance reserve</u>					
balance b/f	477	453	453	453	453
balance c/f	477	453	453	453	453
<u>Equipment reserve</u>					
balance b/f	330	330	360	390	416
Contribution to reserve	50	50	50	50	50
Planned use of reserve	-20	-20	-20	-24	-24
balance c/f	360	360	390	416	442
<u>Business Rates Equalisation Reserve</u>					
balance b/f	1,349	6,002	2,475	2,475	2,475
Grant timing adjustments		-3,527			
Contribution to reserve - pooling/pilot benefit					
balance c/f	1,349	2,475	2,475	2,475	2,475
<u>Local Council Tax Support Scheme Hardship Fund</u>					
balance b/f	48	48	48	48	48
Contribution to reserve	0	0	0	0	0
Planned use of reserve					
balance c/f	48	48	48	48	48
<u>Town Centre Management Account Reserve (TCMA)</u>					
balance b/f	280	232	174	116	58
Contribution to reserve	92	92	92	92	92
Planned use of reserve	-150	-150	-150	-150	-150
balance c/f	222	174	116	58	0
<u>Medium Term Financial Strategy Reserve (MTFS)</u>					
balance b/f	2,056	3,444	2,885	4,192	4,192
Contribution to/(Use of) reserve to support MTFS	-309	-309	1307	0	0
School place provision		-250			
balance c/f	1,747	2,885	4,192	4,192	4,192
<u>Victoria Square Reserve</u>					
balance b/f	1,609	796	1,301	2,725	4,186
Contribution to reserve 1% arrangement fee from 1 January 2017	1,190	905	1,824	1,461	
#WeAreWoking	-100	-400	-400		
balance c/f	2,699	1,301	2,725	4,186	4,186

DRAFT COUNCIL TAX RESOLUTION – 2019/20

1. That the revenue estimates for 2019/20, as submitted, be approved.
2. That it be noted that the Chief Financial Officer, in accordance with the terms of his delegated authority, has calculated the following amount for the year 2019/20 in accordance with regulations made under Section 31B (3) of the Local Government Finance Act 1992 as amended (the Act) as:-
 - a) 41,323 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year;
3. The Council calculates that the Council Tax requirement for the Council's own purposes for 2019/20 is £9,936,686.
4. That the following amounts be now calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Act:-
 - a) £150,037,666 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act;
 - b) £140,100,980 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;
 - c) £9,936,686 being the amount by which the aggregate at 4 a) above exceeds the aggregate at 4 b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;
 - d) £240.46 being the amount at 4 c) above divided by the amount at 2 a) above, calculated by the Council, in accordance with section 31 B of the Act, as the basic amount of its Council Tax for the year;
5. That it be noted for the year 2019/20 Surrey County Council and Surrey Police and Crime Commissioner have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown in the table below.

Council Tax 2019-2020

6. That the Council, in accordance with Section 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 the year 2019/20 for its area and for each of the categories of dwellings :-

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	900.74	68.26	969.00	173.71	160.31	1,303.02
B	1,050.86	79.64	1,130.50	202.67	187.02	1,520.19
C	1,200.99	91.01	1,292.00	231.62	213.74	1,737.36
D	1,351.11	102.39	1,453.50	260.57	240.46	1,954.53
E	1,651.36	125.14	1,776.50	318.47	293.90	2,388.87
F	1,951.60	147.90	2,099.50	376.38	347.33	2,823.21
G	2,251.85	170.65	2,422.50	434.28	400.77	3,257.55
H	2,702.22	204.78	2,907.00	521.14	480.92	3,909.06

7. That the Council's basic amount of Council Tax for 2019/20 is not excessive in accordance with the principles approved under Section 52 ZB of the Local Government Finance Act 1992 as amended.