

AGENDA



CABINET

MONDAY, 21 JANUARY 2013

10.00 AM

**COUNCIL CHAMBER, COUNCIL OFFICES, ST PETERS HILL,
GRANTHAM**

Beverly Agass, Chief Executive

MEMBERS: Councillor Mrs. Linda Neal (Leader/Portfolio: Policy, Strategy and Strategic Partnerships), Councillor Paul Carpenter (Deputy Leader & Portfolio: Governance & Communication), Councillor Mrs Frances Cartwright (Portfolio: Grow the Economy and Economic Development), Councillor John Smith (Portfolio: Green, Healthy and Arts), Councillor Mike Taylor (Portfolio: Strategic Resources - Well Run Council) and Councillor Teri Bryant (Portfolio: Good Housing)

Committee Support Officer: Lucy Bonshor 01476 40 61 20
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Members of the public are entitled to attend the meeting of the Cabinet at which key decisions will be taken on the issues listed on the following pages. Key decisions are marked *.

1. APOLOGIES

2. MINUTES

Decisions from the meeting held on 7th January 2013.

3. DISCLOSURE OF INTERESTS (IF ANY)

4. *COUNCIL TAX BASE 2013/14

Report HOF217 from the Head of Finance.

(Enclosure)

5. *NON-DOMESTIC RATES RETURN (NDR1) 2013/14

Report HOF218 from the Head of Finance.

(Enclosure)

6. *BUDGET REQUIREMENT FOR 2013/14

Report HOF216 from the Head of Finance.

(Enclosure)

7. MATTERS REFERRED TO CABINET BY THE COUNCIL, SCRUTINY COMMITTEE OR THE POLICY DEVELOPMENT GROUPS

8. ITEMS RAISED BY CABINET MEMBERS INCLUDING REPORTS ON KEY AND NON KEY DECISIONS TAKEN UNDER DELEGATED POWERS.

9. REPRESENTATIONS RECEIVED FROM NON CABINET MEMBERS

10. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT

CO33. DISCLOSURE OF INTERESTS (IF ANY)

None disclosed.

CO34. *TENANCY STRATEGY

Decision:

To approve the Tenancy Strategy for adoption as appended to report H&N0312 subject to the Equality Impact Assessment being clarified and approved with the Portfolio Holder for Grow the Economy and Economic Development (Equality Champion) and the Portfolio Holder for Good Housing.

Considerations/reasons for decision:

- 1) Report H&N0312 from the Head of Housing & Neighbourhoods.
- 2) The requirement for Local Authorities to publish a local Tenancy Strategy as set out in the Localism Act 2011 setting out matters which registered providers of social housing should have regard to when formulating policies.
- 3) Consultations carried out with stakeholders at a housing consultation event in December 2012 at which a wide range of agencies with an interest in housing attended.
- 4) Legislation requiring a strategy to be in place by 15th January 2013.
- 5) Recommendations from the Communities PDG.
- 6) Comments from Registered Providers.
- 7) Comments from tenants and prospective tenants.
- 8) Consultation with the Community Focus Forum on 28th November 2012.
- 9) Comments made at the meeting by the Head of Housing & Neighbourhoods.
- 10) Comments made with regard to typographical errors.
- 11) Comments made in connection with the e-mail received from Councillor Morgan on behalf of the Labour Group.
- 12) Comments made about the Equality Impact Assessment and the need to clarify certain references within the document.

Other Options considered:

None - there is a legal requirement to publish a tenancy strategy.

CO35. *WITHDRAWAL OF GRANTHAM AREA ACTION PLAN

Decision:

That the submitted Grantham Area Action Plan (October 2011) is withdrawn.

Considerations/reasons for decision:

- 1) Report PLA967 from the Economic Development Portfolio Holder.
- 2) The hearings held by the Inspector raised concerns over the cumulative number of modifications required.
- 3) Legislative changes introduced by the National Planning Policy Framework which impact on the plan.
- 4) The need to address the concerns raised by the Inspector about the absence of mechanisms to deal with short-term delays in the delivery of housing.
- 5) The withdrawal of the Plan did not prevent the Council from progressing with the councils and partners key priorities for Grantham including the Sustainable Extensions (SUE).
- 6) Comments made by Members at the meeting.

DATE DECISIONS EFFECTIVE:

Decisions CO34 and CO35 as made on 7th January 2013 can be implemented by Wednesday 16th January 2013, unless subject to call-in by the Scrutiny Committee Chairman or any five members of the Council from any political groups.

**South Kesteven District Council, Council Offices, St. Peter's Hill, Grantham,
Lincolnshire NG31 6PZ**

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REPORT TO CABINET

REPORT OF: Head of Finance

REPORT NO: HOF217

DATE: 21st January 2013

| | | |
|---|---|--------------------------------------|
| TITLE: | COUNCIL TAX BASE 2013/14 | |
| KEY DECISION OR POLICY FRAMEWORK PROPOSAL: | Key Decision | |
| PORTFOLIO HOLDER: NAME AND DESIGNATION: | Councillor Mike Taylor Resources and Assets Portfolio Holder | |
| CONTACT OFFICER: | Richard Wyles Head of Finance 01476 406210 r.wyles@southkesteven.gov.uk | |
| INITIAL IMPACT ASSESSMENT: | Carried out and Referred to in paragraph (7) below: | Full impact assessment Required: N/A |
| Equality and Diversity | | |
| FREEDOM OF INFORMATION ACT: | This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk | |
| BACKGROUND PAPERS | | |

1. RECOMMENDATION

Cabinet is recommended to approve:

1. The adjusted council tax base for 2013/14 to be set at 43,786.7 Band D equivalent properties.
2. That the provision for uncollectable amounts of Council Tax for 2013/14 to be set at 2.2% producing an expected collection rate of 97.8%.
3. The adjusted Council tax base for each parish as set out in Appendix A.
4. The proposed distribution of the Local Council Tax Support grant for 2013/14 be established that ensures no parish or town council is better or worse off than the 2012/13 base position as set out in Appendix A.

2. PURPOSE OF THE REPORT/DECISION REQUIRED

The requirements of the Local Government Finance Act 1992 amended by s84 of the Local Government Act 2003 allow each local authority to make its own arrangements for adopting the Council Tax base. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012:2914) provides amended statutory guidance to incorporate the changes as a result of the introduction of the Local Council Tax Support Scheme.

The report is a component of setting the Council Tax for the forthcoming financial year and forms a key part of the Councils funding stream in order to meet its service delivery requirements in 2013/14. The setting of a realistic and prudent collection rate for Council Tax in 2013/14 is an essential component of the overall budget strategy

Council Tax Benefit has ended and will be replaced by a local policy to provide discounts against Council Tax. The Local Council Tax Support Scheme (LCTSS) for South Kesteven was approved by Council on 13th December 2012. The changes to the Tax Base as a result of LCTSS are calculated based on the policy Council approved.

3. DETAILS OF REPORT

The Council Tax varies between the different bands according to proportions laid down in legislation. These proportions are based around Band D, and are fixed so that the bill for a dwelling in Band A will be a third of the bill for a dwelling in Band H. Applying the relevant proportion to each bands net property base produces the number of 'band D equivalent' properties for the area.

In determining the Council Tax Base for 2013/14, there are a number of factors that have been taken into consideration;

- The calculation of the tax base for parish purposes is based on the number of properties at 10th September 2012 and the discounts applicable on 1st October 2012 as prescribed by legislation.
- Forecast growth in band D properties of 0.7% for 2013/14 based on current trend analysis and district growth. Forecast increases in tax base as a result of the technical changes approved by Council for the removal of discounts currently awarded at Class A and C, plus removing the remaining 10% discount on second homes and charging an empty property premium on properties that are long-term empty.
- Then adjusting for assumed reductions in the tax base as a result of the move to the LCTSS
- Due to the higher risks associated with collecting the new element under the Local Policy a 30% non collection rate has been built in for these new payers.
- Therefore, an overall average collection rate target for all elements of the LCTSS is 97.8%.

The table below summarises the position with the proposed tax base for South Kesteven 2013/14 is 43,786.7 Band D equivalents and Appendix A outlines the analysis of the figures at a Parish Level in terms of their individual Band D equivalents.

Table 1: Tax Base 2013/14 – Band D Equivalents

| | |
|--|-----------------|
| Total Band D Equivalents | 47,561.1 |
| Forecast growth in Band Properties | 332.9 |
| Provision for valuation increase due to technical reforms | 491.3 |
| Provision for non collection | (822.6) |
| Total Band D equivalent properties – before LCTS scheme | 47,562.8 |
| Impact of LCTS Discounts and Work Incentive | (4,030.1) |
| Impact of Local Council Tax Scheme | 366.0 |
| Provision for Non Collection on LCTP | (108.8) |
| Total Band D Equivalent properties – with LCTS Scheme | 43,786.7 |

Government Funding for Parishes

As set out in Table 1, the introduction of the LCTSS reduces the tax base and therefore the Council Tax income collected by individual precepting bodies. Alongside this it will also impact on the local precepting authorities (Parish and Town Councils) ability to raise their own precepts which based on a standstill position would be lower. The Government has therefore proposed to support local precepting authorities by providing funding to meet the potential shortfall based. As there is no mechanism to make payments directly to Parish or Town Councils the Government are providing the funding to billing authority as part of the local Council Tax support Funding allocation. It is then for the billing authority to determine whether the funding should be passed to the local preceptors and the methodology for doing so. The amount will depend on the design of the LCTSS and the number of claimants in each local precepting area.

Appendix A shows how the forecast parish element of the LCTSS grant should be distributed base. Due to the variations across each parish in terms of Council Tax benefit claimants there would be some parishes which would disproportionately gain or lose based on a simplified pro-rata share basis. Therefore it is recommended that the proposed methodology is one where no parish gains or loses as a result of the grant distribution. It should be noted that the recommended grant distribution merely ensures that the parish is no better nor worse off than it was assuming a nil % precept on its 2012/13 base. It should also be noted that due to the Band D equivalent base being reduced as a result of the LCTSS affecting that parish, any future increase in its precept will have a disproportionate % increase impact as outlined in Table 2 below;

Table 2: Parish Grant allocation illustrative example

| Current Band D Charge | Band D Base | Precept | |
|-----------------------|-------------|---------|--------------------------|
| £41.76 | 359.2 | £15,000 | Unadjusted Base |
| £41.76 | 339.9 | £14,193 | Adjusted base |
| | | £807 | Difference / Grant award |

Note: If the parish above aimed to maintain the £15,000 level on the adjusted base of 339.9 that would equate to a Band D charge of £44.14 which would be an increase of 5.7% rather than 0% based on the unadjusted base.

4. OTHER OPTIONS CONSIDERED

None Applicable

5. RESOURCE IMPLICATIONS

None Applicable

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

None Applicable

7. COMMENTS OF FINANCIAL SERVICES

My comments are included in the report.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The Cabinet's approval of the council tax base detailed in this report is required in accordance with the legislation referred to.

9. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None Applicable

10. APPENDIX

None

| | Net Tax Base | | | | | | | | | Adjusted base 2013/14 | 2012/13 | | | Distribution of | |
|---|--|------------------------------|-----------------------------------|---------------------------------|-----------------------|------------------------|---------------------------|---------------------------------|---------------------------|--------------------------|------------------|-----------------------------------|------------------------------|------------------------|--|
| | Total Band D Equivalents 2013/14 | Other Tax Base Changes | Impact of Technical Reforms | Provision for non collection | Before LCTS Scheme | Impact of Discounts | Impact of Local Scheme | Provision for non-collection | 2012/13 Precept Amount | | Band D Charge | Precept based on zero increase | Council Tax Support Grant | Total Parish Income | |
| | | | | | | | | | | | | | | | |
| Grantham combined | 11,353.0 | 79.5 | 117.2 | -196.4 | 11,353.4 | -1,151.5 | 134.2 | -40.3 | 10,295.8 | £49,000 | £4.32 | £44,478 | £4,522.23 | £49,000 | |
| Stamford combined | 7,211.3 | 50.5 | 73.1 | -124.7 | 7,210.2 | -733.5 | 53.2 | -16.0 | 6,513.9 | £432,988 | £60.66 | £395,136 | £37,851.97 | £432,988 | |
| Bourne Combined | 5,099.1 | 35.7 | 53.2 | -88.2 | 5,099.7 | -438.5 | 35.4 | -10.6 | 4,686.1 | £126,635 | £25.29 | £118,511 | £8,124.42 | £126,635 | |
| Allington | 363.3 | 2.5 | 3.8 | -6.3 | 363.3 | -25.1 | 2.4 | -0.7 | 339.9 | £15,000 | £41.76 | £14,193 | £807.49 | £15,000 | |
| Ancaster | 585.1 | 4.1 | 6.0 | -10.1 | 585.1 | -48.5 | 4.4 | -1.3 | 539.7 | £26,356 | £45.18 | £24,385 | £1,971.08 | £26,356 | |
| Aslackby | 111.7 | 0.8 | 1.2 | -1.9 | 111.7 | -10.3 | 0.9 | -0.3 | 102.1 | £2,800 | £24.57 | £2,508 | £291.91 | £2,800 | |
| Barholm & Stowe | 36.4 | 0.3 | 0.4 | -0.6 | 36.4 | -1.5 | 0.3 | -0.1 | 35.1 | £300 | £8.73 | £306 | | £306 | |
| Barkston and Syston combined | 268.4 | 1.9 | 2.8 | -4.6 | 268.4 | -21.7 | 2.1 | -0.6 | 248.2 | £7,825 | £29.61 | £7,350 | £474.84 | £7,825 | |
| Barrowby | 726.9 | 5.1 | 7.5 | -12.6 | 726.9 | -52.6 | 4.2 | -1.3 | 677.3 | £34,500 | £47.43 | £32,122 | £2,377.97 | £34,500 | |
| Baston | 548.7 | 3.8 | 5.8 | -9.5 | 548.8 | -33.0 | 2.2 | -0.7 | 517.3 | £10,800 | £19.80 | £10,243 | £556.96 | £10,800 | |
| Belton & Manthorpe | 207.1 | 1.4 | 2.2 | -3.6 | 207.2 | -12.1 | 0.6 | -0.2 | 195.4 | £750 | £3.60 | £704 | £46.40 | £750 | |
| Billingborough | 485.2 | 3.4 | 5.1 | -8.4 | 485.3 | -43.9 | 4.3 | -1.3 | 444.4 | £13,421 | £27.63 | £12,280 | £1,141.35 | £13,421 | |
| Bitchfield | 59.0 | 0.4 | 0.6 | -1.0 | 59.0 | -4.0 | 0.5 | -0.1 | 55.4 | £0 | £0.00 | £0 | £0.00 | £0 | |
| Boothby Pagnell | 63.1 | 0.4 | 0.7 | -1.1 | 63.1 | -2.4 | 0.2 | -0.1 | 60.9 | £200 | £3.06 | £186 | £13.73 | £200 | |
| Braceborough & Wilsthorpe | 140.0 | 1.0 | 1.5 | -2.4 | 140.0 | -6.5 | 0.2 | -0.1 | 133.7 | £2,324 | £17.10 | £2,286 | £38.00 | £2,324 | |
| Ropsley, Humby, Braceby, Sapperton combined | 338.5 | 2.4 | 3.6 | -5.9 | 338.6 | -28.3 | 2.5 | -0.7 | 312.0 | £6,000 | £17.55 | £5,475 | £524.99 | £6,000 | |
| Burton Coggles | 39.4 | 0.3 | 0.4 | -0.7 | 39.4 | -2.5 | 0.3 | -0.1 | 37.2 | £300 | £7.65 | £284 | £15.54 | £300 | |
| Careby | 68.7 | 0.5 | 0.7 | -1.2 | 68.7 | -4.7 | 0.0 | 0.0 | 64.0 | £630 | £9.18 | £587 | £42.59 | £630 | |
| Carlby | 213.1 | 1.5 | 2.2 | -3.7 | 213.1 | -9.7 | 0.9 | -0.3 | 204.1 | £6,300 | £29.61 | £6,042 | £258.06 | £6,300 | |
| Carlton Scroop and Normanton combined | 129.0 | 0.9 | 1.3 | -2.2 | 129.0 | -7.9 | 0.9 | -0.3 | 121.7 | £6,677 | £51.66 | £6,288 | £388.99 | £6,677 | |
| Castle Bytham | 306.0 | 2.1 | 3.2 | -5.3 | 306.1 | -16.2 | 1.5 | -0.5 | 290.9 | £7,500 | £24.84 | £7,226 | £273.88 | £7,500 | |
| Caythorpe & Frieston | 537.2 | 3.8 | 5.5 | -9.3 | 537.2 | -34.2 | 2.9 | -0.9 | 505.0 | £27,450 | £50.85 | £25,681 | £1,768.98 | £27,450 | |
| Claypole | 517.4 | 3.6 | 5.4 | -8.9 | 517.5 | -28.7 | 1.8 | -0.6 | 490.1 | £16,250 | £32.13 | £15,746 | £503.50 | £16,250 | |
| Colsterwoth, Gunby & Stainby, North Witham combined | 755.2 | 5.3 | 7.9 | -13.1 | 755.3 | -59.8 | 5.2 | -1.6 | 699.2 | £25,825 | £34.92 | £24,414 | £1,410.66 | £25,825 | |
| Corby Glen & Birkholme | 406.2 | 2.8 | 4.2 | -7.0 | 406.3 | -27.3 | 2.6 | -0.8 | 380.8 | £10,000 | £24.93 | £9,492 | £507.68 | £10,000 | |
| Counthorpe & Creeton | 33.8 | 0.2 | 0.4 | -0.6 | 33.8 | -2.3 | 0.6 | -0.2 | 31.9 | £0 | £0.00 | £0 | £0.00 | £0 | |
| Deeping St James | 2,502.6 | 17.5 | 25.9 | -43.3 | 2,502.7 | -198.0 | 14.1 | -4.2 | 2,314.6 | £94,904 | £38.43 | £88,949 | £5,954.98 | £94,904 | |
| Denton | 127.8 | 0.9 | 1.3 | -2.2 | 127.8 | -10.7 | 0.8 | -0.2 | 117.7 | £2,650 | £21.78 | £2,564 | £85.93 | £2,650 | |
| Dowsby | 62.6 | 0.4 | 0.7 | -1.1 | 62.6 | -3.7 | 0.7 | -0.2 | 59.4 | £2,000 | £32.04 | £1,904 | £96.46 | £2,000 | |
| Dunsby | 44.9 | 0.3 | 0.5 | -0.8 | 44.9 | -1.7 | 0.2 | -0.1 | 43.3 | £600 | £12.87 | £558 | £42.45 | £600 | |
| Stoke Rochford and Easton combined | 88.7 | 0.6 | 0.9 | -1.5 | 88.7 | -8.7 | 0.8 | -0.2 | 80.5 | £2,500 | £28.80 | £2,319 | £180.66 | £2,500 | |
| Edenham | 111.9 | 0.8 | 1.2 | -1.9 | 111.9 | -8.8 | 1.0 | -0.3 | 103.8 | £2,750 | £24.30 | £2,522 | £227.57 | £2,750 | |
| Fenton | 58.7 | 0.4 | 0.6 | -1.0 | 58.7 | -2.4 | 0.2 | -0.1 | 56.5 | £300 | £5.31 | £300 | £0.00 | £300 | |
| Folkingham | 301.8 | 2.1 | 3.2 | -5.2 | 301.9 | -26.0 | 2.6 | -0.8 | 277.7 | £7,000 | £23.31 | £6,473 | £527.35 | £7,000 | |
| Foston | 219.3 | 1.5 | 2.3 | -3.8 | 219.3 | -14.4 | 0.7 | -0.2 | 205.4 | £8,783 | £40.23 | £8,263 | £520.35 | £8,783 | |
| Fulbeck | 226.8 | 1.6 | 2.4 | -3.9 | 226.8 | -18.0 | 1.3 | -0.4 | 209.8 | £6,000 | £27.18 | £5,702 | £298.10 | £6,000 | |
| Greatford | 129.3 | 0.9 | 1.4 | -2.2 | 129.3 | -4.7 | 0.3 | -0.1 | 124.8 | £2,928 | £23.13 | £2,886 | £42.27 | £2,928 | |
| Great Gonerby | 805.6 | 5.6 | 8.4 | -13.9 | 805.7 | -73.0 | 8.0 | -2.4 | 738.2 | £27,200 | £33.57 | £24,782 | £2,417.61 | £27,200 | |
| Great Ponton | 132.8 | 0.9 | 1.4 | -2.3 | 132.8 | -9.1 | 1.5 | -0.5 | 124.8 | £5,250 | £40.32 | £5,031 | £219.46 | £5,250 | |

| | | | | | | | | | | | | | | |
|--|----------------|--------------|--------------|---------------|----------------|----------------|--------------|---------------|----------------|----------|--------|----------|-------------------|----------|
| Haconby & Stainfield | 190.6 | 1.3 | 2.0 | -3.3 | 190.7 | -7.7 | 1.0 | -0.3 | 183.7 | £700 | £3.60 | £661 | £38.72 | £700 |
| Harlaxton | 339.5 | 2.4 | 3.5 | -5.9 | 339.5 | -26.4 | 1.2 | -0.4 | 313.9 | £16,000 | £47.25 | £14,831 | £1,168.81 | £16,000 |
| Heydour | 154.5 | 1.1 | 1.6 | -2.7 | 154.5 | -9.0 | 0.5 | -0.1 | 145.9 | £4,400 | £28.26 | £4,122 | £277.61 | £4,400 |
| Honington | 70.1 | 0.5 | 0.7 | -1.2 | 70.1 | -4.2 | 0.4 | -0.1 | 66.2 | £0 | £0.00 | £0 | £0.00 | £0 |
| Horbling | 166.9 | 1.2 | 1.8 | -2.9 | 167.0 | -12.5 | 1.6 | -0.5 | 155.5 | £0 | £0.00 | £0 | £0.00 | £0 |
| Hougham | 80.9 | 0.6 | 0.9 | -1.4 | 80.9 | -5.7 | 0.2 | 0.0 | 75.4 | £1,200 | £15.03 | £1,133 | £67.36 | £1,200 |
| Hough-on-the-Hill | 168.7 | 1.2 | 1.8 | -2.9 | 168.7 | -11.4 | 0.7 | -0.2 | 157.8 | £5,372 | £32.04 | £5,056 | £315.63 | £5,372 |
| Ingoldsby | 117.6 | 0.8 | 1.2 | -2.0 | 117.6 | -9.5 | 0.6 | -0.2 | 108.6 | £1,800 | £15.48 | £1,681 | £118.80 | £1,800 |
| Irnham | 105.6 | 0.7 | 1.1 | -1.8 | 105.6 | -6.6 | 0.0 | 0.0 | 99.1 | £1,000 | £9.63 | £954 | £45.80 | £1,000 |
| Kirkby Underwood | 84.3 | 0.6 | 0.9 | -1.5 | 84.3 | -3.3 | 0.5 | -0.2 | 81.4 | £1,000 | £11.88 | £967 | £33.24 | £1,000 |
| Langtoft | 757.0 | 5.3 | 7.9 | -13.1 | 757.1 | -44.6 | 2.5 | -0.7 | 714.2 | £20,000 | £26.55 | £18,963 | £1,036.86 | £20,000 |
| Lenton | 68.2 | 0.5 | 0.7 | -1.2 | 68.2 | -2.8 | 0.2 | -0.1 | 65.6 | £350 | £5.22 | £342 | £7.51 | £350 |
| Little Bytham | 111.1 | 0.8 | 1.1 | -1.9 | 111.1 | -8.1 | 0.7 | -0.2 | 103.5 | £3,750 | £33.39 | £3,456 | £293.87 | £3,750 |
| Little Ponton & Stroxton | 70.7 | 0.5 | 0.7 | -1.2 | 70.7 | -4.4 | 0.4 | -0.1 | 66.7 | £600 | £8.46 | £564 | £36.14 | £600 |
| Londonthorpe & Harrowby without combined | 1,742.5 | 12.2 | 17.8 | -30.1 | 1,742.3 | -120.9 | 8.1 | -2.4 | 1,627.1 | £27,000 | £15.48 | £25,187 | £1,813.08 | £27,000 |
| Long Bennington | 916.3 | 6.4 | 9.5 | -15.8 | 916.3 | -62.8 | 4.2 | -1.3 | 856.4 | £36,775 | £40.86 | £34,994 | £1,780.72 | £36,775 |
| Market Deeping | 2,114.2 | 14.8 | 21.2 | -36.6 | 2,113.6 | -168.5 | 15.3 | -4.6 | 1,955.8 | £173,444 | £84.24 | £164,759 | £8,685.28 | £173,444 |
| Marston | 152.6 | 1.1 | 1.6 | -2.6 | 152.6 | -7.9 | 0.8 | -0.2 | 145.3 | £4,500 | £29.79 | £4,328 | £171.64 | £4,500 |
| Morton & Hanthorpe | 830.8 | 5.8 | 8.8 | -14.4 | 831.0 | -59.2 | 4.8 | -1.5 | 775.2 | £11,500 | £13.77 | £10,675 | £824.87 | £11,500 |
| Old Somerby | 90.1 | 0.6 | 0.9 | -1.6 | 90.1 | -5.7 | 0.6 | -0.2 | 84.8 | £1,800 | £19.44 | £1,649 | £150.66 | £1,800 |
| Pickworth | 77.1 | 0.5 | 0.8 | -1.3 | 77.1 | -5.0 | 0.3 | -0.1 | 72.3 | £0 | £0.00 | £0 | £0.00 | £0 |
| Pointon | 203.8 | 1.4 | 2.1 | -3.5 | 203.8 | -14.1 | 1.7 | -0.5 | 190.9 | £3,500 | £17.46 | £3,333 | £166.56 | £3,500 |
| Rippingale | 345.0 | 2.4 | 3.6 | -6.0 | 345.0 | -20.7 | 2.0 | -0.6 | 325.7 | £15,750 | £45.36 | £14,774 | £976.14 | £15,750 |
| Sedgebrook | 146.0 | 1.0 | 1.5 | -2.5 | 146.0 | -6.5 | 0.2 | -0.1 | 139.7 | £4,500 | £31.05 | £4,338 | £162.04 | £4,500 |
| Skillington | 135.1 | 0.9 | 1.4 | -2.3 | 135.1 | -9.7 | 0.8 | -0.2 | 126.0 | £4,700 | £34.11 | £4,297 | £403.34 | £4,700 |
| South Witham | 492.2 | 3.4 | 5.1 | -8.5 | 492.2 | -50.1 | 4.6 | -1.4 | 445.3 | £23,360 | £47.70 | £21,241 | £2,118.79 | £23,360 |
| Stubton | 74.9 | 0.5 | 0.8 | -1.3 | 74.9 | -2.9 | 0.4 | -0.1 | 72.3 | £1,000 | £13.23 | £957 | £43.23 | £1,000 |
| Swayfield | 148.3 | 1.0 | 1.6 | -2.6 | 148.3 | -6.2 | 0.5 | -0.1 | 142.4 | £2,800 | £19.08 | £2,718 | £82.12 | £2,800 |
| Swinstead | 91.0 | 0.6 | 0.9 | -1.6 | 91.0 | -12.0 | 1.7 | -0.5 | 80.2 | £2,900 | £32.22 | £2,584 | £316.40 | £2,900 |
| Tallington | 199.3 | 1.4 | 2.1 | -3.4 | 199.3 | -11.4 | 1.1 | -0.3 | 188.8 | £3,780 | £18.81 | £3,551 | £229.46 | £3,780 |
| Thurby | 822.3 | 5.8 | 8.6 | -14.2 | 822.5 | -53.9 | 3.3 | -1.0 | 770.9 | £15,000 | £18.36 | £14,154 | £845.67 | £15,000 |
| Toft Lound & Manthorpe | 137.7 | 1.0 | 1.5 | -2.4 | 137.7 | -7.5 | 0.2 | -0.1 | 130.4 | £0 | £0.00 | £0 | £0.00 | £0 |
| Uffington | 318.3 | 2.2 | 3.4 | -5.5 | 318.4 | -18.1 | 0.8 | -0.2 | 300.9 | £4,000 | £12.60 | £3,791 | £209.05 | £4,000 |
| Welby | 80.5 | 0.6 | 0.8 | -1.4 | 80.5 | -6.6 | 0.4 | -0.1 | 74.1 | £1,545 | £19.89 | £1,474 | £70.60 | £1,545 |
| Westborough & Dry Doddington | 153.0 | 1.1 | 1.6 | -2.6 | 153.0 | -8.7 | 0.7 | -0.2 | 144.8 | £1,500 | £9.81 | £1,421 | £79.03 | £1,500 |
| West Deeping | 123.8 | 0.9 | 1.3 | -2.1 | 123.8 | -9.0 | 0.9 | -0.3 | 115.5 | £3,800 | £30.33 | £3,502 | £298.12 | £3,800 |
| Witham-on-the-Hill | 100.3 | 0.7 | 1.1 | -1.7 | 100.3 | -5.8 | 0.4 | -0.1 | 94.8 | £2,000 | £19.98 | £1,893 | £106.79 | £2,000 |
| Woolsthorpe | 146.8 | 1.0 | 1.5 | -2.5 | 146.8 | -13.6 | 1.7 | -0.5 | 134.4 | £5,000 | £32.85 | £4,415 | £585.20 | £5,000 |
| Wyville cum Hungerton | 17.9 | 0.1 | 0.2 | -0.3 | 17.9 | -1.3 | 0.1 | 0.0 | 16.7 | £400 | £21.15 | £353 | £46.72 | £400 |
| Total by Billing Area | 47561.1 | 332.9 | 491.3 | -822.6 | 47562.8 | -4030.1 | 363.0 | -108.9 | 43786.7 | | | | £98,132.25 | |

REPORT TO CABINET

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF218

DATE: 21 January 2013

| | | |
|---|---|---------------------------------------|
| TITLE: | Non-Domestic Rates Return (NDR1) 2013/14 | |
| KEY DECISION OR POLICY FRAMEWORK PROPOSAL: | KEY DECISION | |
| PORTFOLIO HOLDER: NAME AND DESIGNATION: | Cllr Mike Taylor Resources and Assets Portfolio Holder | |
| CONTACT OFFICER: | Daren Turner – Strategic Director Corporate Focus 01476 406301 d.turner@southkesteven.gov.uk Richard Wyles – Head of Finance Tel: 01476 406210 Email: r.wyles@southkesteven.gov.uk | |
| INITIAL IMPACT ASSESSMENT: | Carried out and Referred to in paragraph (7) below: | Full impact assessment Required: None |
| Equality and Diversity | | |
| FREEDOM OF INFORMATION ACT: | This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk | |
| BACKGROUND PAPERS | | |

1.0 RECOMMENDATION

1.1 It is recommended that Cabinet approve the NDR1 return for 2013/14.

2.0 PURPOSE OF THE REPORT

2.1 The purpose of this report is to provide details of the contents of the NDR1 return which is required to be issued to the Department for Communities and Local Government by 31 January 2013.

3.0 DETAILS OF THE REPORT

- 3.1 NDR1 return is a key document that the Council has submitted to DCLG over many years as part of its cyclical financial year. The return provides details of the anticipated business rate yield the Authority will collect for the forthcoming financial year. Previously the return has been compiled and returned by the s151 officer with further returns of NDR2 (mid-year) and NDR3 (end of year) also being completed and returned. However, due to significant changes that have recently occurred to the funding model for local authorities with specifically localisation of business rates, there is now a proposal for NDR1 to be formally approved prior to being certified by the s151 officer. This is mainly due to the significance of the setting of the collectable business rates the Authority expects and the impact the collection has on the financial position.
- 3.2 The form itself is prescriptive in nature, with little areas for discretion or interpretation. Information is provided by the Valuation Office Agency and the NDR billing and collection system. The overall collectable amount is calculated and submitted to DCLG. This figure is then compared with the rate Central Government has determined to identify any significant differences. If large variances occur this could place the Authority in a position where it triggers the safety net threshold. The final position will be determined when the NDR3 return is submitted to Government as part of the outturn for 2013/14.
- 3.3 For 2013/14 the Government has set a national business rates estimate of £12,797m. The proportionate share for SKDC is 0.177682% based on previous collection performance. This equates to a proportionate amount of £38.729m. 50% of this is allocated to Government, 40% to the billing authority and 10% to the upper tier authority. This provides a business rates baseline estimate of £15.491m for the Council. The Authority's baseline funding level has been set at £3.205m resulting in an estimated tariff payment to Government of £12.286m for 2013/14.

NDR1 Return

- 3.4 The first section of the return details the number of hereditaments and the aggregate rateable value on the rating list as at 30 September 2012. This information is directly supplied by the Valuation Office Agency and is used to calculate the gross calculated rate yield calculated at £46,590,375.22.
- 3.5 The next section details the mandatory and discretionary reliefs and provides information on the amount of reliefs awarded to businesses and voluntary sector. This information is based on financial data obtained of the level of relief provided as at 30 September 2012. The amount of the relief awarded is then deducted to provide a gross rate yield after reliefs amount of £40,223,871.63. A projected deduction of £490k is then made in respect of anticipated losses in collection during 2013/14. This effectively is the bad debt provision and the figure provided is based on an analysis of the level of write offs in respect of business rates over the recent period. The allowance

for the cost of collection is a pre-populated figure supplied by the CLG and is based on the number of hereditaments and the aggregate rateable value and an area cost factor. Further reductions to the rate yield are then made in respect of projected rateable value adjustments based on appeals (this is has been projected based on analysis of the number of appeals being considered by the Valuation Office Agency). The revised net rate yield of £38,909,836.00, when compared to the Governments predicted baseline funding level, will generate a forecast growth above baseline funding level of £72k. The Government has capped the levy on growth at 50p per additional £1 generated so should the additional growth materialise, the Council will benefit by £36k.

4.0 OTHER OPTIONS CONSIDERED

4.1 There are no alternative options necessary in respect of this report.

5.0 RESOURCE IMPLICATIONS

N/A

6.0 RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

N/A

7.0 ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

N/A

8.0 CRIME AND DISORDER IMPLICATIONS

N/A

9.0 COMMENTS OF FINANCIAL SERVICES

9.1 These comments are included in the report.

10.0 COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

Paragraph 5 (2) of Schedule 8 of the Local Government Finance Act 1988 provides that before the financial year begins on a date the Secretary of State may direct a billing authority shall calculate the amount of its non-domestic rating contribution for the year and shall notify the Secretary of State of the amount.

Paragraph 5 (3) provides that if the billing authority fail to do so the Secretary of State may make his own calculation of the amount.

Consequently, it is a statutory requirement that the Council submit the NDR1 that sets out the Council's calculation of the non-domestic rating contribution for the year.

11.0 APPENDIX:

NDR1 Return



Department for
Communities and
Local Government

NATIONAL NON-DOMESTIC RATES RETURN 1 NNDR1 2013-14

Please e-mail to : nndr.statistics@communities.gsi.gov.uk

Please enter your details after checking that you have selected the correct authority name.

Please check the figures shown in the cells with a blue border and enter your own figures if you disagree with those suggested.

**A provisional version of the form should be returned to the Department for Communities and Local Government by
Monday 7 January 2013**

The final version of this form, including a signed copy, must also be sent to the Department for Communities and Local Government by
Thursday 31 January 2013

Select your local authority's name from this list:

| |
|------------------------|
| South Holland |
| South Kesteven |
| South Lakeland |
| South Norfolk |
| South Northamptonshire |
| South Oxfordshire |

Check that this is your authority :

Check that this is your E Code :

Local authority contact name :

Telephone number of local authority contact :

Fax number for local authority contact :

E-mail address of local authority contact :

| |
|--|
| South Kesteven |
| E2536 |
| craig scott |
| 01476 406240 |
| 01476 406002 |
| craig.scott@southkesteven.gcsx.gov.uk |

Ver 1.3

1. Number of hereditaments on the rating list on 30 September 2012

4,226

2. Aggregate rateable value on the rating list on 30 September 2012

£
100,844,968

GROSS CALCULATED RATE YIELD

3. Enter line 2 x small business non-domestic rating multiplier (0.462)

£
46,590,375.22

MANDATORY RELIEFS

Small business rate relief

£

4. Additional yield generated to finance the small business rate relief scheme

700,000.00

5. Cost of small business rate relief for properties within billing authority area

2,198,663.84

6. Net cost of the small business rate relief (Line 5 minus Line 4)

1,498,663.84

7. Cost of relief to charities

3,039,500.00

8. Cost of relief to Community Amateur Sports Clubs

140,000.00

9. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

49,644.00

10. Cost of relief for partly occupied premises

50,000.00

11. Cost of relief for empty premises

1,486,818.75

12. Total mandatory reliefs (Sum of lines 6 to 11)

6,264,626.59

DISCRETIONARY RELIEFS

13. Cost of relief to charities

16,093.00

14. Cost of relief to non-profit making bodies

60,962.00

15. Cost of relief to Community Amateur Sports Clubs

0.00

16. Cost of relief for rural general stores, post offices, public houses, petrol filling stations and food shops

24,822.00

17. Cost of relief to other rural businesses

0.00

18. Other Section 47 reliefs (Localism Act discounts)

0.00

19. Total discretionary reliefs (Sum of lines 13 to 18)

101,877.00

20. Gross Rate Yield after reliefs (Line 3 minus lines 12 & 19)

40,223,871.63

21. Estimate of 'losses in collection'

490,000.00

22. Allowance for Cost of Collection

179,287.41

23. Special Authority Deductions - City of London Offset

0.00

| NATIONAL NON-DOMESTIC RATES RETURN 1 2013-14 | | South Kesteven |
|---|-------------------|----------------------|
| Ver 1.3 | | |
| Section 2 | | |
| Enterprise Zones | | |
| 24. Estimated level of discount to be awarded in 2013-14 | | £ 0.00 |
| 25. Estimated value of non-domestic rates in the Enterprise Zone area in 2013-14 | 0.00 | |
| 26. Enterprise Zone baseline | 0.00 | |
| 27. Total estimated value of business rates to be retained in 2013-14 (Line 25 minus line 26) | | 0.00 |
| New Development Deals | | |
| 28. Estimated value of non-domestic rates in the New Development Deals area in 2013-14 | 0.00 | |
| 29. New Development Deals baseline | 0.00 | |
| 30. Total estimated value of business rates to be retained in 2013-14 (Line 28 minus line 29) | | 0.00 |
| Renewable Energy Schemes | | |
| 31. Total estimated value of business rates to be retained in 2013-14 | | 0.00 |
| 32. Net Rate Yield excluding transitional arrangements and rate retention (Line 20 minus the sum of lines 21 to 23, 27, 30 & 31) | | 39,554,584.22 |
| Rate retention adjustments | | |
| 33. Estimate of the change in rateable value between 1 October 2012 and 30 September 2013 | | 0.00 |
| 34. Estimate of the change in receipts as a result in the change in rateable value (line 33 times the multiplier) | | 0.00 |
| This equates to a percentage change of | % 0.00 | |
| 35. Local authority's estimate of adjustment due to appeals | | 644,747.80 |
| 36. Net Rate Yield excluding transitional arrangements but after rate retention adjustments (Line 32 plus lines 34 and minus line 35) | | 38,909,836.00 |
| Section 3 | | |
| Transitional arrangements | | |
| 37. Addition revenue received because reduction in rates have been deferred | 152,936.00 | |
| 38. Revenue foregone because increase in rates have been deferred | 259,149.00 | |
| 39. Net cost of transitional arrangements (Line 38 minus line 37) | | 106,213.00 |
| 40. Net Rate Yield after transitional arrangements and rate retention (Line 36 minus line 39) | | 38,803,623.00 |

| | |
|---|------------------------|
| NNDR Summary for : South Kesteven | |
| These figures show the percentage shares of the NNDR you estimate your authority will collect in 2013-14. They are based on line 36. See the <i>Tier Split</i> tab for full information | |
| Amount of NNDR to be paid to central government | £ 19,454,918.00 |
| Amount to be retained by South Kesteven under the rates retention scheme | 15,563,934.00 |
| Amount to be passed to Lincolnshire | 3,890,984.00 |
| | |
| | |
| | |

Certificate of Chief Financial Officer

I certify that the entries in lines 3, 12, 19, 20, 36, 39 and 40 of this form are the best I can make on the information available to me and that the figures given in lines 1 and 2 used in the calculating the amount shown in lines 36 and 40 are, to the best of my knowledge and belief those shown in the rating list for my authority as at 30 September 2012, subject to any order made before 15 January 2013 under the Local Government Act 1972 implementing boundary changes. I also certify that the authority has made proper arrangements for securing efficiency and effectiveness in relation to the collection of non-domestic rates. I also certify to the best of my knowledge and belief that any amount included as legal costs in line 22 and discretionary relief in line 24 meet the conditions set out in the Non-Domestic Rating (Rates Retention) Regulations 2013.

Chief Financial Officer :

Date :

REPORT TO CABINET

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF216

DATE: 21 January 2013

| | | |
|---|---|---------------------------------------|
| TITLE: | BUDGET REQUIREMENT 2013/14 | |
| KEY DECISION OR POLICY FRAMEWORK PROPOSAL: | KEY DECISION | |
| PORTFOLIO HOLDER: NAME AND DESIGNATION: | Cllr Mike Taylor Well Run Council Portfolio Holder | |
| CONTACT OFFICER: | Daren Turner – Strategic Director Corporate Focus 01476 406301 d.turner@southkesteven.gov.uk Richard Wyles – Head of Finance Tel: 01476 406210 Email: r.wyles@southkesteven.gov.uk | |
| INITIAL IMPACT ASSESSMENT: | Carried out and Referred to in paragraph (7) below: | Full impact assessment Required: None |
| Equality and Diversity | | |
| FREEDOM OF INFORMATION ACT: | This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk | |
| BACKGROUND PAPERS | | |

1. RECOMMENDATIONS

It is recommended the Cabinet:

General Fund

- 1.1 Notes the provisional settlement for 2013/14.
- 1.2 Agrees a provisional target General Fund Budget Requirement of £13.982m for 2013/14 (inclusive of Special Expenses) for consultation purposes.

- 1.3 Agrees to consult on the proposals for Council Tax for 2013/14 and recommend a Council tax level at its February 2013 meeting.

Housing Revenue Account

- 1.4 Approves, in line with current policy of achieving rent convergence, an indicative rent increase for consultation purposes with the Tenant consultation forums on options for rent increases. This is an average increase for SKDC tenants of 4.57%.
- 1.5 Agrees to review the proposed rent increase at recommendation 1.4 above, at the February Cabinet Meeting, in light of consultation, and other related information.

Capital Programme

- 1.6 Agrees to receive detailed reports setting out recommendations for the Capital Programme for both the General Fund and Housing Revenue Account, at the February Cabinet meeting.

2. PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to comment upon:
 - a. The updated Local Government Finance Settlement for 2013/14, and indicative proposals for future years.
 - b. The proposed budget requirement to be consulted on
 - c. Housing rent proposals 2013/14
 - d. Levels of reserves.
 - e. The proposed capital programmes for the General Fund and Housing Investment Programme (HIP)

This report sets out the settlement details and provides details for Cabinet to undertake consultation on the budget requirement for the General Fund and the Housing Revenue Account for 2013/14. Further work is ongoing to provide the detailed budget information which will be submitted to Cabinet in February and Council in March 2013.

3. DETAILS OF THE REPORT

3.1 Provisional Local Government Finance Settlement 2013/14 and estimates for 2014/15

Confirmation of the provisional settlement for 2013/14 was issued by CLG on the 19th December 2012 and has been confirmed as £8.024m. In future DCLG will include previously separately awarded grants in the overall settlement figure. Those specific grants that are applicable to the Council are; the Council Tax Freeze grant agreed in 2011/12 for 4 years (£157k), homelessness grant of £106k and Council Support grant of £757k (this being the District element of the Council Tax Support Scheme).

3.2 Cabinet will be aware that 2013/14 is the first year of the significant shift in how local government is financed following the introduction of the business rate retention scheme. The new funding allocation is a split between locally raised business rates which are retained and revenue support grant.

3.3 Table 1 below details the new funding split and compares this to what the Council received in 2012/13.

Table 1.

| | Formula Grant Funding 2011/12 | Formula Grant Funding 2012/13 | Provisional settlement for 2013/14 | Proposed settlement 2014/15* |
|--|-------------------------------|-------------------------------|------------------------------------|--|
| Revenue Support Grant | £1.972M | £143K | £4.206M | |
| Redistributed business rates | £6.378M | £7.226M | £2.798M | |
| Total Formula Grant | £8.350M | £7.369M | £7.004M | £6.992M |
| Specific grants: | £157K | | | |
| • Council Tax | £106K | £316K (2yrs) | £157K | Now Specific grant rolled into the above |
| • Homelessness | N/A | £106K | £106K | |
| • Council Tax Support | | NA () | £757K | |
| Total (inc grants) | £8.401M | £7.791M | £8.024M | £6.992M |
| For comparative purposes only | | (0) | (£757K) | N/A |
| Readjusted for council tax support scheme And one off council tax grant | | (£157K) | | |
| Re-stated grant | | £7.634M | £7.267M | £6.992M |

*based on indicative information provided by the Council's financial advisors

3.4 In comparative terms the decrease between 2012/13 and 2013/14 is £367k or 5%. This is over and above the reduction for Council tax support but is broadly in line with the budget modelling that has been undertaken during the financial year and enables the Council to continue its investment in the delivery of its priorities.

3.5 Looking ahead it is anticipated that further year on year reductions will be introduced to the revenue support grant element of the allocation. This will put increasing pressure on the council's services and as such the council will refresh its Medium Term Financial Strategy in the coming months in order that it can respond to appropriately.

3.6 **Specific Grants**

3.6.1 **Localisation of Council Tax Support** - In August 2011, the Department for Communities and Local Government (CLG) issued its consultation on a new localised scheme of discounts to replace existing council tax benefits from April 2013. As part of the localisation of support for council tax, the Government will no longer provide 100% funding of council tax benefits to local authorities but will instead provide a specific grant to billing and major precepting authorities. Significantly this means that funding for the Council Tax Support Scheme will see a transfer from a demand-led annually managed expenditure budget to a fixed expenditure limited budget. The implication of this is that the uncertainty and volatility in demand can lead to additional expenditure pressures falling completely on the district council to manage.

Council has approved the scheme for the localisation of council tax support from 1st April 2013 which has the following characteristics:

- i. 80% maximum eligibility for those who do not fall into a vulnerable group
- ii. 100% maximum eligibility for vulnerable customers (as defined)
- iii. No restrictions based on size of property or council tax band
- iv. Carer's, disabled and war pensioners protected
- v. Inclusion of enhanced working disregards meaning that a certain amount of earnings is ignored in the calculation of support

The grant in respect of the Council Tax support scheme, noted in paragraph 3.1 will not in future be paid out as benefit but will offset the reduction in the council tax base as a result of the new

scheme now being a discount from the Band D charge. The projected reduced base is shown in table 2 below:

Table 2.

| Council Tax base 2012/13 | Council Tax base 2013/14 (before base adjustment) | Adjusted Council Tax base 2013/14 to reflect support scheme and technical adjustments |
|---|--|--|
| 47,105.80 | 47,561.10 (0.96%) growth | 43,786.70 |
| $£122.76 \times 47,105.80 =$ £5.782M | $£122.76 \times 47,561.10 =$ £5.839M | $£122.76 \times 43,786.70 =$ £5.375M |

Council also approved a number of amendments to the council tax discount and exemption arrangements in relation to Class C (unoccupied and unfurnished), class A (in need of structural repair), the introduction of a 100% charge for properties that have been empty for a period of between six months and two years and the introduction of an empty homes premium of 150% for those for properties that have been empty for two years or more. All of these technical changes are to be introduced from 1st April 2013.

Based on the modelling undertaken it is anticipated that the proposed changes to the local scheme will meet the overall reduction in grant allocation Government has provided. However, the impact of the local scheme will be carefully monitored during 2013/14 to understand the impact of the changes which could lead to proposed amendments to the 2014/15 scheme.

3.6.2 Housing Benefit Administration Grant

This grant is a Department of Work and Pensions specific grant to help support the cost of housing benefit administration and the funding of anti-fraud measures. The allocation of housing benefit administrative subsidy has been announced and the Council will receive £731k in respect of administration subsidy (£735k in 2012/13) which includes a one-off amount of £34k. The latter amount is a one-off grant in response to the economic downturn and the acknowledgement that there has been a significant caseload increase for local authorities.

3.6.3 Homelessness Grant

The award for 2013/14 is £106k which is the same as in 2012/13 and the government has confirmed they are continuing to 2014/15 with the provision of the Homelessness grant. However, they have not confirmed what the future funding levels will be and from 2013/14 the grant will no longer be visible as it will be included in the overall grant settlement. This grant is currently used to finance a range of homelessness prevention initiatives including a rent deposit scheme and domestic abuse support. Other current initiatives funded from the homelessness grant award is in respect of a court desk service at Grantham County Court and is available to anyone facing repossession of their home. The advice given ranges from debt advice and homelessness prevention. This service is provided by South Kesteven Citizens Advice Bureau.

4. General Fund Budget Requirement, Council Tax and Reserves

4.1 Draft Budget Requirement

The proposed draft budget requirement for 2013/14 is £13.982m which comprises of the following:

Table 3

| | |
|---|----------|
| Formula Grant | £7.004m |
| Specific grants: | |
| Homelessness grant | £106k |
| Council freeze grant (2011/12) | £157k |
| Council Tax freeze grant (2013/14) | £63k |
| Council Tax support grant | £757k |
| Council Tax £134.62 x 43,786.70 (inc SEA) | £5.895m |
| SKDC Total (inc SEA) | £13.982m |

4.1.1 Council Tax Proposals

The Secretary of State has determined that for those Authorities who increase their relevant basic amount of council tax in 2013/14 by more than 2%, their electorate will have the opportunity to

approve or veto the increase in a binding referendum. The Government has proposed a further council tax freeze grant in 2013/14 equivalent to a 1% increase for a 2 year period. For South Kesteven this equates to a grant of £63k for each of the 2 years. It is proposed that during January consultation will be undertaken with residents and the business community to receive their views and feedback on the suggested budget proposals for next year.

Government has also announced that for those district councils that fall within the lowest quartile of council tax rates in 2012/13, greater flexibility is granted over their council tax setting for 2013/14 only. This has the effect that those councils, which includes South Kesteven, are able to increase their Council tax to a financial limit of £5 on their Band D charge without the need to hold a public referendum. For South Kesteven, a £5 increase on the Band D charge would equate to a 4% Council tax increase and would generate an additional £218K.

4.2 General Fund Reserves and Balances

When considering the Budget requirement, the Cabinet must also have regard to the level of balances held and the purpose for which they are held. The general fund revenue balances, as at 31st March 2012 were £8.032m and a working balance of £2.370m. These are supplemented by additional earmarked reserves. The level of the working balance provides adequate cover for any unanticipated expenditure or loss of income that may occur over the course of the financial year. The Council has a policy that the working balance of the General Fund is maintained at between 4% to 5% of gross turnover or between 10% to 15% of net expenditure. This is in line with good practice and ensures the Council can meet any exceptional unforeseen costs during the course of the financial year. However it is proposed that the policy, together with all reserve policies, are reviewed annually as part of accounts closedown process in order to ensure they are maintained at the appropriate levels to fund the Council's priorities and delivery plans.

Work is underway on the proposed utilisation of reserves and the report to Cabinet in February will provide recommendations on the use of reserves once the full impact of the revised estimates and proposed capital programme for both general fund and housing revenue account have been assessed and financially modelled.

Detailed analysis of their use in the current financial year is undertaken with projections for their proposed use during the next three years. Further details regarding this will be given at the February meeting.

5. Housing Revenue Account - Rent Setting for 2013/14

5.1.2 The main element of policy relating to the HRA for 2013/14 is, once again, the setting of rents. The Council's current policy is to keep in line with the Government's guidance on rent restructuring.

Existing policy is to establish the percentage local authority rent by applying RPI inflation at the previous September, plus 0.5% "real growth" and a convergence factor to reflect the number of years to rental convergence.

The September 2012 inflation figure was 2.6% and the draft determination is based upon convergence within three years, by 2015/16.

The actual rent is calculated on a property by property basis using these parameters. This has produced an average increase for SKDC tenants of 4.57%. At the level of individual dwellings, the percentage increase will depend upon each property's proximity to its target, with increases varying between 3.10% and 6.57%. In cash terms, the average rent will be £74.32 with a minimum of £50.17 and a maximum of £106.82. Garage rents and service charges are increased in line with dwelling rents.

At the Cabinet meeting in February a report will be presented of the proposed rent increase in light of consultation, together with proposals regarding garage rents and other service charges.

HRA Reserves and Balances

The HRA has 2 specific reserves; namely the working balance and the Major Repairs Reserve. The working balance is intended to provide financial support to the HRA should any significant unforeseen costs arise during the financial year. The Major Repairs Reserve is the primary source of funding for the HRA capital programme and is proposed to be utilised to fund the investment in the housing stock over the next 5 years. It is also proposed to introduce 2 specific reserves for the HRA as part of the budget framework for 2013/14. A reserve is to be created that will be ringfenced in order to repay the £25m maturity loan (that was taken as part of the self financing of the HRA) in 2019/20. Annual surplus contributions will be made to the reserve in order to build up the necessary level of balance. A further reserve will be introduced under the heading of 'HRA improvement reserve'. This reserve will be utilised on an invest to save basis whereby service improvement and transformation projects

can be financed that will, in the longer term, deliver financial efficiencies.

6. Capital Programme – 2013/14 to 2017/18

6.1 General Fund Capital programme – Forecast Outturn

The General fund programme provides a forecast outturn of £3.794m. The programme has been developed over a five year period which supports the delivery of treasury management activities specifically long term investment decisions. The proposed programme over the five year period totals £13.249m and the financing of the programme will be a combination of reserve contributions, direct revenue financing and utilisation of specific grants.

6.2 Housing investment programme (HIP) – Forecast Outturn

The HIP programme provides a forecast outturn of £4.404m. The proposed 5 year programme continues to be developed in respect of delivering and maintaining the decent homes standard. There continues to be significant investment in the Council's housing stock which has been profiled over the 30 year business plan. Funding the HIP programme will be met from the major repairs allowance and contributions from revenue.

6.3 Programme 2013/14 to 2017/18

The Programme continues to be developed in accordance with the Council's priorities, the Asset Management Plan and in accordance with the Capital Strategy. The programme comprises of both General Fund and HRA. The capital programme for the HRA has been compiled using the data from the stock condition survey which has been analysed and profiled over the 30 year business plan.

6.3.1 General Fund Programme

The main emphasis of the General Fund 2012/13 capital programme has been the continuation of the major capital projects that are well advanced under the corporate priority of 'grow the economy'. Funding is made available to complete the delivery of the Bourne town centre development, the progression of the Station approach development in Grantham and the provision of serviced employment land. A provisional allocation has also been included in 2014/15 and 2015/16 for the progression of the Southern Quadrant relief road.

6.3.2 Appraisals undertaken conclude that outright purchasing waste vehicles remains the most financially advantageous under the current climate and, to ensure the continuation of the quality service, budgets have been included for the rolling replacement of three vehicles per annum for the term of the capital programme. Provision is also included for the continuation of purchasing and supplying wheelie bins.

6.3.3 Housing Investment Programme (HIP)

The investment in the Council's housing stock over the period of the capital programme has been formulated utilising the detailed stock condition survey that has been undertaken. The spending profile reflects the desire to achieve and maintain 'decent homes standard' over the period of the capital programme. The programme also includes a number of projects that will enable the Council to deliver quality housing provision and estate management. A number of expenditure headings have been removed from the capital programme and are now included directly to the revenue budgets as they are classified as non-enhancing expenditure:

TABLE 4

| Expenditure Heading | 2013/14 | 2014/15 | 2015/16 |
|---|----------------|----------------|----------------|
| Flat Roofs | £125K | £100K | £100K |
| DDA and FRA sheltered housing schemes | 0 | £105K | £90K |
| Asbestos removal in void properties | £150K | £150K | £150K |
| Major void refurbishments | £100K | £100K | £100K |
| Internal and external painting programmes | 0 | £200K | £200K |
| Door entry systems | £80K | £80K | 0 |
| Drainage works | £25K | | |

6.4 **Proposed method of financing the Capital Programme**

6.5 The Capital Programme also identifies the proposed method of financing the Capital Programme which will be reviewed when preparing the Statement of Accounts for each financial year to enable the most effective form of financing to be adopted by the Council.

6.6 In respect of the capital programme the summary financing statement has been prepared for the General Fund and the Housing Revenue Account. In respect of the General Fund it is proposed to utilise the capital receipts reserve, grant funding and the remaining element of the specific capital reserve together with a contribution of £500K in each of the financial years. There is no immediate borrowing requirement within the timescale of the capital programme. As part of the implementation of the Asset Management Plan a thorough review of the Council asset portfolio is being undertaken, this will identify potential future disposal receipts which will be utilised to fund future capital programmes. Indicative figures have been built in for modelling purposes.

6.7 In respect of the HRA capital programme the financing of the programme will be met from the Major Repairs Reserve (MRR). This is due to amount being made available from the componentisation of the depreciation which is calculated at £5.2M per annum. As this amount exceeds the current capital programme the MRR is projected to increase over the period of the capital programme. However this position will change should the capital programme exceed the allocated depreciation over the period of the programme.

7. OTHER OPTIONS CONSIDERED

There are no alternative options necessary in respect of this report.

8. RESOURCE IMPLICATIONS

This report details the budget requirement for 2013/14.

9. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

N/a

10. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

N/a

11. CRIME AND DISORDER IMPLICATIONS

N/a

12. COMMENTS OF FINANCIAL SERVICES

These comments are included in the report.

13. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The recommendations relate to proposals for the budget which forms part of the budgetary and policy framework. Members must consult with residents on the proposals contained within this report as required in accordance with statutory regulation and constitutional requirements. All the relevant provisions of the Localism Act 2011 have been taken into account in the proposals detailed in this report.

14. APPENDIX:

Capital Programme

SUMMARY FINANCING STATEMENT

| | Description | 2012/2013 Forecast Outturn £'000 | 2013/2014 Estimate Base £'000 | 2014/2015 Indicative Base £'000 | 2015/2016 Indicative Base £'000 | 2015/2016 Indicative Base £'000 | 2016/2017 Indicative Base £'000 |
|-----------|---|---|--|--|--|--|--|
| | <u>HOUSING REVENUE ACCOUNT</u> | | | | | | |
| 1 | Stock Improvements | 4,225 | 4,756 | 4,161 | 3,467 | 3,430 | 2,418 |
| 2 | IT Software | 104 | 75 | - | - | - | - |
| 3 | Purchase of Vehicles | 75 | 95 | 163 | 198 | 189 | 181 |
| 4 | TOTAL - HOUSING REVENUE ACCOUNT | 4,404 | 4,926 | 4,324 | 3,665 | 3,619 | 2,599 |
| | <u>OTHER SERVICES</u> | | | | | | |
| 5 | Grow the economy | 1,740 | 4,065 | 1,730 | 500 | - | - |
| 6 | Support good housing for all | 750 | 876 | 500 | 500 | 500 | 500 |
| 7 | Promote leisure, arts and culture | 104 | 210 | 80 | - | - | - |
| 8 | Keep SK clean, green and healthy | 1,010 | 985 | 423 | 767 | 912 | 626 |
| 9 | Well run council | 190 | 75 | - | - | - | - |
| 10 | TOTAL - OTHER SERVICES | 3,794 | 6,211 | 2,733 | 1,767 | 1,412 | 1,126 |
| 11 | TOTAL - CAPITAL PROGRAMME | 8,198 | 11,137 | 7,057 | 5,432 | 5,031 | 3,725 |
| | <u>GENERAL FUND FINANCED BY:</u> | | | | | | |
| 12 | Supported Borrowing | - | - | - | - | - | - |
| 13 | Unsupported Borrowing | - | - | - | - | - | - |
| 14 | Specific Reserve - Capital | 2,546 | 515 | - | - | - | - |
| 15 | Usable Capital Receipts | - | 4,546 | 1,934 | 971 | 648 | 372 |
| 16 | Capital Grants and Contributions | | | | | | |
| | - Disabled Facility Grant | 254 | 254 | 254 | 254 | 254 | 254 |
| | - Regional Housing Allowance | 300 | 276 | - | - | - | - |
| 17 | Direct Revenue Financing | | | | | | |
| | - Cemetery works | 35 | 35 | 35 | 32 | - | - |
| | - Wyndham Park Water Fountain- SEA | - | 10 | 10 | 10 | 10 | - |
| | - ICT reserve | - | 75 | - | - | - | - |
| | - Contribution from Revenue | 659 | 500 | 500 | 500 | 500 | 500 |
| 18 | TOTAL - GF CAPITAL PROGRAMME | 3,794 | 6,211 | 2,733 | 1,767 | 1,412 | 1,126 |
| | <u>HRA FINANCED BY:</u> | | | | | | |
| 19 | Major Repair Reserve | 4,404 | 4,926 | 4,324 | 3,665 | 3,619 | 2,599 |
| 20 | TOTAL - HRA CAPITAL PROGRAMME | 4,404 | 4,926 | 4,324 | 3,665 | 3,619 | 2,599 |
| 21 | TOTAL - CAPITAL PROGRAMME | 8,198 | 11,137 | 7,057 | 5,432 | 5,031 | 3,725 |

CAPITAL PROGRAMME

Appedix A

GENERAL FUND

| Description | | 2012/2013 Forecast Outturn £'000 | 2013/2014 Updated Base £'000 | 2014/2015 Indicative Base £'000 | 2015/2016 Indicative Base £'000 | 2016/2017 Indicative Base £'000 | 2017/2018 Indicative Base £'000 |
|--|---|---|---------------------------------------|--|--|--|--|
| GROW THE ECONOMY | | | | | | | |
| Town Centre Development | | | | | | | |
| 1 | Town Centre Projects - Bourne Core Area | 1,050 | 1,195 | - | - | - | - |
| 2 | Business Innovation Centre | - | 250 | 50 | - | - | - |
| 3 | Station Approach | - | 1,100 | 100 | - | - | - |
| 4 | Shop front scheme | 90 | 120 | 80 | - | - | - |
| 5 | Serviced Land | 600 | 1,400 | 500 | - | - | - |
| 6 | Southern Quadrant- Relief road | - | - | 1,000 | 500 | - | - |
| | | 1,740 | 4,065 | 1,730 | 500 | - | - |
| SUPPORT GOOD HOUSING FOR ALL | | | | | | | |
| Regional Housing Grant | | | | | | | |
| 7 | Better Homes Grant | 200 | 276 | - | - | - | - |
| 8 | Empty Homes Grant | 50 | 100 | - | - | - | - |
| 9 | Disabled Facilities Grant | 500 | 500 | 500 | 500 | 500 | 500 |
| | | 750 | 876 | 500 | 500 | 500 | 500 |
| PROMOTE LEISURE, ARTS & CULTURE | | | | | | | |
| Provision for Existing Assets | | | | | | | |
| 10 | BMS Trend System - Bourne Leisure Centre | 4 | - | - | - | - | - |
| 11 | Bourne Leisure Centre Improvements | 39 | 14 | - | - | - | - |
| 12 | Air Handling Unit - Stamford Leisure Centre | 4 | - | - | - | - | - |
| 13 | BMS Trend System - Stamford Leisure Centre | 4 | - | - | - | - | - |
| 14 | Stamford Leisure Centre Improvements | 10 | - | - | - | - | - |
| 15 | Pool Air Handling Unit - Deepings Leisure Centre | - | - | 80 | - | - | - |
| 16 | Deepings Leisure Centre Improvements | 25 | - | - | - | - | - |
| 17 | Swimming Pool Air Handling Unit - Grantham Meres Leisure Centre | 18 | - | - | - | - | - |
| 18 | Premises at Broad Street Stamford- heating system | - | 35 | - | - | - | - |
| 19 | Heating System Alterations, Stamford Arts Centre | - | 85 | - | - | - | - |
| 20 | Wyndham Park, Grantham- interactive water feature | - | 40 | - | - | - | - |
| 21 | Deepings Leisure Centre- distribution boards and LV panel | - | 16 | - | - | - | - |
| 22 | Stamford Arts Centre - lift renewal | - | 20 | - | - | - | - |
| | | 104 | 210 | 80 | - | - | - |
| KEEP SK CLEAN, GREEN & HEALTHY | | | | | | | |
| Waste Management | | | | | | | |
| 23 | Street Scene Vehicle Procurement | 870 | 860 | 306 | 674 | 706 | 502 |
| 24 | Wheelie Bin Replacements | 70 | 70 | 77 | 85 | 92 | 99 |
| 25 | Pool Vehicle Replacements | - | - | - | 8 | 114 | 25 |
| 26 | Cemetery Works | 4 | - | - | - | - | - |
| 27 | Cycle/Footpath Repair Maintenance | 30 | 30 | 40 | - | - | - |
| 28 | Sudbrook Sewer | 20 | - | - | - | - | - |
| 29 | Air Quality Monitor Provision and Brook Street/ Manthorpe Road | 16 | - | - | - | - | - |
| 30 | Low voltage panel replacement- Grantham Council offices | - | 25 | - | - | - | - |
| | | 1,010 | 985 | 423 | 767 | 912 | 626 |
| WELL RUN COUNCIL | | | | | | | |
| 31 | Area Offices Customer Service Centre Upgrades | 190 | - | - | - | - | - |
| 32 | New Asset Management Software Package | 22 | - | - | - | - | - |
| 33 | ICT Infrastructure | - | 75 | - | - | - | - |
| 34 | ICT Refresh programme | 120 | - | - | - | - | - |
| | | 190 | 75 | - | - | - | - |
| 35 | TOTAL GENERAL FUND CAPITAL PROGRAMME | 3,794 | 6,211 | 2,733 | 1,767 | 1,412 | 1,126 |

HRA

| Description | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 |
|--|------------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Forecast Outturn £'000 | Updated Base £'000 | Indicative Base £'000 | Indicative Base £'000 | Indicative Base £'000 | Indicative Base £'000 |
| HOUSING REVENUE ACCOUNT | | | | | | |
| Repairs and Improvements | | | | | | |
| 1 Upgrading Sheltered Housing Scheme | 90 | - | - | - | - | - |
| 2 Passenger Lifts, Rectory Close, Barrowby | 15 | - | - | - | - | - |
| 3 Purchase of land for creation of road | - | 20 | - | - | - | - |
| 4 Refurbishment works to Rectory Close, Barrowby | 150 | - | - | - | - | - |
| 5 Scooter store, Hilary close, Stamford | 25 | - | - | - | - | - |
| Energy Efficiency Initiatives: | | | | | | |
| 6 Central Heating, Ventilation and boiler replacements | 1,400 | 1,200 | 1,000 | 1,000 | 1,000 | 1,000 |
| Refurbishment and Improvement: | | | | | | |
| 7 Windows | - | 125 | - | 131 | 136 | - |
| 8 Property Refurbishments | 262 | 150 | 150 | 150 | 150 | 150 |
| 9 Re-roofing | 715 | 925 | 960 | 1,000 | 934 | 550 |
| 10 Re-wiring | 175 | 175 | 175 | 110 | 175 | 175 |
| 11 Kitchen & Bathroom Refurbishments | 750 | 1,000 | 1,000 | 850 | 850 | 438 |
| 12 Chimney works | 165 | 115 | 150 | 150 | 150 | 105 |
| 13 Essential Works | 100 | - | - | - | - | - |
| 14 Replacement of Canopies | - | 230 | - | - | - | - |
| 15 Refurbishment of Bin Stores, Earlsfield Estate | 58 | - | - | - | - | - |
| 16 Replacement door programme | - | 91 | 26 | 76 | 35 | - |
| 17 Passenger lifts: Riverside Grantham | - | 15 | - | - | - | - |
| 18 Passenger lifts: Church View Great Gonerby | - | 10 | - | - | - | - |
| 19 External Wall Insulation | - | 700 | 700 | - | - | - |
| 20 Balance of outstanding works from 2011/12 | 320 | - | - | - | - | - |
| | 4,225 | 4,756 | 4,161 | 3,467 | 3,430 | 2,418 |
| IT Software | | | | | | |
| 21 Upgrade Opti-time software | - | 25 | - | - | - | - |
| 22 Vehicle management system for repairs | - | 50 | - | - | - | - |
| 23 Mobilisation of Craft Working | 104 | - | - | - | - | - |
| | 104 | 75 | - | - | - | - |
| Purchase of Vehicles | | | | | | |
| 24 Repairs Vehicles | 38 | 58 | 126 | 161 | 152 | 144 |
| 25 Tenancy and Care Services | 37 | 37 | 37 | 37 | 37 | 37 |
| 26 | 75 | 95 | 163 | 198 | 189 | 181 |
| | | | | | | |
| 27 TOTAL - HOUSING INVESTMENT PROGRAMME | 4,404 | 4,926 | 4,324 | 3,665 | 3,619 | 2,599 |