



Report to Council

Subject: Council Tax 2022/23

Date: 3 March 2022

Author: Leader of the Council

Wards Affected

Borough wide.

Purpose

This report summarises the Council's General Fund Revenue Budget for 2022/23. The report also includes information about the Council's external funding support, and sets out the basis from which decisions can be made regarding the Council Tax level for 2022/23.

Key Decision

This **is** a key decision.

Recommendations:

That:

- (1) Members determine the application of fund balances, or the level of contributions to balances.
- (2) Members approve the calculations for 2022/23 required by sections 31 to 36 of the Local Government Finance Act 1992 and the amounts set as Council Tax for each category of dwelling. (The detailed calculations will be circulated separately).

1. Background

The Council Tax Process

- 1.1 The Council Tax is a tax on property, with personal elements in the form of discounts for dwellings with fewer than two relevant residents, and reductions awarded under the approved Council Tax Reduction Scheme. All dwellings are listed in one of eight valuation Bands. The headline Council Tax is calculated for a Band D property and the tax for each of the remaining bands is calculated as a proportion of this amount. The lowest, Band A, is two thirds of Band D and the highest, Band H, is twice Band D and three times Band A. The proportions are therefore:

Band A 6/9	Band E 11/9
Band B 7/9	Band F 13/9
Band C 8/9	Band G 15/9
Band D 9/9	Band H 18/9

- 1.2 The Council and its Members have several legal duties when making decisions in relation to the revenue budget and the Council Tax. The Council must:
- Act in accordance with its statutory duties and responsibilities;
 - Act reasonably;
 - Not act in breach of its fiduciary duty to its Ratepayers and Council Taxpayers.
- 1.3 As part of the Budget and the Council Tax setting process, the Council is required by the Localism Act 2011 to calculate its Council Tax Requirement for the year. These calculations must be made before 11 March (ie. by midnight on 10 March) although they are not invalid merely because they are made on or after this date. However, until the calculations are made, any attempt to set the Council Tax will be treated as null and void. The Council has a clear legal duty to set a Council Tax and a resolution not to do so would be unlawful, being in breach of Section 30 of the Local Government Finance Act 1992. Similarly, a resolution to set a Council Tax that deliberately did not balance the various calculations would also be unlawful.
- 1.4 The final stage of the Council Tax setting process is for the Council as billing authority to set the overall Council Tax for each Band. Whereas the billing authority and major preceptors each calculate their own budget requirements, basic amounts and the amounts of each Band, the setting of the Council Tax is solely the responsibility of Gedling Borough Council as billing authority.
- 1.5 Formal notification of precept requirement has not yet been received from the Combined Fire & Rescue Authority or from Nottinghamshire County Council. Further details are provided below at paragraphs 2.5.6 and 2.5.7 and final

information will be given at the meeting. Amounts in respect of parish precepts are also shown below at paragraph 2.5.8.

Settlement

- 1.6 As reported to Cabinet on 17 February 2022, the final Local Government settlement figures were announced on 7 February 2022, and related only to 2022/23.
- 1.7 The one-year settlement means that councils still have no clarity or certainty of how services will be funded beyond March 2023, which presents huge challenges and inhibits meaningful financial planning and the development of a sustainable medium term financial plan. This is further exacerbated by the continuing uncertainties of the economic impact of Covid-19 in terms of ongoing budget pressures, both additional costs and income losses, and how they will be financed.
- 1.8 The Council's Settlement Funding Assessment (SFA) for 2022/23 totals £3,076,900 represented by retained business rates of £3,076,400 and Revenue Support Grant (RSG) of £500. The SFA represents a cash increase of £500 on the comparative figure for 2021/22.
- 1.9 The cumulative settlement reduction over the 2016/17 to 2022/23 spending review periods equates to 37.7%, or £1.86m in cash terms, when compared to the 2015/16 base position. The total reduction in settlement when compared to the amount received in 2010/11 will be 65%, or £5.8m, by 2022/23. Settlement now accounts for 25% of Gedling's net budget, compared to 60% in 2010/11.

New Homes Bonus

- 1.10 The New Homes Bonus (NHB) was introduced in 2011/12 and is funded from the centrally retained share of business rates income. It is paid as a separate non ring-fenced grant, which is not part of the SFA. When it was introduced, NHB was intended to be a predictable, permanent and enduring feature of local government funding. The principle is to reward authorities for each new property completed within their boundary, and to offer an additional reward for returning empty properties back into use.
- 1.11 During 2016/17, the Government made changes to NHB with the aim of delivering savings to fund pressures in social care. Changes included a reduction in the length of time for which NHB is paid, from six years to four years. A baseline growth threshold of 0.4% was also introduced, recognising that some housing would be built regardless of NHB. Councils now need to achieve growth **greater** than 0.4% in a year before **any** NHB is receivable for that year. For Gedling this equates to 182 Band D properties. The Government has confirmed that NHB will continue for 2022/23 on the same basis as

2021/22, with no change to the way it is calculated, and again paid for one year only.

- 1.12 Between October 2020 and October 2021 housing growth in Gedling was 459 band D equivalent homes, equivalent to 1.01% growth. This growth is above the national baseline of 0.4% and NHB has been confirmed at £427,670 for 2022/23 (to be paid for one year only) including an affordable homes premium of £6,720 based on growth of 24 units in the period. Gedling will also receive a legacy payment of £93,105 in 2022/23 but this will be the last year in which any such legacy payments are received under the current arrangements. The impact of this on the 2022/23 budget when combined with the fallout of previous years' awards is an overall increase in grant of £415,000 when compared to 2021/22. NHB has reduced by £1.879m when compared to 2016/17.
- 1.13 There remains much uncertainty around the future of the NHB scheme. It is likely that NHB will be considered in the context of the Fair Funding Review, and may even be removed as part of the next Comprehensive Spending Review (CSR). It is considered prudent for medium term financial planning to assume that there will be zero NHB awards available to support revenue financing going forward.

Lower Tier Services Grant

- 1.14 A new un-ringfenced Lower Tier Services Grant was announced as part of the local government settlement for 2021/22, based on a two-fold methodology. The first part is allocated to all lower tier authorities on the basis of the 2013/14 SFA as the best available assessment of relative needs. The grant is continuing for 2022/23 and for Gedling equates to £140,739. The second part is minimum floor funding to ensure that no authority sees an annual reduction in its core spending power. For Gedling this is zero.

Services Grant

The Government has introduced another new, un-ringfenced, Services Grant as part of the 2022/23 settlement to provide funding for one year only to all tiers of local government in recognition of the services they provide, and to manage inflationary pressures for example the increase in National Insurance contributions for the health and Social Care Levy. Gedling's allocation is £212,082.

Core Spending Power

- 1.16 The Government forecasts the Council's cumulative reduction in overall core spending power (CSP), which includes SFA, S31 Grants, NHB, Lower Tier Services Grant, Services Grant, and council tax receipts (assumed at the maximum possible increases, but which is a local decision), to be 12.4% by 2022/23 when compared to 2015/16, **giving Gedling the seventh largest**

reduction out of 341 councils in England. For the previous two years, 2020/21 and 2021/22, Gedling was the worst affected council in England.

This is despite an increase in core spending power of 10.3% in 2022/23, which is 2.9% above the average announced for the local government sector as a whole, mainly due to the receipt of NHB for 2022/23 compared to no award for 2021/22.

Referendum Limit

- 1.17 The Localism Act 2011 gives powers to the local community to either endorse or veto council tax rises that are above a limit which is to be set annually by the House of Commons. If a local authority decides to implement an increase above the Government set limit this will trigger a referendum so that local voters can either support or reject the proposed rise. The referendum limit for 2022/23 for all shire districts has been set at a 2% or £5 increase, whichever is greater. Any council which sets an increase greater than this, and does not get support from the electorate via the referendum, will have to revert to a council tax level that is compliant, and bear the cost of re-billing its residents. For Gedling the £5 cash limit equates to 2.89% in 2022/23.

Local Government financing from 2023/24

- 1.18 Alongside the local government finance settlement in 2018/19 the Government announced its intention to implement a “Fair Funding Review” in April 2020. This was delayed for a year due to Brexit, and for a second year due to Covid-19. It is now expected that the review will be relaunched, with a significant consultation expected in early 2022.
- 1.19 Funding baselines for local authorities are based on an assessment of relative needs and resources. For RSG this consists of numerous economic and social indicators, and for business rates a range of top-ups and tariffs. The methodology was introduced over ten years ago and has not been updated since the introduction of the 50% business rates retention system in 2013/14. Since that time, demographic pressures have affected local areas in different ways. The outcome of the review will enable the government to reconsider how relative needs and resources should be assessed.
- 1.20 The government recognises that introducing such a new needs and resources formula could result in significant changes to the funding baselines of some local authorities and it is therefore intended to introduce transitional arrangements that are fair, transparent and easily understood. The consultation process proposes that the starting baseline for the purposes of transition will be a measure of the current funding available to each local authority, ie the core spending power measure excluding the new 2022/23 Services Grant. This should mean that no authority sees its funding reduce as a result of the new system in the first instance. Gedling will take an active part in any Fair Funding

Review consultation process to ensure that its position is understood and its views are represented.

- 1.21 The government announced on 7 November 2021 that it would abandon the move to 75% business rates retention as it considered that it conflicted with its “levelling up” agenda. The business rates retention scheme will be retained at 50% for 2022/23, which provides a degree of funding certainty as it had been anticipated that some existing growth might be removed - thus reducing income. The 2022/23 Settlement however provided no detail regarding plans for the future of business rates, or the intended reset of the system.

2. Proposal

2.1 Proposed Portfolio Budget 2022/23

The proposed budgets for 2022/23, as recommended by Cabinet on 17 February 2022, are summarised in the following table:

Portfolio:	£
Community Development	1,368,500
Housing, Health and Wellbeing	2,397,500
Public Protection	1,520,000
Environment	5,399,400
Growth and Regeneration	1,056,200
Resources and Reputation	1,059,200
Net Portfolio Budget 2022/23	12,800,800
Transfer to/(from) Earmarked Reserves	(426,700)
Net Council Budget 2022/23	12,374,100

2.2 Consultation with Non-Domestic Ratepayers

In accordance with Section 65 of the Local Government Finance Act 1992, consultation with representatives of Non-Domestic Ratepayers has been undertaken. No responses were received by the end of the consultation period.

2.3 The General Fund Balance

The General Fund balance at 1 April 2022 is estimated to be £4,761,200, however this includes £2,458,500 of S31 grants received in 2021/22 specifically relating to the 2021/22 NDR deficit, which will be accounted for in 2022/23.

If a Council Tax increase of £5 is approved, a further contribution from balances of £688,700 will be required in 2022/23. This will allow prudent provision for the support of General Fund expenditure in the medium term. Members will need to consider the use of balances when determining the Council Tax for 2022/23.

2.4 **Robustness of Estimates**

- 2.4.1 Sections 25 and 26 of the Local Government Act 2003 place a personal duty on the Chief Financial Officer to make a report to Council when considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of reserves.

The Act requires Members to “have due regard to the report in making their decisions”. Where this advice is not accepted, it should be formally recorded within the minutes of the Council Meeting.

Under Section 25 of the Local Government Act 2003, the Section 151 Officer is required to provide a commentary assessing the robustness of the estimates when Cabinet and Council are considering the budget proposals.

The key strategic risks in considering the 2022/23 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan were reported to Cabinet on 17 February 2022, and are also detailed in paragraphs 2.4.2 to 2.4.8 below.

2.4.2 **Financial Settlement/Funding Streams**

After a delay of two years, firstly due to Brexit and then to the Covid-19 pandemic (resulting in one year spending rounds for 2019 and 2020 and consequently one year local government finance settlements), the much awaited 3-year 2021 Comprehensive Spending Review was announced in October 2021. However, once again, the continuing impact of Covid-19 has had a knock on impact on the timing of the promised local government finance reforms ie. Fair Funding Review and business rates retention, which have now been deferred for at least a further year resulting in a third, one year only Local Government Finance Settlement. This means that Councils still have no clarity or certainty of how services will be funded beyond next year which presents incredible challenges, inhibiting meaningful financial planning and the development of a sustainable medium term financial plan. This is further exacerbated by the uncertainties resulting from Covid-19 in terms of ongoing budget pressures and consequent inflationary pressures and how they will be financed.

The 2021 Comprehensive Spending Review outlined the Government's spending plans for the next three years by setting budgets for each central government department. This included an average increase in Core Spending Power for local government of 3% in real terms over the three year

Spending Review period. However, a substantial part of the additional £4.8 billion of new grant funding to this department is primarily to meet social care pressures which is an upper tier function, presenting a risk that district and borough councils will not receive the full 3% increase in real terms over the 3 year period.

Business Rates Retention / Fair Funding Review: The extension of the business rates retention scheme and implementation of the Fair Funding Review was planned for 2020/21 but this has now been delayed for a third year with the earliest expected conclusion to be in time for the 2023/24 Local Government Finance Settlement 2022/23, ie. year two of the 2021 Comprehensive Spending Review period. Consultation on updating the system is expected to commence early in 2022 but it is, as yet, unclear if this will include a review, or reset, of the business rates retention system. In the absence of a review of the local government funding, pilots for the 100% business rates retention are continuing in 2022/23, but the Secretary of State for Levelling Up, Housing and Communities announced that the government would abandon moves towards 75% business rates retention as it considered that they conflicted with its “levelling up” agenda. Instead the government would look to progress the Fair Funding Review and examine the mechanism for redistributing funding to local authorities most in need.

Any retention of business rates will still require a mechanism to ensure funding is distributed in respect of need, which will create winners and losers, which will be determined by the Fair Funding Review. With an obvious emphasis already included in the Spending Review to support upper tier authorities in respect of their funding for social care, there is a real risk that district councils could lose further under any new allocation process. The original intention of the business rates retention scheme was for it to be fiscally neutral and in order to achieve this, additional responsibilities would need to be transferred to local government in a move to 100% retention. In this scenario care will be needed to ensure that any new transferred responsibilities are capable of being fully funded in both the short and the long term, although the risk of this materialising is now reduced if the retention level stays at the current 50%.

The current retention of business rates has shown the volatility of this funding in respect of the appeals process, the prediction of future growth, and the potential for significant local impact when a large business relocates or closes. These changes may require local authorities to hold higher levels of reserves in the future depending on the outcome of the review of the local government finance system.

New Homes Bonus: paragraphs 1.10 to 1.13 above identify the significant impact that changes to this funding stream has for Gedling Borough Council due to the introduction of a 0.4% growth baseline resulting in a significantly reduced awards since 2016/17.

In line with the one-year only local government finance settlement, the NHB award has continued on a one-year only basis for 2022/23. Previously the government has stated that it is no longer clear that the NHB in its current form is focussed on incentivising homes where they are needed most. A consultation on the future of the NHB was held in the spring of 2021 but there is as yet no firm indication as to how the government will wish to proceed. There is speculation that the future of NHB will be considered in the context of the Fair Funding Review.

Whilst there may still be an opportunity to receive NHB in the future, it is considered that there is a significant downside risk to this arising and it is not prudent to rely on this funding stream to support the revenue budget. This risk came to fruition for 2021/22 as Gedling received a zero award because growth was below the threshold. Before receiving a positive allocation of £427,670 for 2022/23. Therefore, the MTFP assumes future payments will be zero. In the event that the Council does receive some NHB in the future, this will be used to support future projects or be transferred to balances to support future budget setting but in all probability will be matched by a corresponding reduction in Lower Tier Services Grant.

Council Tax: The Government's Core Spending Power figures are based on the assumption that Council Tax will be increased by 2% or £5 per annum whichever is greater and that growth in the tax base will recover from the adverse impact of Covid-19 due to the increased Council Tax Reduction Scheme caseload, and will increase by the creation of additional hereditaments. These may be optimistic assumptions and in any case leave very little room for local discretion to set a higher Council Tax in order to plug any funding gaps. The MTFP contained in this report assumes that a £5 increase will be applied between 2022/23 and 2026/27 but the actual increase will be determined on an annual basis by Council. In the absence of additional ongoing funding in the local government finance settlement, any Council Tax increase below the £5 will require an increase in the efficiency/budget reduction targets to ensure that a balanced MTFP is secured.

Covid-19: There remains a significant amount of uncertainty and risk around the financial impact of Covid-19 in the medium term due to potential increased service demand arising from the economic impact; the ongoing impact on income for Council services eg. leisure, and local tax collection reductions; and, now to a lesser extent, the risk of ongoing response work being required. There remains a risk that the Covid-19 financial impacts are higher than estimated and in the absence of additional government funding these will need to be met from an increase in savings/budget reductions in other Council services. For both 2020/21 and 2021/22 the full costs of Covid-19 have not been covered in full by government grant and the Council has been required to use its finite reserves to cover the deficit. No further

government funding is expected for 2022/23 despite income levels not being anticipated to reach pre-pandemic levels until 2023/24.

Economic Growth & Inflation: Both Brexit and Covid-19 had a major adverse impact on the economy, and whilst effective vaccines improved the economic outlook, the related ongoing uncertainty continues to create major challenges for economic forecasting. Overall the balance of risk to economic growth in the UK is now to the downside, with significant risks related to labour supply shortages proving more enduring and therefore depressing economic activity; inflationary pressures not being effectively controlled by monetary policy interventions; UK/EU trade agreements being effective. Without a multi-year settlement, or an understanding of what the Fair Funding Review or business rates retention will bring, any future pressure arising from an economic downturn and inflationary pressure need to be managed within local resources – i.e. from further budget reductions or efficiencies.

Inflation assumptions have been incorporated into the MTFP, including a pay award of 3% for 2022/23 and 2% from 2023/24 to 2026/27. Whilst the 2021/22 pay award for local government staff has not yet been agreed, and an offer of 1.75% has been made to all staff below Chief Officer level, it is considered prudent to forecast a pay award of 3% in the MTFP for 2022/23 to reflect the rapidly rising inflation levels, and skills shortages in certain key areas. However, given the uncertainties present in the economy, there is a minor upside financial risk that future awards could be lower than 2% if a period of public sector austerity ensues and is reflected in local government finance reforms and settlement.

- 2.4.3 A minimum balance of £1m on the General Fund, or 7.5% of net operating expenditure whichever is the greater, is recommended by the Chief Financial Officer to be a prudent amount given the scale of the business conducted by the Council. The external auditor regards this level of balance on the General Fund to be satisfactory, and it is also appropriate to reflect uncertainties in the financial position in the medium term.
- 2.4.4 The surplus or deficit on balances in the MTFP shows amounts above or below the recommended minimum General Fund balance in any one year. Current spending plans show a surplus of £614,000 in 2022/23, declining to £31,700 by the end of 2026/27. Achievement of this position is reliant upon efficiency plans being progressed and delivered during the period of the MTFP or additional funding being made available via the local government finance reforms. Underlying this is an annual deficit between the amounts of income expected and anticipated expenditure, which needs to be managed beyond the five-year horizon, but this is significantly reduced to manageable levels with the inclusion of the efficiency/savings programmes. However, this still does not leave significant capacity to manage future budget and inflation

pressures that may arise, which will have to be managed by further budget reductions.

The Council has a substantial programme of budget reductions planned for delivery. Whilst risk provisions and transformation funds (which mitigate the risk of non-delivery) have previously been approved, and in general, the delivery of the programme has gone well, more recently difficulties have been experienced, particularly with regard to projects that contain uncertainties inherent in more innovative commercial approaches, and the impacts of Covid-19, which present an increasing downside risk to successful delivery. Programmes are regularly monitored and progress reported to Cabinet to manage this risk, and new efficiency proposals are recommended to ensure this downside risk is effectively managed.

The challenges that lie ahead remain equal to those in previous years, but this plan is considered robust. Gedling is not alone in facing this challenge as it is a national problem.

- 2.4.5 Initiatives introduced to manage within reduced resources bring increased risks both financially and in terms of service delivery. For example:

Reduced maintenance budgets: these can be accommodated in the medium term but may bring pressures in the longer term as major capital investment plans may need to be accelerated as assets deteriorate faster. Increased public building maintenance budgets have been included in the capital budget proposals to mitigate this risk;

Earmarked reserves: reserves for specific purposes and risk management have been reviewed and will be managed at minimum requirement levels providing less scope for managing emerging risks. However, additional reserves have been set aside for the potential staffing redundancy and transfer costs in respect of the move of rent allowance payments to the Universal Credit system, which has again been delayed.

- 2.4.6 The Council continues with activities undertaken in association with a variety of partners. This requires reliance on partnership funding and/or the delivery of integrated programmes and is an approach which is integral to the Council's efficiency programme. However, a significant number of the Council's partners are public sector organisations which are also facing significant budget pressures and changing roles. This places increasing risk on the Council both directly, in respect of possible withdrawal of partnership funding, and indirectly, with the Council potentially facing additional burdens resulting from budget cuts in other organisations. This is especially true in respect of the most vulnerable in society, which could therefore have a direct impact on families' initiatives, homelessness and those with specialist housing need.

- 2.4.7 There is an increased risk arising from these assumptions and it has been necessary to increase minimum balances to £1m from 7.5% of net projected expenditure (approximately £930,000 in 2022/23). As the Council is responding to the challenges through efficiency measures and service reductions it is considered that the annual and medium term budgets are robust, but given the above risk assessment the achievement of the estimated Medium Term Financial Plan will not be easy to deliver.
- 2.4.8 Given the Council's excellent track record for budget management, careful budget monitoring and financial planning, which will continue, the structural deficit that remains in the Medium Term Financial Plan is considered to still be at a manageable level, although it should be expected that there may need to be some contraction of service delivery/performance if existing efficiency plans do not proceed in line with expectations, or there are further funding reductions following the implementation of the Fair Funding Review.

2.5 Council Tax 2022/23

2.5.1 Tax Base

The Council's overall tax-base was determined by the Portfolio-holder for Resources and Reputation on 12 January 2022 as 37,776.42. The tax-base for each parish is given below at paragraph 2.5.8.

2.5.2 Local Government Finance Settlement

Final Settlement Funding Assessment (SFA) figures are summarised below. This level of support is not dependent on a particular level of expenditure.

Funding Stream:	£
Revenue Support Grant	500
Business Rates - Baseline Funding Level	3,076,400
Settlement Funding Assessment (SFA) excl NHB	3,076,900

2.5.3 The Collection Fund

The Collection Fund continues to operate for Council Tax requirements, and following the introduction of the Business Rates Retention regime on 1 April 2013, also for Non Domestic Rates (NDR).

A Council Tax deficit of Nil was declared on 15 January 2022 for the estimated position at 31 March 2022, and this was net of a "spreading adjustment" of £207,152 representing 1/3 of the previously estimated "exceptional" 2020/21 in-year deficit of £621,457. This was largely due to the impact of Covid-19 and ensured that the full impact of the exceptional deficit did not fall in full on the

2021/22 accounts, as would normally have been the case. The spreading adjustment was required by regulations that came into force on 1 December 2020.

An NDR deficit of £7,135,348 was declared on 31 January 2022 for the estimated position at 31 March 2022, however this is mitigated by additional S31 grant paid to the General Fund in 2021/22 in respect of expanded retail and nursery reliefs due to Covid-19, as well as further S31 due before 31 March 2022 in respect of the Covid Additional Reliefs Fund (CARF). As with Council Tax above, the declared deficit was also net of a spreading adjustment of £700,323 to ensure that the full impact of the exceptional deficit did not fall on a single year's accounts.

Proportionate Share - NDR:	£
Central Government 50%	3,567,675
Gedling Borough Council 40%	2,854,139
Nottinghamshire County Council 9%	642,181
Combined Fire & Rescue Authority 1%	71,353
Total declared DEFICIT 31 January 2022	7,135,348

Gedling's share of the net declared deficit excluding the estimated S31 impact is £395,639.

The impact of collection fund deficits are included in the Medium Term Financial Plan.

2.5.4 Gedling Borough Council – Council Tax 2022/23

Cabinet have recommended a net budget of £12,374,100 and a Council Tax increase of £5 (2.89%) for 2022/23. The summary of the proposed budget and the amount to be raised by Council Tax of £6,726,800 is detailed in the table below, together with the estimated position on the General Fund Balances:

Budget 2022/23:	£
Total Portfolio Budget:	12,374,100
Less:	
Settlement Funding Assessment (SFA)	(3,076,900)
Lower Tier Support Grant	(140,700)
Services Grant	(212,100)
New Homes Bonus Current	(427,700)
New Homes Bonus Legacy	(93,100)
NDR growth, renewables, & NDR collection fund deficit	(1,008,100)
NDR Deficit Reliefs	2,458,500
Contribution from balances in the year	(3,147,200)
COUNCIL TAX REQUIREMENT 2022/23	6,726,800
General Fund Balance:	
Estimated General Fund Balance at 1 April 2022	4,761,200
Transferred from balances during 2022/23 to fund NDR deficit (additional S31 grant received in 2021/22)	(2,458,500)
Transferred from balances during 2022/23 to support General Fund expenditure	(688 700)
ESTIMATED GENERAL FUND BALANCE AT 1 APRIL 2023	1,614,000
Minimum required General Fund balance at 1 April 2023	1,000,000

Gedling Borough Council's proposed Council Tax of £178.07 is calculated by dividing the amount to be raised through the Council Tax (£6,726,800) by the tax base (37,776.42). This produces an amount per Band D property.

2.5.5 Nottinghamshire Police and Crime Commissioner

Formal notification of precept has been received from the Nottinghamshire Police and Crime Commissioner, following the meeting of the Police and Crime Panel on Tuesday 8 February 2022. The Council Tax will rise by £9.99 (4.09%), which produces an amount per Band D property of £254.25.

2.5.6 Combined Fire & Rescue Authority

The Combined Fire Authority will meet on Friday 25 February 2022. Current indications are that its Council Tax will rise by 1.95% and further information will be given to Council at the meeting.

2.5.7 Nottinghamshire County Council

Nottinghamshire County Council will meet on Thursday 24 February 2022. Current indications are that its Council Tax will rise by 4%, including an additional 3% permitted for adult social care, and further information will be given to Council at the meeting.

2.5.8 Parish Precepts

Parish Councils are required to give formal notice of their precept requirements for 2022/23 by 1 March 2022. Formal notification has been received from most of the parishes and provisional (*) information has been provided by the remainder, and their requirements are detailed in the table below. Parish precepts total £785,053 an increase of 4.49% on those declared for 2021/22.

Parish:	Tax Base 2022/23 £	Precept 2022/23 £	Band D 2022/23 £	Band D 2021/22 £	Band D +/- £	Band D +/- %
Bestwood Village	671.77	25,000	37.22	39.20	-1.98	-5.05
Burton Joyce	1,503.11	198,420	132.01	124.99	+7.02	+5.62
Calverton*	2,197.74	218,819	99.57	95.01	+4.56	+4.80
Colwick	861.45	22,500	26.12	23.27	+2.85	+12.25
Lambley	511.99	17,410	34.00	32.39	+1.61	+4.97
Linby	339.54	14,897	43.87	56.41	-12.54	-22.23
Newstead	371.50	17,468	47.02	43.53	+3.49	+8.02
Papplewick	271.03	19,905	73.44	46.26	+27.18	+58.75
Ravenshead	2,755.49	146,310	53.10	51.02	+2.08	+4.08
St Albans	933.71	28,269	30.28	30.46	-0.18	-0.59
Stoke Bardolph	330.83	1,260	3.81	4.47	-0.66	-14.77
Woodborough	941.84	74,795	79.41	80.29	-0.88	-1.10
Unparished	26,086.42	785,053				
Total Tax Base	37,776.42					

Percentage movements may on occasion appear excessive; however, Members should note that where precepts are small, modest monetary increases can result in significant percentage changes. There is no referendum limit set for parish councils for 2022/23 by central government.

3. Alternative Options

Had Cabinet chosen not to recommend a budget to Council this would have been in contravention of the Council's constitution and would not be in compliance with the Local Government Finance Act 1992.

Recommending an alternative budget may alter the level of recommended Council Tax for 2022/23.

4. Financial Implications

All financial implications are discussed within the report.

5. Legal Implications

Under the Local Government Finance Act 1992 (as amended by the Localism Act 2011), local authorities must set a council tax that takes into account its budget requirement, and any authority proposing an excessive increase in council tax must hold a local referendum and obtain a "yes" vote before implementing the increase. An authority proposing an excessive increase must also make substitute calculations, based on a non-excessive council tax level. This takes effect if the excessive increase is rejected in the referendum. Accordingly, authorities must raise their charge by less than the threshold to avoid a referendum.

Council tax setting legally requires a recorded vote.

6. Equalities Implications

There are no equalities implications arising from this report.

7. Carbon Reduction / Environmental Sustainability Implications

There are no carbon reduction / environmental sustainability implications arising from this report.

8. Appendices

None

9. Background Papers

- DLUHC Settlement report - Local Government Finance in England 2022/23;
- Prudential Indicators and Treasury Management Strategy Statement (TMSS) 2022/23;
- Capital Programme and Capital Investment Strategy 2022/23 to 2026/27;
- General Fund Revenue Budget 2022/23;
- Gedling Plan 2020–23;
- Precept notifications 2022/23.

10. Reasons for Recommendations

To set the Council Tax for 2022/23 and comply with the requirements of the Local Government Finance Act 1992.

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 22 February 2022

Approved by: Monitoring Officer

Date: 22 February 2022