

COUNCIL 12 FEBRUARY 2020

CABINET RECOMMENDATIONS FROM PREVIOUS MEETINGS

Details of recommendations to Council made at Cabinet are set out below. Reports can be found on line here: [Cabinet report](#) and [Corporate Plan](#)

EX26 CORPORATE PLAN 2019-2023

The Leader reported that Horsham District had been recognised as one of the best places to live in the UK and that the Council intended to enhance that reputation.

The Corporate Plan provided a focus for the Council's activities, and explained how it would prioritise resources and continue to deliver high quality, easily accessible and value for money services to the people living and working in the District over the next five years.

RECOMMENDED TO COUNCIL

That the draft Corporate Plan be adopted.

Reasons for Recommendations

To ensure that Corporate Priorities for Council period are clear and form the basis of service plans, budget and activity across the Council.

EX/52 BUDGET 2020/21 AND THE MEDIUM TERM FINANCIAL STRATEGY TO 2023/24

The Leader stated that the report sets out details of the proposed 2020/21 revenue and capital budgets following the receipt of the provisional financial settlement from Government on 20 December 2019. The net budget requirement for 2020/21 at £11.2m was £0.77m higher than in 2019/20. This was largely due to the loss of £0.87m of recycling credits received from West Sussex County Council from 1 April 2020. The Council was able to set a budget that would generate a surplus. In the year, the Council would be delivering a £13.3m capital programme.

The report also reviewed the Medium Term Financial Strategy 2020-24 approved by Council in December 2019 in the light of any updated information. The outlooks remained uncertain due to limited detail available on Government's proposed significant changes to the future of business rates and the Fair Funding Review.

The current projection was for the Council to have a budget surplus in 2020/21 and near-balanced budgets over the period of the Medium Term Financial Strategy. This was despite a continued reduction in Government funding although we anticipate any effect to be dampened over the period, rather than a step change in 2021. The near-balanced budgets were dependent on delivering a programme of digital transformation.

Addendum to 2020/21 budget funding – updated 31 January 2020

Since the 2020/21 budget papers were compiled for the Cabinet meeting on 23 January 2020, a change has been made affecting the funding. There is no overall change to the projected surplus in 2020/21 or the MTFS. The changes are highlighted in blue italics and explained below.

Table 1: MTF5	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000
Current net expenditure	10,435	11,201	12,020	11,660	11,770
<i>Income / savings to deliver through transformation</i>	<i>In budget</i>	<i>In budget</i>	(565)	(330)	(280)
Expected net expenditure after transformation	10,435	11,201	11,455	11,330	11,490
Funding: Council Tax	(9,598)	(9,922)	(10,265)	(10,620)	(10,980)
Baseline Business Rates	(2,029)	(2,052)	(1,100)	(500)	(250)
Additional Business Rates	0	0	0	(50)	(50)
Collection Fund (surplus)/ deficit	(227)	608	-	-	-
<i>NDR Collection Fund deficit funding drawn from earmarked NDR reserve</i>		(661)			
Total Funding	(11,854)	(12,027)	(11,365)	(11,170)	(11,280)
Net (Surplus) / Deficit	(1,419)*	(826)	90	160	210

The completion of the National Non-Domestic Rates return (NDR1) on 30 January 2020 using the latest data available has resulted in a Collection Fund deficit. The Council tax surplus element of the collection fund position remains unchanged at £53k.

The change in the NDR pooling arrangements in 2020/21 and percentages used to distribute the in-year and prior years surpluses and deficits, and the likelihood of a further changes to the percentages in the future under business rate localisation means that it is prudent to draw funding from the earmarked NDR reserve to offset this NDR deficit of £661k. The earmarked NDR reserve was set up to smooth out such timings and issues.

Therefore, in 2020/21 there is no overall change to the net surplus.

Schedule J, fees and charges, omitted an inflationary increase in the price of dog and litter bins collections.

Waste and Recycling	Current fee	From 1 April 2020
Collection for dog and litter bins (per bin collected)	£2.59	£2.65

RECOMMENDED TO COUNCIL

That:

- i) The level of Council Tax for 2020/21 be increased from £149.53 by £2.99 (2.0%) to £152.52 at Band D.
- (ii) The net revenue budget set out in Appendix A for 2020/21 of £11.201m be approved.
- (iii) The Special Expenses of £309,500 set out in Appendix D and a Band D charge of £25.85 be agreed in respect of the unparished area for 2020/21.
- (iv) The capital programme for 2020/21 set out in Appendix E be approved and that the indicative capital budgets in the programme for future years be noted.
- (v) The projected future near-balanced budgets on the revenue account in 2021/22 to 2023/24 be noted and the Medium Term Financial Strategy continue to be reviewed and refined to ensure that decisions be taken to deliver these balanced budgets in these three years.
- (vi) The Minimum Revenue Provision Statement set out in Appendix F be approved.
- (vii) The Capital Strategy and prudential indicators and limits for 2019/20 to 2022/23 set out in Appendix G be approved.

- (viii) To note the statement on the robustness of the level of reserves in Appendix I.
- (ix) That the increases to fees and charges set out in Appendix J be approved.
- (xi) That the Council remain in the West Sussex business rates pool for 2020/21.

Reasons for Recommendations

To meet the Council's statutory requirement to approve the budget and the prudential indicators before the start of a new financial year.

EX/53 COUNCIL TAX REDUCTION SCHEME

The Leader introduced the report and said that it provided Cabinet with an overview of Horsham's current council tax reduction (CTR) scheme, together with a recommendation that no changes be made to the scheme for 2020/21.

The report also made the recommendation to implement an increase in the Council Tax long-term empty premiums from 1st April 2020 to further incentivise landlords or owners to bring properties back into occupation. There was a further increase from 1st April 2021.

RECOMMENDED TO COUNCIL

That

- i) the inclusion of a 'no-change' council tax reduction scheme be approved.
- ii) the Empty Homes Premium increase to 200% for homes empty for more than five years from April 2020, and to 300% for homes empty for more than ten years from 2021/22 be adopted.

Reasons for Recommendations

- i) CTR schemes are annual schemes and therefore require an annual review and approval, even when no changes to the scheme are being proposed.
- ii) To enable the Council to sustain a robust Empty Homes Strategy by bringing empty homes back into use.