

Budget, Funding and Council Tax Requirements

1. The precept requirements of Parish / Town Councils must be aggregated with the requirement of this authority to arrive at an average Council Tax figure for the district / parish purposes. This figure however is totally hypothetical and will not be paid by any taxpayer (other than by coincidence). A schedule of the precept requirements from Parish / Town Councils will be reported to Council on 20 February.
2. The County and the Police and Crime Commissioner’s precept requirements are added to this.
3. The legally required calculation is set out below:
 - 1) The General Fund Budget requirement for the District Council purposes in 2018/19 will be £158.86, based on an increase to Council Tax of 10p per week for a Band D property which is the equivalent to 3.25%.
 - 2) The County Council precept requirement is still to be determined, but is likely to be £1,242.54 for a Band D property in 2018/19, an increase of 4.99%.
 - 3) The Police and Crime Commissioner’s precept requirement is likely to increase by £12 or 6.8% to £188.82.
 - 4) At the time of preparing this report, not all Parish / Town Councils have supplied formal notification of their 2018/19 precept. The final figures will be reported to Council.
4. Babergh is a billing authority and collects council tax and non-domestic rates on behalf of the other precepting authorities i.e. Suffolk County Council, Suffolk Police and Crime Commissioner and Parish / Town Councils. The dates that monies collected are paid over to the County Council, and the Police and Crime Commissioner (“precept dates”) need to be formally agreed under Regulation 5(i) of the Local Authorities (Funds) (England) Regulations 1992.
5. Established practice is for payments to be made in 12 equal instalments on the 15th of each month or the next banking day if the 15th falls on a weekend or bank holiday. Accordingly the precept dates applicable for 2018/19 are expected to be as follows:

16 April 2018	15 May 2018	15 June 2018	16 July 2018
15 August 2018	17 September 2018	15 October 2018	15 November 2018
17 December 2018	15 January 2019	15 February 2019	15 March 2019

PAPER BC/17/29 – REVISED APPENDIX C

Appendix C

Budget and Council Tax Resolutions 2018/19

Summary of Budget 2018/19

	2018/19 Budget Requirement £	2018/19 Council Tax at Band D £	2017/18 Budget Requirement £
Babergh District Council			
General Fund Budget Requirement - District Council Purposes	6,458,200	196.76	7,852,508
Parish/Town Council Precepts (net of Council Tax Support Scheme grant)	2,610,122	79.52	2,546,886
	9,068,322	276.28	10,399,394
Settlement Funding from Government	(2,488,130)	(75.81)	(2,610,052)
Rural Services Delivery Grant	-	-	(181,970)
Transition Grant	-	-	(22,492)
Business Rates Collection Fund Deficit	1,256,000	38.27	-
Council Tax Collection Fund Surplus	(11,960)	(0.36)	(39,750)
Babergh's basic amount under section 33 of the 1992 Local Government Act	7,824,232	238.38	7,545,130
LESS Parish/Town Council Precepts	(2,610,122)	(79.52)	(2,546,886)
Basic amount under s.34 of the 1992 Act for dwellings to which no special items relate	5,214,110	158.86	4,998,244
Suffolk County Council Precept Requirement	40,782,760	1,242.54	38,450,625
Suffolk Police and Crime Commissioner's Requirement	6,197,467	188.82	5,745,664
Basic amount for areas where there are no special items.	52,194,337	1,590.22	49,194,533

Council Tax Resolution 2018/19

1. It is a requirement for the billing authority to calculate a council tax requirement for the year as opposed to its budget requirement.
2. It be noted that the Council, as delegated to the Section 151 Officer, calculated the taxbase:
 - a) for the whole Council area as 32,822.09 and,
 - b) for dwellings in those parts of its area to which a Parish precept relates as further in Appendix C.
3. The council tax requirement for the Council's own purposes for 2018/19 (excluding Parish precepts) is £5,214,110.
4. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

a)	53,517,712	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 (gross expenditure)
b)	(45,693,480)	Being the aggregate of the amounts which the Council estimates for items set out in Section 31(A)(3) of the Act (gross income)
c)	7,824,232	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. (Item R in the formula in Section 31A(4) of the Act) (net expenditure)
d)	238.38	Being the amount at 4(c) above (item R) all divided by item T (2(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year (including Parish precepts) (average council tax)
e)	2,610,122	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Appendix C)
f)	158.86	Being the amount at 4(d) above less the result given by dividing the amount at 4(e) above by item T (2(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 (basic council tax)

5. To note that Suffolk County Council and the Police and Crime Commissioner have issued precepts to the Council in accordance with section 40 of the

PAPER BC/17/29 – REVISED APPENDIX C

Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in Section 7 below.

6. 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 and further in Appendix C as the amounts of council tax for 2018/19 for each part of its area and for each of the categories of dwellings.

7. Since the Cabinet meeting Committee on 8 February 2018, the precept levels of other precepting bodies have been received. These are detailed below;

a) Suffolk County Council

Suffolk County Council met on 8 February 2018 and set their precept at £40,782,760, this includes an adjustment for the Collection Fund contribution of £60,920. This results in a Band D council tax of £1,242.54.

b) Suffolk Police and Crime Commissioner

The Police and Crime Commissioner has set their precept at £6,197,467, adjusted by a Collection Fund contribution of £9,105. This results in a Band D council tax of £188.82

c) Babergh District Council

The General Fund council tax requirement for Babergh District Council is based on an increase in council tax from £153.86 to £158.86 for a Band D property.

d) Aggregated council tax requirement

The aggregated council tax requirement for Suffolk County Council, Suffolk Police and Crime Commissioner and Babergh District Council results in a Band D council tax of £1,590.22.

	Suffolk County Council	Police and Crime Commissioner	Babergh District Council	Aggregated Council Tax requirement
Valuation Bands	£	£	£	£
A	828.36	125.88	105.91	1,060.15
B	966.42	146.86	123.56	1,236.84
C	1,104.48	167.84	141.21	1,413.53
D	1,242.54	188.82	158.86	1,590.22
E	1,518.66	230.78	194.16	1,943.60
F	1,794.78	272.74	229.46	2,296.98
G	2,070.90	314.70	264.77	2,650.37
H	2,485.08	377.64	317.72	3,180.44

PAPER BC/17/29 – REVISED APPENDIX C

8. The Town and Parish Council Precepts for 2018/19 are detailed further in Appendix C and total £2,610,122. The increase in the average Band D for Town and Parish Councils is 1.4% and results in an average Band D council tax figure of £79.52 for 2018/19.

PAPER BC/17/29 – REVISED APPENDIX C

Appendix C

Council Taxbase for Parishes and District – 2018/19

Parish	COUNCIL TAX BASE		% Change	Parish	COUNCIL TAX BASE		% Change
	17/18	18/19			17/18	18/19	
Acton	628.19	631.12	0.46%	Holton St Mary	101.76	103.04	1.24%
Aldham	81.76	82.74	1.18%	Kersey	183.47	180.98	-1.38%
Alpheton	107.48	106.30	-1.11%	Kettlebaston	38.81	39.05	0.61%
Erwarton	55.41	55.00	-0.75%	Lavenham	859.10	880.94	2.48%
Assington	173.40	177.22	2.16%	Lawshall	361.05	365.85	1.31%
Belstead	87.35	90.54	3.52%	Layham	251.13	248.36	-1.12%
Bentley	325.62	328.44	0.86%	Leavenheath	586.09	588.82	0.46%
Bildeston	368.27	372.87	1.23%	Lindsey	86.52	86.04	-0.56%
Boxford	538.06	534.94	-0.58%	Little Cornard	141.26	138.96	-1.66%
Boxted	52.78	52.04	-1.42%	Little Waldingfield	143.79	152.66	5.81%
Brantham	862.77	868.43	0.65%	Little Wenham	19.71	19.76	0.25%
Brent Eleigh	78.88	78.94	0.08%	Long Melford	1,412.50	1,445.59	2.29%
Brettenham	124.18	122.08	-1.72%	Milden	54.86	56.80	3.42%
Bures St Mary	408.89	399.89	-2.25%	Monks Eleigh	240.90	246.35	2.21%
Burstall	96.38	98.60	2.25%	Nayland with Wissington	516.15	515.11	-0.20%
Capel St Mary	1,126.40	1,136.50	0.89%	Nedging with Naughton	171.68	170.80	-0.52%
Chattisham	85.18	83.80	-1.65%	Newton	208.13	211.69	1.68%
Chelmondiston	403.24	398.91	-1.09%	Pinewood	1,419.39	1,427.84	0.59%
Chelsworth	84.27	86.90	3.03%	Polstead	381.37	381.69	0.08%
Chilton	147.32	149.93	1.74%	Preston St Mary	100.12	100.88	0.75%
Cockfield	373.72	376.28	0.68%	Raydon	203.85	203.94	0.04%
Copdock & Washbrook	427.57	433.61	1.39%	Semer	67.10	66.85	-0.37%
East Bergholt	1,120.05	1,116.94	-0.28%	Shelley	31.89	31.07	-2.64%
Edwardstone	164.92	164.23	-0.42%	Shimpling	182.47	183.80	0.72%
Elmsett	307.43	305.66	-0.58%	Shotley	723.93	751.77	3.70%
Freston	55.37	55.68	0.56%	Somerton	41.42	40.87	-1.35%
Glemsford	1,229.10	1,268.44	3.10%	Sproughton	556.23	559.54	0.59%
Great Cornard	2,694.20	2,676.91	-0.65%	Stanstead	148.84	148.88	0.03%
Great Waldingfield	607.09	604.92	-0.36%	Stoke by Nayland	296.53	293.25	-1.12%
Great Wenham	56.86	54.35	-4.62%	Stratford St Mary	319.04	319.05	0.00%
Groton	127.69	129.54	1.43%	Stutton	331.07	332.99	0.58%
Hadleigh	2,824.57	2,847.21	0.80%	Sudbury	4,167.38	4,281.50	2.67%
Harkstead	117.33	122.28	4.05%	Tattlingstone	221.13	227.62	2.85%
Hartest	226.98	228.11	0.50%	Thorpe Morieux	113.86	115.58	1.49%
Higham	75.67	73.72	-2.65%	Wattisham	43.63	46.37	5.91%
Hintlesham	240.27	240.57	0.12%	Whatfield	139.42	138.56	-0.62%
Hitcham	294.46	296.09	0.55%	Wherstead	114.38	115.73	1.17%
Holbrook	630.01	648.56	2.86%	Woolverstone	99.83	105.22	5.12%
					32,488.91	32,822.09	1.02%

PAPER BC/17/29 – REVISED APPENDIX C

Appendix C

Precepts and Council Tax Band D for Parishes

Parish	2017/18 Parish Precept	Tax Base	Council Tax Band D	2018/19 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Acton	45,000.00	628.19	71.63	45,000.00	631.12	71.30	-0.33
Aldham	1,210.00	81.76	14.80	1,210.00	82.74	14.62	-0.18
Alpheton	3,091.00	107.48	28.76	3,236.00	106.30	30.44	1.68
Erwarton	-	55.41	-	-	55.00	-	0.00
Assington	7,800.00	173.40	44.98	8,596.94	177.22	48.51	3.53
Belstead	7,000.00	87.35	80.14	7,000.00	90.54	77.31	-2.82
Bentley	14,500.00	325.62	44.53	14,500.00	328.44	44.15	-0.38
Bildeston	21,095.00	368.27	57.28	22,370.00	372.87	59.99	2.71
Boxford	37,127.00	538.06	69.00	37,280.00	534.94	69.69	0.69
Boxted	400.00	52.78	7.58	400.00	52.04	7.69	0.11
Brantham	44,485.00	862.77	51.56	45,659.00	868.43	52.58	1.02
Brentleigh	2,100.00	78.88	26.62	2,150.00	78.94	27.24	0.61
Brettenham	4,290.00	124.18	34.55	4,469.00	122.08	36.61	2.06
Bures St Mary	26,435.00	408.89	64.65	26,435.00	399.89	66.11	1.46
Burstall	4,545.12	96.38	47.16	5,982.00	98.60	60.67	13.51
Capel St Mary	83,113.00	1,126.40	73.79	87,338.00	1,136.50	76.85	3.06
Chattisham	1,565.67	85.18	18.38	1,545.43	83.80	18.44	0.06
Chelmondiston	24,430.00	403.24	60.58	24,750.00	398.91	62.04	1.46
Chelsworth	900.00	84.27	10.68	950.00	86.90	10.93	0.25
Chilton	7,721.00	147.32	52.41	7,858.00	149.93	52.41	0.00
Cockfield	33,432.00	373.72	89.46	40,845.00	376.28	108.55	19.09
Copdock & Washbrook	24,032.00	427.57	56.21	24,032.00	433.61	55.42	-0.78
East Bergholt	124,000.00	1,120.05	110.71	102,000.00	1,116.94	91.32	-19.39
Edwardstone	5,625.00	164.92	34.11	5,710.00	164.23	34.77	0.66
Elmsett	10,000.00	307.43	32.53	10,200.00	305.66	33.37	0.84
Freston	800.00	55.37	14.45	800.00	55.68	14.37	-0.08
Glemsford	92,159.00	1,229.10	74.98	93,910.00	1,268.44	74.04	-0.95
Great Cornard	207,727.00	2,694.20	77.10	210,512.00	2,676.91	78.64	1.54
Great Waldingfield	45,450.00	607.09	74.87	45,290.00	604.92	74.87	0.00
Great Wenham	-	56.86	-	-	54.35	-	0.00
Groton	4,149.00	127.69	32.49	4,290.00	129.54	33.12	0.62
Hadleigh	312,990.00	2,824.57	110.81	315,499.00	2,847.21	110.81	0.00
Harkstead	2,500.00	117.33	21.31	2,500.00	122.28	20.44	-0.86
Hartest	10,921.00	226.98	48.11	11,139.42	228.11	48.83	0.72
Higham	-	75.67	-	-	73.72	-	0.00
Hintlesham	4,416.33	240.27	18.38	4,436.57	240.57	18.44	0.06
Hitcham	6,550.00	294.46	22.24	7,000.00	296.09	23.64	1.40
Holbrook	25,000.00	630.01	39.68	26,250.00	648.56	40.47	0.79
Holton St Mary	4,722.00	101.76	46.40	4,972.00	103.04	48.25	1.85

PAPER BC/17/29 – REVISED APPENDIX C

Appendix C

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Parish	2017/18 Parish Precept	Tax Base	Council Tax Band D	2018/19 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Kersey	7,340.00	183.47	40.01	7,953.00	180.98	43.94	3.94
Kettlebaston	2,200.00	38.81	56.69	2,420.00	39.05	61.97	5.29
Lavenham	69,000.00	859.10	80.32	70,000.00	880.94	79.46	-0.86
Lawshall	7,853.00	361.05	21.75	8,089.00	365.85	22.11	0.36
Layham	10,500.00	251.13	41.81	10,500.00	248.36	42.28	0.47
Leavenheath	19,494.00	586.09	33.26	19,461.00	588.82	33.05	-0.21
Lindsey	2,720.00	86.52	31.44	3,140.00	86.04	36.49	5.06
Little Cornard	4,931.38	141.26	34.91	4,851.00	138.96	34.91	-0.00
Little Waldingfield	8,250.00	143.79	57.38	8,415.00	152.66	55.12	-2.25
Little Wenham	-	19.71	-	-	19.76	-	0.00
Long Melford	122,281.88	1,412.50	86.57	127,647.62	1,445.59	88.30	1.73
Milden	925.29	54.86	16.87	925.29	56.80	16.29	-0.58
Monks Eleigh	17,713.00	240.90	73.53	17,718.00	246.35	71.92	-1.61
Nayland with Wissington	33,682.00	516.15	65.26	34,120.00	515.11	66.24	0.98
Nedging with Naughton	4,922.00	171.68	28.67	4,915.00	170.80	28.78	0.11
Newton	10,000.00	208.13	48.05	10,372.81	211.69	49.00	0.95
Pinewood	141,835.88	1,419.39	99.93	151,561.27	1,427.84	106.15	6.22
Polstead	18,286.00	381.37	47.95	18,302.00	381.69	47.95	0.00
Preston St Mary	4,700.00	100.12	46.94	5,235.00	100.88	51.89	4.95
Raydon	15,400.00	203.85	75.55	15,400.00	203.94	75.51	-0.03
Semer	800.00	67.10	11.92	3,500.00	66.85	52.36	40.43
Shelley	-	31.89	-	-	31.07	-	0.00
Shimpling	7,001.32	182.47	38.37	7,106.00	183.80	38.66	0.29
Shotley	57,172.00	723.93	78.97	58,830.00	751.77	78.26	-0.72
Somerton	420.00	41.42	10.14	440.00	40.87	10.77	0.63
Sproughton	50,139.00	556.23	90.14	50,437.00	559.54	90.14	-0.00
Stanstead	8,322.00	148.84	55.91	8,488.00	148.88	57.01	1.10
Stoke by Nayland	12,100.00	296.53	40.81	12,385.00	293.25	42.23	1.43
Stratford St Mary	15,800.00	319.04	49.52	15,800.00	319.05	49.52	-0.00
Stutton	11,120.00	331.07	33.59	11,120.00	332.99	33.39	-0.19
Sudbury	609,221.00	4,167.38	146.19	642,477.00	4,281.50	150.06	3.87
Tattingstone	9,650.00	221.13	43.64	9,995.00	227.62	43.91	0.27
Thorpe Morieux	1,800.00	113.86	15.81	2,300.00	115.58	19.90	4.09
Wattisham	1,525.00	43.63	34.95	1,525.00	46.37	32.89	-2.07
Whatfield	3,231.00	139.42	23.17	3,231.00	138.56	23.32	0.14
Wherstead	2,650.00	114.38	23.17	2,650.00	115.73	22.90	-0.27
Woolverstone	2,619.00	99.83	26.23	2,697.00	105.22	25.63	-0.60
Total	2,546,885.87	32,488.91	78.39	2,610,122.35	32,822.09	79.52	1.13

PAPER BC/17/29 – REVISED APPENDIX C

Appendix C

Precept for each banding by Parish

	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Babergh District Council	105.91	123.56	141.21	158.86	194.16	229.46	264.77	317.72
Suffolk County Council	828.36	966.42	1,104.48	1,242.54	1,518.66	1,794.78	2,070.90	2,485.08
Police and Crime Commissioner	125.88	146.86	167.84	188.82	230.78	272.74	314.70	377.64
Aggregate of Council Tax Requirements	1,060.15	1,236.84	1,413.53	1,590.22	1,943.60	2,296.98	2,650.37	3,180.44
Parish	Total Amount of Council Tax for 2018/19							
	6/9 ths	7/9 ths	8/9 ths		11/9 ths	13/9 ths	15/9 ths	18/9 ths
	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Acton	1,107.68	1,292.29	1,476.91	1,661.52	2,030.75	2,399.97	2,769.20	3,323.04
Aldham	1,069.89	1,248.21	1,426.52	1,604.84	1,961.47	2,318.10	2,674.73	3,209.68
Alpheton	1,080.44	1,260.51	1,440.59	1,620.66	1,980.81	2,340.95	2,701.10	3,241.32
Erwarton	1,060.15	1,236.84	1,413.53	1,590.22	1,943.60	2,296.98	2,650.37	3,180.44
Assington	1,092.49	1,274.57	1,456.65	1,638.73	2,002.89	2,367.05	2,731.22	3,277.46
Belstead	1,111.69	1,296.97	1,482.25	1,667.53	2,038.09	2,408.65	2,779.22	3,335.06
Bentley	1,089.58	1,271.18	1,452.77	1,634.37	1,997.56	2,360.76	2,723.95	3,268.74
Bildeston	1,100.14	1,283.50	1,466.85	1,650.21	2,016.92	2,383.64	2,750.35	3,300.42
Boxford	1,106.61	1,291.04	1,475.48	1,659.91	2,028.78	2,397.65	2,766.52	3,319.82
Boxted	1,065.27	1,242.82	1,420.36	1,597.91	1,953.00	2,308.09	2,663.18	3,195.82
Brantham	1,095.20	1,277.73	1,460.27	1,642.80	2,007.87	2,372.93	2,738.00	3,285.60
Brentleigh	1,078.31	1,258.02	1,437.74	1,617.46	1,976.90	2,336.33	2,695.77	3,234.92
Brettenham	1,084.55	1,265.31	1,446.07	1,626.83	1,988.35	2,349.87	2,711.38	3,253.66
Bures St Mary	1,104.22	1,288.26	1,472.29	1,656.33	2,024.40	2,392.48	2,760.55	3,312.66
Burstable	1,100.59	1,284.03	1,467.46	1,650.89	2,017.75	2,384.62	2,751.48	3,301.78
Capel St Mary	1,111.38	1,296.61	1,481.84	1,667.07	2,037.53	2,407.99	2,778.45	3,334.14
Chattisham	1,072.44	1,251.18	1,429.92	1,608.66	1,966.14	2,323.62	2,681.10	3,217.32
Chelmondiston	1,101.51	1,285.09	1,468.68	1,652.26	2,019.43	2,386.60	2,753.77	3,304.52
Chelworth	1,067.43	1,245.34	1,423.24	1,601.15	1,956.96	2,312.77	2,668.58	3,202.30
Chilton	1,095.09	1,277.60	1,460.12	1,642.63	2,007.66	2,372.69	2,737.72	3,285.26
Cockfield	1,132.51	1,321.27	1,510.02	1,698.77	2,076.27	2,453.78	2,831.28	3,397.54
Copdock & Washbrook	1,097.09	1,279.94	1,462.79	1,645.64	2,011.34	2,377.04	2,742.73	3,291.28
East Bergholt	1,121.03	1,307.86	1,494.70	1,681.54	2,055.22	2,428.89	2,802.57	3,363.08
Edwardstone	1,083.33	1,263.88	1,444.44	1,624.99	1,986.10	2,347.21	2,708.32	3,249.98
Elmsett	1,082.39	1,262.79	1,443.19	1,623.59	1,984.39	2,345.19	2,705.98	3,247.18
Freston	1,069.73	1,248.01	1,426.30	1,604.59	1,961.17	2,317.74	2,674.32	3,209.18
Glemsford	1,109.51	1,294.42	1,479.34	1,664.26	2,034.10	2,403.93	2,773.77	3,328.52
Great Cornard	1,112.57	1,298.00	1,483.43	1,668.86	2,039.72	2,410.58	2,781.43	3,337.72
Great Waldingfield	1,110.06	1,295.07	1,480.08	1,665.09	2,035.11	2,405.13	2,775.15	3,330.18
Great Wenham	1,060.15	1,236.84	1,413.53	1,590.22	1,943.60	2,296.98	2,650.37	3,180.44
Groton	1,082.23	1,262.60	1,442.97	1,623.34	1,984.08	2,344.82	2,705.57	3,246.68
Hadleigh	1,134.02	1,323.02	1,512.03	1,701.03	2,079.04	2,457.04	2,835.05	3,402.06
Harkstead	1,073.77	1,252.74	1,431.70	1,610.66	1,968.58	2,326.51	2,684.43	3,221.32
Hartest	1,092.70	1,274.82	1,456.93	1,639.05	2,003.28	2,367.52	2,731.75	3,278.10
Higham	1,060.15	1,236.84	1,413.53	1,590.22	1,943.60	2,296.98	2,650.37	3,180.44
Hintlesham	1,072.44	1,251.18	1,429.92	1,608.66	1,966.14	2,323.62	2,681.10	3,217.32
Hitcham	1,075.91	1,255.22	1,434.54	1,613.86	1,972.50	2,331.13	2,689.77	3,227.72
Holbrook	1,087.13	1,268.31	1,449.50	1,630.69	1,993.07	2,355.44	2,717.82	3,261.38

PAPER BC/17/29 – REVISED APPENDIX C

Appendix C

Precept for each banding by Parish

	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Babergh District Council	105.91	123.56	141.21	158.86	194.16	229.46	264.77	317.72
Suffolk County Council	828.36	966.42	1,104.48	1,242.54	1,518.66	1,794.78	2,070.90	2,485.08
Police and Crime Commissioner	125.88	146.86	167.84	188.82	230.78	272.74	314.70	377.64
Aggregate of Council Tax Requirements	1,060.15	1,236.84	1,413.53	1,590.22	1,943.60	2,296.98	2,650.37	3,180.44
Holton St Mary	1,092.31	1,274.37	1,456.42	1,638.47	2,002.57	2,366.68	2,730.78	3,276.94
Kersey	1,089.44	1,271.01	1,452.59	1,634.16	1,997.31	2,360.45	2,723.60	3,268.32
Kettlebaston	1,101.46	1,285.04	1,468.61	1,652.19	2,019.34	2,386.50	2,753.65	3,304.38
Lavenham	1,113.12	1,298.64	1,484.16	1,669.68	2,040.72	2,411.76	2,782.80	3,339.36
Lawshall	1,074.89	1,254.03	1,433.18	1,612.33	1,970.63	2,328.92	2,687.22	3,224.66
Layham	1,088.33	1,269.72	1,451.11	1,632.50	1,995.28	2,358.06	2,720.83	3,265.00
Leavenheath	1,082.18	1,262.54	1,442.91	1,623.27	1,984.00	2,344.72	2,705.45	3,246.54
Lindsey	1,084.47	1,265.22	1,445.96	1,626.71	1,988.20	2,349.69	2,711.18	3,253.42
Little Cornard	1,083.42	1,263.99	1,444.56	1,625.13	1,986.27	2,347.41	2,708.55	3,250.26
Little Waldingfield	1,096.89	1,279.71	1,462.52	1,645.34	2,010.97	2,376.60	2,742.23	3,290.68
Little Wenham	1,060.15	1,236.84	1,413.53	1,590.22	1,943.60	2,296.98	2,650.37	3,180.44
Long Melford	1,119.01	1,305.52	1,492.02	1,678.52	2,051.52	2,424.53	2,797.53	3,357.04
Milden	1,071.01	1,249.51	1,428.01	1,606.51	1,963.51	2,320.51	2,677.52	3,213.02
Monks Eleigh	1,108.09	1,292.78	1,477.46	1,662.14	2,031.50	2,400.87	2,770.23	3,324.28
Nayland with Wissington	1,104.31	1,288.36	1,472.41	1,656.46	2,024.56	2,392.66	2,760.77	3,312.92
Nedging with Naughton	1,079.33	1,259.22	1,439.11	1,619.00	1,978.78	2,338.56	2,698.33	3,238.00
Newton	1,092.81	1,274.95	1,457.08	1,639.22	2,003.49	2,367.76	2,732.03	3,278.44
Pinewood	1,130.91	1,319.40	1,507.88	1,696.37	2,073.34	2,450.31	2,827.28	3,392.74
Polstead	1,092.11	1,274.13	1,456.15	1,638.17	2,002.21	2,366.25	2,730.28	3,276.34
Preston St Mary	1,094.74	1,277.20	1,459.65	1,642.11	2,007.02	2,371.94	2,736.85	3,284.22
Raydon	1,110.49	1,295.57	1,480.65	1,665.73	2,035.89	2,406.05	2,776.22	3,331.46
Semer	1,095.05	1,277.56	1,460.07	1,642.58	2,007.60	2,372.62	2,737.63	3,285.16
Shelley	1,060.15	1,236.84	1,413.53	1,590.22	1,943.60	2,296.98	2,650.37	3,180.44
Shimpling	1,085.92	1,266.91	1,447.89	1,628.88	1,990.85	2,352.83	2,714.80	3,257.76
Shotley	1,112.32	1,297.71	1,483.09	1,668.48	2,039.25	2,410.03	2,780.80	3,336.96
Somerton	1,067.33	1,245.21	1,423.10	1,600.99	1,956.77	2,312.54	2,668.32	3,201.98
Sproughton	1,120.24	1,306.95	1,493.65	1,680.36	2,053.77	2,427.19	2,800.60	3,360.72
Stanstead	1,098.15	1,281.18	1,464.20	1,647.23	2,013.28	2,379.33	2,745.38	3,294.46
Stoke by Nayland	1,088.30	1,269.68	1,451.07	1,632.45	1,995.22	2,357.98	2,720.75	3,264.90
Stratford St Mary	1,093.16	1,275.35	1,457.55	1,639.74	2,004.13	2,368.51	2,732.90	3,279.48
Stutton	1,082.41	1,262.81	1,443.21	1,623.61	1,984.41	2,345.21	2,706.02	3,247.22
Sudbury	1,160.19	1,353.55	1,546.92	1,740.28	2,127.01	2,513.74	2,900.47	3,480.56
Tattingstone	1,089.42	1,270.99	1,452.56	1,634.13	1,997.27	2,360.41	2,723.55	3,268.26
Thorpe Morieux	1,073.41	1,252.32	1,431.22	1,610.12	1,967.92	2,325.73	2,683.53	3,220.24
Wattisham	1,082.07	1,262.42	1,442.76	1,623.11	1,983.80	2,344.49	2,705.18	3,246.22
Whatfield	1,075.69	1,254.98	1,434.26	1,613.54	1,972.10	2,330.67	2,689.23	3,227.08
Wherstead	1,075.41	1,254.65	1,433.88	1,613.12	1,971.59	2,330.06	2,688.53	3,226.24
Woolverstone	1,077.23	1,256.77	1,436.31	1,615.85	1,974.93	2,334.01	2,693.08	3,231.70

Section 25 report on the robustness of estimates and adequacy of reserves

1. Background

- 1.1 Section 25 of the Local Government Act 2003 requires the Council, when setting its annual General Fund Budget and level of Council Tax, to take account of a report from its Section 151 Officer on the robustness of estimates and adequacy of reserves. This report fulfils that requirement for the setting of the Budget and Council Tax for 2018/19.
- 1.2 This is to ensure that when deciding on its Budget for a financial year, Members are made aware of any issues of risk and uncertainty, or any other concerns by the Chief Financial Officer (CFO). The local authority is also expected to ensure that its budget provides for a prudent level of reserves to be maintained.
- 1.3 The CFO has assessed that the minimum safe contingency level of unearmarked General Fund working balance/general reserve is £1.2m (the same figure as 2017/18).
- 1.4 Section 26 of the Act empowers the Secretary of State to set a minimum level of reserves for which a local authority must provide in setting its budget. Section 26 would only be invoked as a fallback in circumstances in which a local authority does not act prudently, disregards the advice of its CFO and is heading for financial difficulty. The Section 151 Officer and Members, therefore have a responsibility to ensure in considering the Budget that:
- It is realistic and achievable and that appropriate arrangements have been adopted in formulating it
 - It is based on clearly understood and sound assumptions and links to the delivery of the Council's strategic priorities
 - It includes an appropriate statement on the use of reserves and the adequacy of these.

2. Basis of Advice for Section 25 Report

- 2.1 In forming the advice for this year's Section 25 report, the CFO has considered the following:
- The requirement established in the Council's Medium Term Financial Strategy (MTFS) to ensure that a safe contingency level of reserves is maintained
 - The degree to which the Council's financial plans are aligned to the Council's statutory obligations, local priorities and policy objectives
 - The adequacy of the information systems underpinning the Council's financial management processes

PAPER BC/17/29 – REVISED APPENDIX C

- Risks associated with the Council's activities, as identified within the Significant Business Risks Register
- The level of earmarked reserves and unearmarked reserves within the General Fund and the degree to which uncertainties exist within the proposed 2018/19 budget.

3. Robustness of Estimates

3.1 In terms of the overall approach to financial planning and setting the budget, the following aspects increase confidence in the robustness of estimates:

- Cost pressures and variations in key areas of income and expenditure have been carefully considered and reflected in the Budget
- Key assumptions have been made and updated during the Budget process to reflect the changing economic position and latest information
- Existing and new risks and uncertainties have been identified and carefully considered
- Detailed scrutiny, review and challenge of budgets by finance officers, Assistant Directors and Corporate Managers
- The Overview and Scrutiny Committee has reviewed the proposed Budget for 2018/19.

3.2 No Budget can, however, be completely free from risk and these are still prevalent in the ongoing financial climate. This means that the Budget will always have a certain amount of uncertainty. The following are the main areas identified:

- **Government Funding** - The Council's funding now includes a reliance on business rates income and other 'incentivised' funding such as the New Homes Bonus. As part of the 100% pilot for 2018/19 Babergh will retain 100% of the business rates growth and the Revenue Support grant and Rural Services Delivery grant will be funded from the increased retention of growth. The risks of bad debts and other losses on collection as well as the impact of rating appeals and revaluation from April 2017 may affect the Council's income. An allowance has been made for these, but the actual amount of income could be higher or lower than this. The Council has included the amount reflected in the Government's 'baseline assessment', plus an element from being part of the Suffolk Pool in the 2018/19 Budget, but the actual amount of income could be lower - or higher (High Risk)
- **Welfare Reforms, Benefits and Council Tax Reductions** –The Budget for 2018/19 assumes that current caseloads will continue throughout next year. Sudbury job centre will go live with Universal Credit (UC) in May 2018. The impact of the introduction of Universal Credit on the Shared Revenues Partnership workload from the areas that have gone live to date remains low, with between 1.71% and 3.82% of Council Tax Reduction caseload in receipt of UC. (Medium Risk)

PAPER BC/17/29 – REVISED APPENDIX C

- **Capital Financing Costs** - These are influenced by variable factors such as cash flow, variations in the capital programme, interest rates, availability of capital receipts and other sources of capital funding and borrowing/financing costs. As the Council looks to undertake commercial property investment and development, as opportunities arise, then the level of capital financing costs could change considerably. (Medium Risk)
 - **Income** - Whilst the Budget for 2018/19 has been prepared on the basis of trying to ensure that income estimates are realistic and achievable, with specific allowances for increased or reduced income on specific services, it is unknown as to how the economy and customer demand will fare during next year. Income has been included from the Capital Investment Fund following agreement by Council to establish the company structure. The amounts included in the Budget are based on forecast investments and returns however variances may occur. The Council is awaiting further guidance on investment in commercial property following a consultation at the end of 2017. The outcome of this could affect the level of income received. (Medium Risk)
 - **Growth** – Following recent trends in additional growth, a number of budgets have been introduced or increased e.g. pre-application charges, planning fees and business rates. Whilst the increases are prudent compared to previous years actuals, there is a risk that there will be a downturn in growth in 2018/19, which will affect the income received. (Medium Risk)
 - **Inflation and Other Cost Pressures** – Allowances for inflation have been made on some budgets including major contracts, where there is a contractual requirement to do so. (Low Risk)
- 3.3 Taking all of the above into consideration, the Section 151 Officer's opinion is that the Council's Budget and estimates are reasonable but cannot be absolutely robust, so a full assurance cannot be given that there will be no unforeseen adverse variances. This is an expected and acceptable situation for any organisation that is dealing with a large number of variables. Also, the general economic situation continues to impact on expenditure and income. Provided that the minimum safe level of reserves is maintained, any variations arising as a result of lack of robustness in the estimates should be manageable.

4 Adequacy of Reserves

- 4.1 There is no available guidance on the minimum level of reserves that should be maintained. Each authority should determine a prudent level of reserves based upon their own circumstances, risk and uncertainties. Regard has been had to guidance that has been issued to CFO's and the risks and uncertainties faced.
- 4.2 The Medium Term Financial Strategy (MTFS) states that the Council is required to maintain adequate financial reserves to meet the needs of the authority. This is the General Reserve and provides a safe level of contingency.
- 4.3 The CFO's opinion is that the minimum level of unearmarked reserves should, for the time being, be maintained at the current level of £1.2m without

PAPER BC/17/29 – REVISED APPENDIX C

increasing the risk to the Council. This represents 10% of the annual General Fund Budget, which is relatively low compared to a number of councils but is seen as acceptable, so no action is required as part of the 2018/19 Budget. This is partly based on the understanding that there are further sums available in earmarked reserves that will not be fully spent during 2018/19 as set out below.

- 4.4 Levels of earmarked reserves (excluding those relating to the Housing Revenue Account, but including the Transformation Fund) are forecast to be £1.3m as at 31 March 2019. The level of earmarked reserves as at the 31 March 2019 will depend on the extent to which the New Homes Bonus money that is transferred to the Transformation Fund is spent in 2018/19. The Transformation Fund is continuing to support the delivery of the Council's Joint Strategic Plan in 2018/19.

5. Background Documents

Local Government Act 2003; Guidance Note on Local Authority Reserves and Balances – CIPFA 2003; Medium Term Financial Strategy

Katherine Steel
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(Section 151 Officer)