

Warwick District Council

Council Tax 2020/21

Substitute Calculations

1. Summary

By opting for an increase in Council tax of £52.00 per annum per band D property the Council will breach the principles of excessiveness as defined by the Secretary of State. This means that the Council, in proposing an excessive increase in council tax must hold a local referendum and obtain a “yes” vote before being able to maintain the increase. An authority proposing to set an excessive council tax level is also required to make substitute calculations which will take effect if the proposed amount of Council tax is rejected in a referendum, this is presented in this report.

Members are required to agree the substitute level of council tax and other changes to the recommendations in the main Budget report which will take effect if the proposed amount of council tax in the main report is rejected.

2. Recommendations

The Executive recommend to Council to approve the following recommendations to apply in place of the original specific recommendations (as referenced as applicable) within the Budget report to apply if the proposed amount of council tax is rejected in a referendum:-

- 2.1 The proposed Budget for 2020/21 with Net Expenditure of £17,300,716 taking into account the changes detailed in section 3.3, with a deficit of £1,600,100 prior to use of reserve, as summarised in Appendix B. (Replaces recommendation 2.4)
- 2.2 Subject to approval of the above Budget for 2020/21, the Council Tax charges for Warwick District Council for 2020/21 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows (3.6.7) (replaces recommendation 2.5):-

	£
Band A	114.57
Band B	133.67
Band C	152.76

Band D	171.86
Band E	210.05
Band F	248.24
Band G	286.43
Band H	343.72

2.3 Approve the 2020/21 New Homes Bonus of £3,726,100 is allocated as follows, (replaces recommendation 2.12):-

New Homes Bonus – 2020/21 Allocation	£
Waterloo Housing Association	125,800
Commonwealth Games Reserve	150,000
Sea Scout's Headquarters	350,000
Masters House	250,000
Climate Change Programme Director - 3 yr post	105,000
Public Amenity Reserve	140,000
Leisure Options Reserve - Kenilworth Leisure interim development costs	370,000
Financial Management System	600,000
H&CP System	300,000
General Fund Early Retirements Reserve	15,000
Food waste collection implementation and setup	533,000
Council Tax Referendum	500,000
Project Legal Costs	98,000
Service Transformation Reserve	189,300
Total Allocated	3,726,100

2.4 Agree changes to other appendices within the main Budget Report are made to reflect the changes to the Budget proposed within this report.

3. Reasons for Recommendations

- 3.1 The Council's net General Fund budget for 2020/21 for service provision, excluding any allocation to the Climate Change Reserve is £17,300,716, as shown within Appendix B. This is the sum to be financed from retained business rates, Government Grant and Council Tax. Within this budget, no allocation is being made to the Climate Change Reserve.
- 3.2 Subject to approval of the above Budget 2020/21, the Council Tax charges for Warwick District Council for 2020/21 before the addition of Parish/Town Councils, Warwickshire County Council and Warwickshire Police and Crime Commissioner precepts, for each band is agreed by Council as follows (3.6.7) (replaces recommendation 2.5):-

	£
Band A	114.57
Band B	133.67
Band C	152.76
Band D	171.86
Band E	210.05
Band F	248.24
Band G	286.43
Band H	343.72

- 3.3 The Council's New Homes Bonus for 2020/21 is proposed to be allocated as follows:-

New Homes Bonus – 2020/21 Allocation	£
Waterloo Housing Association	125,800
Commonwealth Games Reserve	150,000
Sea Scout's Headquarters	350,000
Masters House	250,000
Climate Change Programme Director - 3 yr post	105,000
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Leisure Options Reserve - Kenilworth Leisure interim development costs	370,000
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H&CP System	300,000
General Fund Early Retirements Reserve	15,000
Food waste collection implementation and setup	533,000
Council Tax Referendum	500,000
Project Legal Costs	98,000
Service Transformation Reserve	189,300
Total Allocated	3,726,100

3.4 The changes to the New Homes Bonus allocations in this report to the Budget report are as follows:-

- Climate Change Director (£105,000). It is proposed to fund the first year of this post from 2020/21 NHB, and the two subsequent years from NHB for 2021/22 and 2022/23.
- Masters House. £250,000 funded from 2020/21 New Homes Bonus and the remaining £250,000 from 2021/22 NHB.
- Leisure Options Reserve – Kenilworth Leisure Centre. £370,000 funded from 2020/21 New Homes Bonus and the remaining £370,000 from 2021/22 NHB.
- Referendum (£500,000) – the cost of holding the Council Tax referendum and subsequent impact on re-billing for Council Tax are proposed to be funded from NHB.
- Allocation to Service Transformation Reserve (£189,300).

3 It will be noted that it is proposed to commit some future New Homes Bonus for 2021/22 and 2022/23. As discussed within the Budget report (paragraph 3.7.3), based on the Government proposals for NHB, the Council will expect to receive “legacy” NHB payments for both of these years. The amounts expected and proposed allocations are shown below:-

	2021/22	2022/23
	£000	£000
Total Proposed Allocation	2,226	1,278
Future commitments		
CommonWealth Games	150	150
Waterloo	88	45
Masters House	250	
Climate Change Programme Director - 3 year post	105	105
Kenilworth Rugby Club - replenish prior year funded from	300	
Kenilworth Leisure - interim costs during development	370	
Total commitments	1,263	300
Balance	963	978

As referred to in the Budget report, there is a possibility that these NHB legacy payments are not agreed as part of future Local Government Financial Settlements, in which case the Council will need to seek alternative sources of funding or to seek to cease these allocations.

- 3.5 The changes to the Budget, level of Council Tax and use of New Homes Bonus, will impact on many of the appendices included with the main Budget Report. In addition to Appendix 2 (General Fund Budget Summary, included with this report), these will include changes in respect the Medium Term Financial Strategy (Appendix 3), Reserves (Appendix 5), Capital (Appendices 8 and 9).