

COUNCIL – 25TH FEBRUARY 2019

Report of the Cabinet

ITEM 6.1 2019/20 SPECIAL EXPENSES AND GENERAL FUND AND HRA REVENUE BUDGETS

Purpose of Report

To consider the recommendations of the Cabinet regarding the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2019/20. These budgets represent the financial spending plans for all services of the Council and it is a legal requirement to set a balanced budget each financial year. The report also incorporates the proposed Council Tax levy which must be set by the Council and the 2019/20 original budget for the HRA together with proposals to increase rent and service charges.

Recommendations and Reasons

The full Council Tax Recommendations, which the Council must consider in order to set a Council Tax Levy and General Fund and HRA revenue budgets for 2019/20, will be circulated once confirmation has been received from major preceptors regarding their precepts.

Policy Justification and Previous Decisions

The budget is essential to all policies of the Council and the setting of a Council Tax levy is a legal requirement of the Council. The rents also need to be within specified parameters set by the Department for Housing, Communities and Local Government.

At its meeting held on 14th February 2019, the Cabinet considered a report of the Budget Scrutiny Panel presenting observations and recommendations with regard to the Council's 2019/20 budget. Also considered was a report of the Head of Finance and Property Services which set out the proposed General Fund and HRA Revenue Budgets for 2019/20.

The following extracts from the minutes of the Cabinet's 14th February 2019 meeting detail its consideration of those reports:

"83. BUDGET SCRUTINY PANEL

Considered a report of the Head of Strategic Support to consider the findings and recommendation of the Budget Scrutiny Panel, alongside officer advice and a recommendation in response (item 6 on the agenda filed with these minutes).

Councillor Miah, Chair of the Scrutiny Management Board and the Budget Scrutiny Panel, presented the report and the Panel's recommendation. The

Strategic Director of Corporate Services presented the officer recommendation and advice in response.

The Head of Strategic Support assisted with consideration of the report.

The Leader wished to thank the Panel for its valuable scrutiny of the matter.

RESOLVED that the Panel's view that there should be a statement in the next Medium Term Financial Strategy regarding the Council's future approach to the need for further savings or income generation and the use of reserves be agreed.

Reason

To enable a context to be provided for future decision making and inform scrutiny of the Council's budgets and other financial matters."

"86. GENERAL FUND AND HRA REVENUE BUDGETS 2019/20

Considered a report of the Head of Finance and Property Services to consider the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2019/20, incorporating the proposed Council Tax levy, and the 2019/20 proposals to increase rent and service charges within the ring fenced Housing Revenue Account, for recommendation to Council (item 9 on the agenda filed with these minutes).

The Head of Finance and Property Services assisted with consideration of the report. Further to the report, she outlined minor amendments to the draft budget set out and the reasons for those.

RESOLVED that **Council be recommended:**

1. to approve the Original General Fund Revenue Budget for 2019/20 at £16,954,156 as set out in Appendix 1 to the report of the Head of Finance and Property Services;
2. to set a base Council Tax at £122.09 at Band D, an increase of £5 on the 2018/19 rate;
3. to set the Loughborough Special Levy at £74.97, no increase on 2018/19 rate, as set out in Appendix 3 to the report of the Head of Finance and Property Services;
4. to approve the following items to the Loughborough Special Levy:
 - Funding for the costs of opening Biggin Street, Loughborough toilets on a Friday, ongoing £4.4k
 - Funding for Voluntary and Community Grants within Loughborough, on an ongoing basis £20k

- *Contribution towards Open Spaces grounds maintenance work in Loughborough, to be reviewed each year £120k;*
5. *to approve the Original HRA Budget for 2019/20 as set out in Appendix 5 to the report of the Head of Finance and Property Services;*
 6. *to amend the HRA weekly rents in line with the Ministry of Housing, Communities and Local Government (MHCLG) guidance;*
 7. *to approve that the non-HRA dwelling properties retain their current rents as charged in 2018/19;*
 8. *to approve the HRA service charges in accordance with the MHCLG Guidance;*
 9. *to approve that the shop rents retain their current rents in accordance with an assessment by the Valuation Office;*
 10. *to approve that garage rents are increased by 2.49% in accordance with the assessment by the Valuation Office;*
 11. *to approve that the Leasehold Management and Administration charge increases to £113.06 per annum;*
 12. *that the Lifeline weekly charge is increased in line with MHCLG Guidance;*
 13. *to determine that the basic amount of Council Tax for 2019/20 is not excessive according to the principles set out by the Secretary of State;*
 14. *that delegation be given to the s151 Officer, in conjunction with the Cabinet Lead Member for Finance and Property, to amend this report for Council in line with the final settlement and updated NNDR figures.*

Reasons

1. *So that the necessary finance is approved to carry out services in 2019/20.*
2. *So that the Council Tax can be set in accordance with legal and statutory requirements.*
3. *So that a Loughborough Special Levy can be set in accordance with legal and statutory requirements.*
4. *To enable items to be added to the Loughborough Special Rate in:*
 - *Opening Biggin Street toilets (Loughborough) on a Friday on an ongoing basis;*

- *Funding for Voluntary and Community Grants within Loughborough on an ongoing basis;*
 - *Contribution towards costs for Open Spaces grounds maintenance work in Loughborough to be reviewed on an annual basis.*
5. *To ensure sufficient funding for the Housing Revenue Account in 2019/20.*
 6. *To comply with social housing rents guidance which, for 2019/20, is a 1% reduction in rents payable by tenants.*
 7. *To reflect the greater flexibility for rental options for non-HRA dwellings.*
 8. *To ensure the correct alignment of costs and service charges for tenants in accordance with best practice.*
 9. *So that shop rents follow the assessment and guidance provided by the Valuation Office.*
 10. *To increase the rent generated for garages in line with the guidance from the Valuation Office.*
 11. *So that there is sufficient recovery of the costs associated with operating the leasehold flat and shop services.*
 12. *So that there is sufficient recovery of the costs associated with operating the Lifeline service.*
 13. *To comply with the requirements of the Local Government Finance Act 1992.*
 14. *To update the budget report in line with final settlement figures once these are received.”*

The report of the Head of Finance and Property Services setting out the proposed General Fund and HRA Revenue Budgets for 2019/20 is attached as an Annex.

On 12th December 2018, the Strategic Director of Corporate Services exercised delegated powers to set the Council Tax base for 2018/19. This is used as part of the budget and precept calculations.

Implementation Timetable including Future Decisions and Scrutiny

Council is requested to consider the Cabinet report and the recommendations of Cabinet on 14th February 2019 alongside the full Council Tax Recommendations, which will be circulated once confirmation has been received from major preceptors regarding their precepts, in order to set a Council Tax Levy and General Fund and HRA revenue budgets for 2019/20.

The actual budgets will come into effect on 1st April 2019.

Report Implications

As detailed within the attached Annex.

Key Decision: Yes

Background Papers: [Delegated decision DD214 18/19 taken by Strategic Director of Corporate Services regarding Council Tax and NNDR Bases](#)

[Cabinet 14th February 2019 Item 6 Budget Scrutiny Panel](#)

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