BABERGH DISTRICT COUNCIL

ITEM 10 - PAPER BC/18/39 - REVISED APPENDIX C

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 is shown further down in Appendix C.

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 2019/20 will be £163.86, based on an increase to Council Tax of £5 per annum for a Band D property which is the equivalent to 3.15%.
   2. The County Council precept requirement is still to be determined but is likely to be £1,292.13 for a Band D property in 2019/20, an increase of 3.99%.
   3. The Police and Crime Commissioner's precept requirement is likely to increase by £23.94 or 13% to £212.76.
   4. At the time of preparing this report, not all Parish / Town Councils have supplied formal notification of their 2019/20 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 2019/20 are expected to be as follows:

15 April 2019	15 May 2019	17 June 2019	15 July 2019
15 August 2019	16 September 2019	15 October 2019	15 November 2019
16 December 2019	15 January 2020	17 February 2020	16 March 2020

APPENDIX C

Budget and Council Tax Resolutions 2019/20

Summary of Budget 2019/20

	2019/20 Budget Requirement £	2019/20 Council Tax at Band D £	2018/19 Budget Requirement £
Babergh District Council			
General Fund Budget Requirement - District Council Purposes	7,791,240	233.56	6,458,200
Parish/Town Council Precepts (net of Council Tax Support Scheme grant)	2,759,980	82.74	2,610,122
	10,551,220	**316.30**	**9,068,322**
Settlement Funding from Government	(1,892,220)	(56.72)	(2,488,130)
Rural Services Delivery Grant (included as part of settlement funding in 2018/19)	(226,760)	(6.80)	-
Business Rates Collection Fund (Surplus) / Deficit	(197,000)	(5.91)	1,256,000
Council Tax Collection Fund Surplus	(9,070)	(0.27)	(11,960)
Babergh's basic amount under section 33 of the 1992 Local Government Act	**8,226,170**	**246.60**	**7,824,232**
LESS Parish/Town Council Precepts	(2,759,980)	(82.74)	(2,610,122)
Basic amount under s.34 of the 1992 Act for dwellings to which no special items relate	**5,466,190**	**163.86**	**5,214,110**
Suffolk County Council Precept Requirement	43,104,010	1,292.13	40,782,760
Suffolk Police and Crime Commissioner's Requirement	7,097,435	212.76	6,197,467
Basic amount for areas where there are no special items.	**55,667,635**	**1,668.75**	**52,194,337**

APPENDIX C

Council Tax Resolution 2019/20

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 33,358.88 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 2019/20 (excluding Parish precepts) is £5,466,190.

4. That the following amounts be calculated for the year 2019/20 in accordance with Sections 31 to 36 of the Act:

a)	50,539,430	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)	(42,313,260)	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)	8,226,170	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)	246.60	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)	2,759,980	Being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Appendix C)
f)	163.86	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 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 2019/20 for each part of its area and for each of the categories of dwellings.

7. Since the Cabinet meeting Committee on 6 February 2019, the precept levels of other precepting bodies have been received. These are detailed below;

a) Suffolk County Council

Suffolk County Council met on 14 February 2019 and set their precept at £43,104,010, this includes an adjustment for the Collection Fund contribution of £47,260. This results in a Band D council tax of £1,292.13.

b) Suffolk Police and Crime Commissioner

The Police and Crime Commissioner has set their precept at £7,099,437, adjusted by a Collection Fund contribution of £7,180. This results in a Band D council tax of £212.76

c) Babergh District Council

The General Fund council tax requirement for Babergh District Council is based on an increase in council tax from £158.86 to £163.86 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 £1,668.75.

	Suffolk County Council	Police and Crime Commissioner	Babergh District Council	Aggregated Council Tax requirement
Valuation Bands	£	£	£	£
A	861.42	141.84	109.24	1,112.50
B	1,004.99	165.48	127.45	1.297.92
C	1,148.56	189.12	145.65	1,483.33
D	1,292.13	212.76	163.86	1,668.75
E	1,579.27	260.04	200.27	2,039.58
F	1,866.41	307.32	236.69	2,410.42
G	2,153.55	354.60	273.10	2,781.25
H	2,584.26	425.52	327.72	3,337.50

8. The Town and Parish Council Precepts for 2019/20 are detailed further in Appendix C and total £2,759,980. The increase in the average Band D for Town and Parish Councils is 3.2% and results in an average Band D council tax figure of £82.74 for 2019/20.

APPENDIX C

Council Taxbase for Parishes and District – 2019/20

Parish	COUNCIL TAX BASE		% Change
	18/19	19/20	
Acton	631.12	637.97	1.07%
Aldham	82.74	82.81	0.08%
Alpheton	106.30	109.29	2.74%
Erwarton	55.00	54.71	-0.53%
Assington	177.22	204.29	13.25%
Belstead	90.54	96.78	6.45%
Bentley	328.44	327.39	-0.32%
Bildeston	372.87	374.28	0.38%
Boxford	534.94	540.17	0.97%
Boxted	52.04	51.49	-1.07%
Brantham	868.43	873.82	0.62%
Brent Eleigh	78.94	83.12	5.03%
Brettenham	122.08	126.12	3.20%
Bures St Mary	399.89	403.29	0.84%
Burstall	98.60	97.46	-1.17%
Capel St Mary	1,136.50	1,135.22	-0.11%
Chattisham	83.80	86.21	2.80%
Chelmondiston	398.91	398.65	-0.07%
Chelsworth	86.90	88.88	2.23%
Chilton	149.93	150.43	0.33%
Cockfield	376.28	388.49	3.14%
Copdock & Washbrook	433.61	429.19	-1.03%
East Bergholt	1,116.94	1,148.18	2.72%
Edwardstone	164.23	163.48	-0.46%
Elmsett	305.66	329.66	7.28%
Freston	55.68	53.82	-3.46%
Glemsford	1,268.44	1,252.80	-1.25%
Great Cornard	2,676.91	2,765.43	3.20%
Great Waldingfield	604.92	621.05	2.60%
Great Wenham	54.35	52.87	-2.80%
Groton	129.54	129.82	0.22%
Hadleigh	2,847.21	2,904.76	1.98%
Harkstead	122.28	115.75	-5.64%
Hartest	228.11	228.55	0.19%
Higham	73.72	75.84	2.80%
Hintlesham	240.57	252.96	4.90%
Hitcham	296.09	299.33	1.08%
Holbrook	648.56	697.25	6.98%

Parish	COUNCIL TAX BASE		% Change
	18/19	19/20	
Holton St Mary	103.04	102.57	-0.46%
Kersey	180.98	178.23	-1.54%
Kettlebaston	39.05	39.25	0.51%
Lavenham	880.94	893.15	1.37%
Lawshall	365.85	368.51	0.72%
Layham	248.36	248.66	0.12%
Leavenheath	588.82	587.90	-0.16%
Lindsey	86.04	84.10	-2.31%
Little Cornard	138.96	138.31	-0.47%
Little Waldingfield	152.66	153.13	0.31%
Little Wenham	19.76	19.54	-1.13%
Long Melford	1,445.59	1,527.68	5.37%
Milden	56.80	57.11	0.54%
Monks Eleigh	246.35	246.08	-0.11%
Nayland with Wissington	515.11	530.73	2.94%
Nedging with Naughton	170.80	172.07	0.74%
Newton	211.69	209.34	-1.12%
Pinewood	1,427.84	1,430.74	0.20%
Polstead	381.69	389.33	1.96%
Preston St Mary	100.88	99.89	-0.99%
Raydon	203.94	208.08	1.99%
Semer	66.85	66.58	-0.41%
Shelley	31.07	30.88	-0.62%
Shimpling	183.80	185.40	0.86%
Shotley	751.77	732.44	-2.64%
Somerton	40.87	39.97	-2.25%
Sproughton	559.54	557.31	-0.40%
Stanstead	148.88	154.59	3.69%
Stoke by Nayland	293.25	294.78	0.52%
Stratford St Mary	319.05	323.33	1.32%
Stutton	332.99	333.41	0.13%
Sudbury	4,281.50	4,377.65	2.20%
Tattingstone	227.62	226.71	-0.40%
Thorpe Morieux	115.58	115.98	0.34%
Wattisham	46.37	44.57	-4.04%
Whatfield	138.56	143.25	3.27%
Wherstead	115.73	114.03	-1.49%
Woolverstone	105.22	101.99	-3.17%
	32,822.09	**33,358.88**	**1.61%**

APPENDIX C

Precepts and Council Tax Band D for Parishes

Parish	2018/19 Parish Precept	Tax Base	Council Tax Band D	2019/20 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Acton	45,000.00	631.12	71.30	45,000.00	637.97	70.54	-0.77
Aldham	1,210.00	82.74	14.62	1,250.00	82.81	15.09	0.47
Alpheton	3,236.00	106.30	30.44	3,309.00	109.29	30.28	-0.16
Erwarton	-	55.00	-	-	54.71	-	0.00
Assington	8,596.94	177.22	48.51	9,500.00	204.29	46.50	-2.01
Belstead	7,000.00	90.54	77.31	7,000.00	96.78	72.33	-4.98
Bentley	14,500.00	328.44	44.15	14,500.00	327.39	44.29	0.14
Bildeston	22,370.00	372.87	59.99	23,500.00	374.28	62.79	2.79
Boxford	37,280.00	534.94	69.69	38,020.00	540.17	70.39	0.70
Boxted	400.00	52.04	7.69	400.00	51.49	7.77	0.08
Brantham	45,659.00	868.43	52.58	46,863.00	873.82	53.63	1.05
Brent Eleigh	2,150.00	78.94	27.24	2,250.00	83.12	27.07	-0.17
Brettenham	4,469.00	122.08	36.61	4,544.00	126.12	36.03	-0.58
Bures St Mary	26,435.00	399.89	66.11	28,435.00	403.29	70.51	4.40
Burstall	5,982.00	98.60	60.67	4,729.00	97.46	48.52	-12.15
Capel St Mary	87,338.00	1,136.50	76.85	90,208.00	1,135.22	79.46	2.61
Chattisham	1,545.43	83.80	18.44	2,046.14	86.21	23.73	5.29
Chelmondiston	24,750.00	398.91	62.04	25,368.00	398.65	63.63	1.59
Chelsworth	950.00	86.90	10.93	900.00	88.88	10.13	-0.81
Chilton	7,858.00	149.93	52.41	10,000.00	150.43	66.48	14.06
Cockfield	40,845.00	376.28	108.55	43,436.00	388.49	111.81	3.26
Copdock & Washbrook	24,032.00	433.61	55.42	26,435.00	429.19	61.59	6.17
East Bergholt	102,000.00	1,116.94	91.32	145,000.00	1,148.18	126.29	34.97
Edwardstone	5,710.00	164.23	34.77	5,823.00	163.48	35.62	0.85
Elmsett	10,200.00	305.66	33.37	10,400.00	329.66	31.55	-1.82
Freston	800.00	55.68	14.37	1,000.00	53.82	18.58	4.21
Glemsford	93,910.00	1,268.44	74.04	95,694.00	1,252.80	76.38	2.35
Great Cornard	210,512.00	2,676.91	78.64	221,815.00	2,765.43	80.21	1.57
Great Waldingfield	45,290.00	604.92	74.87	46,500.00	621.05	74.87	0.00
Great Wenham	-	54.35	-	-	52.87	-	0.00
Groton	4,290.00	129.54	33.12	4,290.00	129.82	33.05	-0.07
Hadleigh	315,499.00	2,847.21	110.81	321,876.00	2,904.76	110.81	-0.00
Harkstead	2,500.00	122.28	20.44	2,500.00	115.75	21.60	1.15
Hartest	11,139.42	228.11	48.83	11,696.39	228.55	51.18	2.34
Higham	-	73.72	-	-	75.84	-	0.00
Hintlesham	4,436.57	240.57	18.44	6,003.86	252.96	23.73	5.29
Hitcham	7,000.00	296.09	23.64	7,500.00	299.33	25.06	1.41
Holbrook	26,250.00	648.56	40.47	28,250.00	697.25	40.52	0.04
Holton St Mary	4,972.00	103.04	48.25	6,830.31	102.57	66.59	18.34

APPENDIX C

Precepts and Council Tax Band D for Parishes

Parish	2018/19 Parish Precept	Tax Base	Council Tax Band D	2019/20 Parish Precept	Tax Base	Council Tax Band D	Increase / Decrease (-)
	£		£	£		£	£
Kersey	7,953.00	180.98	43.94	7,990.00	178.23	44.83	0.89
Kettlebaston	2,420.00	39.05	61.97	2,662.00	39.25	67.82	5.85
Lavenham	70,000.00	880.94	79.46	75,000.00	893.15	83.97	4.51
Lawshall	8,089.00	365.85	22.11	8,331.00	368.51	22.61	0.50
Layham	10,500.00	248.36	42.28	11,000.00	248.66	44.24	1.96
Leavenheath	19,461.00	588.82	33.05	19,430.00	587.90	33.05	-0.00
Lindsey	3,140.00	86.04	36.49	4,111.00	84.10	48.88	12.39
Little Cornard	4,851.00	138.96	34.91	6,000.00	138.31	43.38	8.47
Little Waldingfield	8,415.00	152.66	55.12	8,415.00	153.13	54.95	-0.17
Little Wenham	-	19.76	-	-	19.54	-	0.00
Long Melford	127,647.62	1,445.59	88.30	138,132.00	1,527.68	90.42	2.12
Milden	925.29	56.80	16.29	925.29	57.11	16.20	-0.09
Monks Eleigh	17,718.00	246.35	71.92	17,736.00	246.08	72.07	0.15
Nayland with Wissington	34,120.00	515.11	66.24	35,822.00	530.73	67.50	1.26
Nedging with Naughton	4,915.00	170.80	28.78	4,965.00	172.07	28.85	0.08
Newton	10,372.81	211.69	49.00	10,258.00	209.34	49.00	0.00
Pinewood	151,561.27	1,427.84	106.15	160,573.10	1,430.74	112.23	6.08
Polstead	18,302.00	381.69	47.95	18,668.00	389.33	47.95	-0.00
Preston St Mary	5,235.00	100.88	51.89	5,363.00	99.89	53.69	1.80
Raydon	15,400.00	203.94	75.51	15,400.00	208.08	74.01	-1.50
Semer	3,500.00	66.85	52.36	3,500.00	66.58	52.57	0.21
Shelley	-	31.07	-	-	30.88	-	0.00
Shimpling	7,106.00	183.80	38.66	9,519.00	185.40	51.34	12.68
Shotley	58,830.00	751.77	78.26	60,300.00	732.44	82.33	4.07
Somerton	440.00	40.87	10.77	440.00	39.97	11.01	0.24
Sproughton	50,437.00	559.54	90.14	49,732.90	557.31	89.24	-0.90
Stanstead	8,488.00	148.88	57.01	8,744.00	154.59	56.56	-0.45
Stoke by Nayland	12,385.00	293.25	42.23	12,823.00	294.78	43.50	1.27
Stratford St Mary	15,800.00	319.05	49.52	15,800.00	323.33	48.87	-0.66
Stutton	11,120.00	332.99	33.39	11,120.00	333.41	33.35	-0.04
Sudbury	642,477.00	4,281.50	150.06	670,100.00	4,377.65	153.07	3.01
Tattingstone	9,995.00	227.62	43.91	12,000.00	226.71	52.93	9.02
Thorpe Morieux	2,300.00	115.58	19.90	2,096.00	115.98	18.07	-1.83
Wattisham	1,525.00	46.37	32.89	1,500.00	44.57	33.65	0.77
Whatfield	3,231.00	138.56	23.32	3,231.00	143.25	22.55	-0.76
Wherstead	2,650.00	115.73	22.90	2,650.00	114.03	23.24	0.34
Woolverstone	2,697.00	105.22	25.63	2,771.00	101.99	27.17	1.54
Total	**2,610,122.35**	**32,822.09**	**79.52**	**2,759,979.99**	**33,358.88**	**82.74**	**3.21**

Precept for each banding by Parish

	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Babergh District Council	109.24	127.45	145.65	163.86	200.27	236.69	273.10	327.72
Suffolk County Council	861.42	1,004.99	1,148.56	1,292.13	1,579.27	1,866.41	2,153.55	2,584.26
Police and Crime Commissioner	141.84	165.48	189.12	212.76	260.04	307.32	354.60	425.52
Aggregate of Council Tax Requirements	**1,112.50**	**1,297.92**	**1,483.33**	**1,668.75**	**2,039.58**	**2,410.42**	**2,781.25**	**3,337.50**

Parish	Total Amount of Council Tax for 2019/20							
	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	1,159.53	1,352.78	1,546.04	1,739.29	2,125.80	2,512.31	2,898.82	3,478.58
Aldham	1,122.56	1,309.65	1,496.75	1,683.84	2,058.03	2,432.21	2,806.40	3,367.68
Alpheton	1,132.69	1,321.47	1,510.25	1,699.03	2,076.59	2,454.15	2,831.72	3,398.06
Erwarton	1,112.50	1,297.92	1,483.33	1,668.75	2,039.58	2,410.42	2,781.25	3,337.50
Assington	1,143.50	1,334.08	1,524.67	1,715.25	2,096.42	2,477.58	2,858.75	3,430.50
Belstead	1,160.72	1,354.17	1,547.63	1,741.08	2,127.99	2,514.89	2,901.80	3,482.16
Bentley	1,142.03	1,332.36	1,522.70	1,713.04	2,093.72	2,474.39	2,855.07	3,426.08
Bildeston	1,154.36	1,346.75	1,539.15	1,731.54	2,116.33	2,501.11	2,885.90	3,463.08
Boxford	1,159.43	1,352.66	1,545.90	1,739.14	2,125.62	2,512.09	2,898.57	3,478.28
Boxted	1,117.68	1,303.96	1,490.24	1,676.52	2,049.08	2,421.64	2,794.20	3,353.04
Brantham	1,148.25	1,339.63	1,531.00	1,722.38	2,105.13	2,487.88	2,870.63	3,444.76
Brent Eleigh	1,130.55	1,318.97	1,507.40	1,695.82	2,072.67	2,449.52	2,826.37	3,391.64
Brettenham	1,136.52	1,325.94	1,515.36	1,704.78	2,083.62	2,462.46	2,841.30	3,409.56
Bures St Mary	1,159.51	1,352.76	1,546.01	1,739.26	2,125.76	2,512.26	2,898.77	3,478.52
Burstall	1,144.85	1,335.65	1,526.46	1,717.27	2,098.89	2,480.50	2,862.12	3,434.54
Capel St Mary	1,165.47	1,359.72	1,553.96	1,748.21	2,136.70	2,525.19	2,913.68	3,496.42
Chattisham	1,128.32	1,316.37	1,504.43	1,692.48	2,068.59	2,444.69	2,820.80	3,384.96
Chelmondiston	1,154.92	1,347.41	1,539.89	1,732.38	2,117.35	2,502.33	2,887.30	3,464.76
Chelsworth	1,119.25	1,305.80	1,492.34	1,678.88	2,051.96	2,425.05	2,798.13	3,357.76
Chilton	1,156.82	1,349.62	1,542.43	1,735.23	2,120.84	2,506.44	2,892.05	3,470.46
Cockfield	1,187.04	1,384.88	1,582.72	1,780.56	2,176.24	2,571.92	2,967.60	3,561.12
Copdock & Washbrook	1,153.56	1,345.82	1,538.08	1,730.34	2,114.86	2,499.38	2,883.90	3,460.68
East Bergholt	1,196.69	1,396.14	1,595.59	1,795.04	2,193.94	2,592.84	2,991.73	3,590.08
Edwardstone	1,136.25	1,325.62	1,515.00	1,704.37	2,083.12	2,461.87	2,840.62	3,408.74
Elmsett	1,133.53	1,322.46	1,511.38	1,700.30	2,078.14	2,455.99	2,833.83	3,400.60
Freston	1,124.89	1,312.37	1,499.85	1,687.33	2,062.29	2,437.25	2,812.22	3,374.66
Glemsford	1,163.42	1,357.32	1,551.23	1,745.13	2,132.94	2,520.74	2,908.55	3,490.26
Great Cornard	1,165.97	1,360.30	1,554.63	1,748.96	2,137.62	2,526.28	2,914.93	3,497.92
Great Waldingfield	1,162.41	1,356.15	1,549.88	1,743.62	2,131.09	2,518.56	2,906.03	3,487.24
Great Wenham	1,112.50	1,297.92	1,483.33	1,668.75	2,039.58	2,410.42	2,781.25	3,337.50
Groton	1,134.53	1,323.62	1,512.71	1,701.80	2,079.98	2,458.16	2,836.33	3,403.60
Hadleigh	1,186.37	1,384.10	1,581.83	1,779.56	2,175.02	2,570.48	2,965.93	3,559.12
Harkstead	1,126.90	1,314.72	1,502.53	1,690.35	2,065.98	2,441.62	2,817.25	3,380.70
Hartest	1,146.62	1,337.72	1,528.83	1,719.93	2,102.14	2,484.34	2,866.55	3,439.86
Higham	1,112.50	1,297.92	1,483.33	1,668.75	2,039.58	2,410.42	2,781.25	3,337.50
Hintlesham	1,128.32	1,316.37	1,504.43	1,692.48	2,068.59	2,444.69	2,820.80	3,384.96
Hitcham	1,129.21	1,317.41	1,505.61	1,693.81	2,070.21	2,446.61	2,823.02	3,387.62
Holbrook	1,139.51	1,329.43	1,519.35	1,709.27	2,089.11	2,468.95	2,848.78	3,418.54

Precept for each banding by Parish

	Valuation Bands (£)							
	A	B	C	D	E	F	G	H
Babergh District Council	109.24	127.45	145.65	163.86	200.27	236.69	273.10	327.72
Suffolk County Council	861.42	1,004.99	1,148.56	1,292.13	1,579.27	1,866.41	2,153.55	2,584.26
Police and Crime Commissioner	141.84	165.48	189.12	212.76	260.04	307.32	354.60	425.52
Aggregate of Council Tax Requirements	**1,112.50**	**1,297.92**	**1,483.33**	**1,668.75**	**2,039.58**	**2,410.42**	**2,781.25**	**3,337.50**
Holton St Mary	1,156.89	1,349.71	1,542.52	1,735.34	2,120.97	2,506.60	2,892.23	3,470.68
Kersey	1,142.39	1,332.78	1,523.18	1,713.58	2,094.38	2,475.17	2,855.97	3,427.16
Kettlebaston	1,157.71	1,350.67	1,543.62	1,736.57	2,122.47	2,508.38	2,894.28	3,473.14
Lavenham	1,168.48	1,363.23	1,557.97	1,752.72	2,142.21	2,531.71	2,921.20	3,505.44
Lawshall	1,127.57	1,315.50	1,503.43	1,691.36	2,067.22	2,443.08	2,818.93	3,382.72
Layham	1,141.99	1,332.33	1,522.66	1,712.99	2,093.65	2,474.32	2,854.98	3,425.98
Leavenheath	1,134.53	1,323.62	1,512.71	1,701.80	2,079.98	2,458.16	2,836.33	3,403.60
Lindsey	1,145.09	1,335.93	1,526.78	1,717.63	2,099.33	2,481.02	2,862.72	3,435.26
Little Cornard	1,141.42	1,331.66	1,521.89	1,712.13	2,092.60	2,473.08	2,853.55	3,424.26
Little Waldingfield	1,149.13	1,340.66	1,532.18	1,723.70	2,106.74	2,489.79	2,872.83	3,447.40
Little Wenham	1,112.50	1,297.92	1,483.33	1,668.75	2,039.58	2,410.42	2,781.25	3,337.50
Long Melford	1,172.78	1,368.24	1,563.71	1,759.17	2,150.10	2,541.02	2,931.95	3,518.34
Milden	1,123.30	1,310.52	1,497.73	1,684.95	2,059.38	2,433.82	2,808.25	3,369.90
Monks Eleigh	1,160.55	1,353.97	1,547.40	1,740.82	2,127.67	2,514.52	2,901.37	3,481.64
Nayland with Wissington	1,157.50	1,350.42	1,543.33	1,736.25	2,122.08	2,507.92	2,893.75	3,472.50
Nedging with Naughton	1,131.73	1,320.36	1,508.98	1,697.60	2,074.84	2,452.09	2,829.33	3,395.20
Newton	1,145.17	1,336.03	1,526.89	1,717.75	2,099.47	2,481.19	2,862.92	3,435.50
Pinewood	1,187.32	1,385.21	1,583.09	1,780.98	2,176.75	2,572.53	2,968.30	3,561.96
Polstead	1,144.47	1,335.21	1,525.96	1,716.70	2,098.19	2,479.68	2,861.17	3,433.40
Preston St Mary	1,148.29	1,339.68	1,531.06	1,722.44	2,105.20	2,487.97	2,870.73	3,444.88
Raydon	1,161.84	1,355.48	1,549.12	1,742.76	2,130.04	2,517.32	2,904.60	3,485.52
Semer	1,147.55	1,338.80	1,530.06	1,721.32	2,103.84	2,486.35	2,868.87	3,442.64
Shelley	1,112.50	1,297.92	1,483.33	1,668.75	2,039.58	2,410.42	2,781.25	3,337.50
Shimpling	1,146.73	1,337.85	1,528.97	1,720.09	2,102.33	2,484.57	2,866.82	3,440.18
Shotley	1,167.39	1,361.95	1,556.52	1,751.08	2,140.21	2,529.34	2,918.47	3,502.16
Somerton	1,119.84	1,306.48	1,493.12	1,679.76	2,053.04	2,426.32	2,799.60	3,359.52
Sproughton	1,171.99	1,367.33	1,562.66	1,757.99	2,148.65	2,539.32	2,929.98	3,515.98
Stanstead	1,150.21	1,341.91	1,533.61	1,725.31	2,108.71	2,492.11	2,875.52	3,450.62
Stoke by Nayland	1,141.50	1,331.75	1,522.00	1,712.25	2,092.75	2,473.25	2,853.75	3,424.50
Stratford St Mary	1,145.08	1,335.93	1,526.77	1,717.62	2,099.31	2,481.01	2,862.70	3,435.24
Stutton	1,134.73	1,323.86	1,512.98	1,702.10	2,080.34	2,458.59	2,836.83	3,404.20
Sudbury	1,214.55	1,416.97	1,619.40	1,821.82	2,226.67	2,631.52	3,036.37	3,643.64
Tattingstone	1,147.79	1,339.08	1,530.38	1,721.68	2,104.28	2,486.87	2,869.47	3,443.36
Thorpe Morieux	1,124.55	1,311.97	1,499.40	1,686.82	2,061.67	2,436.52	2,811.37	3,373.64
Wattisham	1,134.93	1,324.09	1,513.24	1,702.40	2,080.71	2,459.02	2,837.33	3,404.80
Whatfield	1,127.53	1,315.46	1,503.38	1,691.30	2,067.14	2,442.99	2,818.83	3,382.60
Wherstead	1,127.99	1,315.99	1,503.99	1,691.99	2,067.99	2,443.99	2,819.98	3,383.98
Woolverstone	1,130.61	1,319.05	1,507.48	1,695.92	2,072.79	2,449.66	2,826.53	3,391.84

APPENDIX C

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 Councils, 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 2019/20.

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 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:

a) The role of the Chief Finance Officer
b) The effectiveness of financial controls
c) The effectiveness of budget planning and budget management
d) The adequacy of insurance and risk management
e) The mitigation of strategic financial risks
f) The capital programme

a) Role of the Chief Finance Officer

2.2 The statutory role of the Chief Finance Officer in relation to financial administration and stewardship of the Council, and its role in the organisation are both key to ensuring that financial discipline is maintained.

2.3 The statutory duties of the Chief Finance Officer are set out in the Financial Regulations which form part of the Council's Constitution. These include the requirement to report to council if there is an unbalanced budget (under Section 114 of the Local Government Act 1988).

2.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) published a Statement on the Role of the Chief Financial Officer (CFO) in Local Government. The Statement requires that in order to meet best practice the CFO:

a) is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;

b) must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and

c) must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

d) must lead and direct a finance function that is resourced to be fit for purpose; and

e) must be professionally qualified and suitably experienced.

b) <u>Financial Controls</u>

2.5 Alongside the statutory role of the CFO the Council has in place a number of financial management policies and financial controls which are set out in the Financial Regulations.

2.6 Other safeguards which ensure that the Council does not over-commit financially include:

a) the statutory requirement for each local authority to set and arrange their affairs to remain within prudential limits for borrowing and capital investment;

b) the balanced budget requirement of the Local Government Finance Act 1992 (Sections 32, 43 and 93); and

c) the auditors' consideration of whether the authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources (the value for money conclusion).

2.7 The Council conducts an annual review of the effectiveness of the system of internal control and reports on this in the "Annual Governance Statement".

2.8 The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily. This is backed up by the review processes of Cabinet and the Joint Audit and Standards Committee undertaking the role of the Council's Audit Committee.

c) Budget Planning and Budget Management

2.9 The financial planning process is councillor-led as Cabinet decides the principles and policies that underpin budget planning. The Budget Report describes the strategy for 2019/20 and beyond.

2.10 Cost pressures and variations in key areas of income and expenditure have been carefully considered and reflected in the budget.

2.11 Key assumptions have been made and updated during the budget process to reflect the changing economic position and latest information.

2.12 Detailed scrutiny, review and challenge of budgets has been undertaken by finance officers and the Senior Leadership Team.

2.13 There has been an examination by the Overview and Scrutiny Committee in advance of the budget being approved. The recommendations made by the Committee have also been considered by Cabinet.

2.14 A key factor in effective budget management is the Council's regular monitoring of spending against budgets throughout the year and at year-end. Budget managers are required to update their forecasts during the year and these are subject to review by Cabinet on a quarterly basis. The development of budget managers and initiatives to strengthen budgetary control and financial management throughout the Council is an ongoing process.

2.15 The Council has a proven track record on budget management, which is confirmed by Ernst & Young in their Annual Audit Letter. The auditors are required to form a conclusion on the arrangements the Council has put in place to secure economy, efficiency and effectiveness in its use of resources. An unqualified opinion has again been issued for 2017/18.

d) Adequacy of Insurance and Risk Management

2.16 The Council's insurance arrangements are in the form of external insurance premiums with regular reviews being undertaken of the level at which risks are insured.

2.17 A critical area where risk management thinking can add significant value is to enhance the planning and budgeting process. Utilising a risk-based approach directly links to the Council's risk appetite to its core financial and economic performance, supported by the Council's Significant Risk Register. The goal when integrating risk management into budget planning is to understand the assumptions that the budget is based on.

2.18 The effective application of the Council's risk management principles enhances many processes within the context of managing its services and enables management to make better and more informed decision.

2.19 Our approach is to identify the major line items of each service budget, the personnel who contributed to them and the basis of estimation and then to ask key questions such as:

- What are the potential risks that could interfere with the accuracy of the estimate?
- What is the likelihood of these risks materialising?
- What would the impact on the organisation be if they did materialise?

e) <u>Mitigation of Strategic Financial Risk</u>

2.20 No budget can be completely free from risk and these are still prevalent in the ongoing financial climate. Some comments on the areas of the budget having key financial impacts or significant changes for 2019/20 are set out below:

- **Pay and Pensions** – The budget includes provision for pay increases of 2% for each of the 4 years to 2022/23 and continues to provide for annual progression through pay scales where employees are not at the top of their grades. A 1% change in pay amounts to around £70k per annum.

  2019/20 is the last year of adjustment to the employers' pension fund contribution resulting from the 2016 triennial valuation. Beyond this, an increase of 1% per annum has been included.

  The Council's establishment budget is based on a full establishment. To allow for in-year vacancy savings the budget includes an annual vacancy saving of £177k. This is based on previous years' outturn.

- **Price Increases** – Allowances for price increases have been made on some budgets including major contracts, where there is a contractual requirement to do so. For other areas the budget assumes any price inflation is absorbed by the service. A 1% change in the refuse, ICT, grounds maintenance contracts and the Shared Revenues Partnership is around £45k

- **Income from Fees and Charges** – A significant part of the Council's costs continues to be met from fees and charges. For some of these headings it is difficult to predict the level of income to be received e.g. planning fees, so progress against these income targets will need to be monitored throughout the year, particularly in the light of continuing economic volatility. A 1% change in income from planning, garden waste, car park and recycling performance payments income is around £28k.

- **Investment Income and Interest Payable** – Since 2009 interest rates have produced low returns from investments, but the Council has diversified its investments into a property fund and other pooled funds, following advice from Arlingclose, to increase the return on investment. One of the impacts of Brexit may be that the income from some pooled funds will be treated as capital rather than revenue income, which could require the redemption of current holdings and reduce the anticipated level of return.

  The Council is making other commercial investments in order to generate income or regenerate an area. Where this investment is relying on borrowing as the funding source then any return will be subject to changes in interest rates. This is particularly relevant to the Capital Investment Fund Company (CIFCO) where borrowing is taken out for CIFCO to invest in commercial property. The 2019/20 budget includes a proposal to invest a further £25m in CIFCO to generate additional income. As this activity is subject to both interest rate and tenant void risks a separate stress test is being undertaken and will be available for the Council meeting in February.

- **Business Rate Retention** – As business rates is an increasingly important source of income for the Council, measures for closer monitoring have been put in place. Under the current retention system, the General Fund's exposure to variances can come from economic decline, cessation of business from a major ratepayer and appeals to rateable values. The Council operates a Business Rates Equalisation Reserve to cover for this possibility as appropriate.

  In 2020/21 local government is expected to be given 75% retention of business rates. The figures for this year and beyond assume a cost neutral position, but this is currently untested. If baseline funding levels should reduce, the Business Rates Equalisation Reserve could be used to support a short-term reduction, but medium-term plans and resources would need to be reviewed.

- **Government Funding** – The Council's share of Revenue Support Grant for 2019/20 is zero, so the core Government funding is now reduced to Rural Services Delivery Grant (RSDG) and New Homes Bonus (NHB). 2019/20 is the final year of a 4-year Comprehensive Spending Review and funding levels beyond this are currently unknown. The medium-term figures are based on the current level of RSDG continuing and NHB being available under the current guidelines. NHB payments assume that there will be annual growth of 0.7% above the 0.4% baseline figure.

- **Welfare Reforms, Benefits and Council Tax Reductions** – At a forecast £16m housing benefit remains one of the Council's largest financial transactions, which due to the welfare reforms and introduction of Universal Credit and the Council Tax Reduction scheme is subject to increasing risk and change. This will continue to be closely monitored in order to protect the Council from any emerging risks and liabilities.

f) <u>Capital Programme</u>

2.21 The Council has a significant capital programme for the next 3 years which is largely funded through borrowing and is based upon reasonable estimates of cost and capacity to deliver the programme. The programme has been developed to support the key deliverables of the Council and its ambition through the Joint Strategic Plan.

2.22 A key risk therefore to consider in the Council's budget planning is the interest cost and provision for repayment of debt (Minimum Revenue Provision – MRP) that it will need to meet commitments on the borrowing it undertakes for capital purposes.

2.23 A review of the capital programme will need to be undertaken to ensure that future borrowing is targeted on projects that deliver the most for the district and are affordable within the current revenue resources.

2.24 The borrowing strategy and MRP policy are set out in detail in the Capital, Investment and Treasury Management Strategies document.

Conclusion

2.25 Taking all of the above into consideration, the Section 151 Officer's opinion is that the Council's budget and estimates are reasonable based on the assumptions and available information, but cannot be absolutely robust, so a full assurance cannot be given that there will be no unforeseen adverse variances.

2.26 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.

3 Adequacy of Reserves

3.1 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.

3.2 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.

3.3 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 increasing the risk to the Council. This represents 10% of the annual General Fund Budget, so no action is required as part of the 2019/20 budget. This is partly based on the understanding that there are further sums available in earmarked reserves that will not be fully spent during 2019/20 as set out below.

3.4 Levels of earmarked reserves (excluding those relating to the Housing Revenue Account but including the Transformation Fund and the Community Infrastructure Levy) are forecast to be £4.4m as at 31 March 2020. 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 2019/20. The Transformation Fund is continuing to support the delivery of the Council's Joint Strategic Plan in 2019/20.

4. Background Documents

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

Katherine Steel
Assistant Director, Corporate Resources
(Section 151 Officer)