

<b>REPORT TO:</b>	<b>COUNCIL</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>26th FEBRUARY 2018</b>	<b>CATEGORY:</b>
<b>REPORT FROM:</b>	<b>STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	<b>OPEN</b>
<b>MEMBERS CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:kevin.stackhouse@south-derbys.gov.uk">kevin.stackhouse@south-derbys.gov.uk</a>	<b>DOC:</b> u/ks/council tax and precepts/council tax setting report
<b>SUBJECT:</b>	<b>COUNCIL TAX SETTING 2018/19</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

## **1.0 Recommendations**

- 1.1 That the formal Council Tax resolutions for 2018/19 at **Appendix 1** are approved.
- 1.2 That the report of the Section 151 (Chief Finance) Officer at **Appendix 3** is noted.
- 1.3 That the Prudential Indicators governing Treasury Management as detailed in **Appendix 4** is approved.
- 1.4 That the Local Council Tax Reduction Scheme for 2018/19 is amended to reflect changes arising from the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) as detailed in Section 2.

## **2.0 Purpose of the Report**

- 2.1 To set out the statutory resolutions to enable the Council to calculate and set the Council Tax for 2018/19. This is in accordance with regulations under the Local Government Finance Act 1992, as amended by the Localism Act 2011.
- 2.2 In addition, the report also sets out a statement under Section 25 of the Local Government Act 2003 by the Section 151 (Chief Finance) Officer. This gives an overall opinion on the robustness of the estimates included in approved budgets and the adequacy of Council Reserves.
- 2.3 The Section 25 report was considered and noted by the Finance and Management Committee on 15th February 2018.
- 2.4 The report also sets out the Prudential Indicators required under the Code for Capital Finance including the Council's Statutory Borrowing Limit under Section 3 (1) of the Local Government Act 2003.

- 2.5 These indicators are those recommended by the Finance and Management Committee from its meeting on 15th February. They form part of the Treasury Management (Borrowing and Investment) Strategy also approved by that Committee for 2018/19.
- 2.6 The Council Tax for District (South Derbyshire) Services is based on budgeted spending levels for 2018/19, as recommended by the Finance & Management Committee on 15th February. The Finance and Management Committee have recommended a Council Tax increase of 1.95% for 2018/19, which has been reflected in the resolutions for approval.
- 2.7 The report is set out in the following sections / appendices:
- **Section 3: Executive Summary** – summarising the proposed Council Tax level for South Derbyshire residents including charges set by other precepting authorities, together with an explanation of the technical resolutions.
  - **Appendix 1:** The formal Council Tax resolution to meet statutory requirements.
  - **Appendix 2:** The detailed Tax Base, Precept and Band D rates for Parish Councils, together with the level of Council Tax Reduction Scheme (CTRS) Grant allocated to Parish Councils.
  - **Appendix 3:** The report of the Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003.
  - **Appendix 4:** The Prudential Indicators as recommended by Finance and Management Committee which will govern the Council's Treasury Management activities for 2018/19.
  - **Schedules A to C:** These detail the level of Council Tax by Preceptor and by band, aggregated for each part of the District.

### **Local Council Tax Reduction Scheme**

- 2.8 In January, the Council approved the Scheme of support for 2018/19 to support residents who qualify for assistance in paying Council Tax.
- 2.9 Following an update of the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 (as amended) to reflect welfare changes, it is necessary to amend the detail of the Local Support Scheme with effect from 1st April 2018 to align it both with these regulations and with the Housing Benefit scheme.
- 2.10 The changes relate to the removal of the Family Premium for all new claims and the application of the 2nd child limit restriction for non-protected cases

when assessing eligibility. Existing recipients will be unaffected until such time as they are required to make a new claim.

- 2.11 The Local Support Scheme will retain the additional help for working age people in respect of a backdating period of up to 6 months and the extended payment period of 8 weeks following a return to employment. The baseline reductions of 8.5% and 10% will also remain unchanged.

### **3.0 Executive Summary**

- 3.1 The Council is required to calculate a Council Tax Requirement (CTR) for the forthcoming financial year, 2018/19. Not only is this the basis for the local Council Tax rate, the CTR is used to test whether an increase in Council Tax from year to year is excessive in accordance with criteria laid down by the Secretary of State.

#### **Precepts**

- 3.2 The precept levels of other precepting bodies have been received and these are detailed below.

#### **Parish Councils**

- 3.3 Parish Council precepts for 2018/19 as notified to the Council under Section 41 of the Local Government Finance Act 1992 are detailed in **Appendix 2** and total £772,513.

#### **Derbyshire County Council**

- 3.6 Derbyshire County Council met on 7th February 2018 and set their precept at £41,301,893. This results in a Band D Council Tax of £1,272.12 for 2018/19 (£1,211.66 in 2017/18). *This includes a specific Precept to fund Adult Social Care.*

#### **Police and Crime Commissioner for Derbyshire**

- 3.7 The Derbyshire Police and Crime Commissioner confirmed their precept on 5th February 2018 at £6,253,144. This results in a Band D Council Tax of £192.60 (£180.60 in 2017/18).

#### **Derbyshire Fire and Rescue Service**

- 3.8 The Derbyshire Fire and Rescue Authority met on 15th February 2018 and set their precept at £2,426,583. This results in a Band D Council Tax of £74.74 (£72.58 in 2017/18).

#### **Overall Council Tax Level 2017/18**

3.9 The recommendations of the Finance and Management Committee for District Council services are set out in the formal Council Tax Resolution in **Appendix 1**. If this resolution is approved, the total Band D Council Tax for 2018/19 will be as follows:

Overall Band D Council Tax (per year)	2017 /18 £:p	2018 /19 £:p	Increase £:p	Increase %
South Derbyshire District Council	156.17	159.21	3.04	1.95%
Derbyshire County Council	1,211.66	1,272.12	60.46	4.99%
Police and Crime Commissioner for Derbyshire	180.60	192.60	12.00	6.64%
Derbyshire Fire and Rescue Service	72.58	74.74	2.16	2.98%
<b>TOTAL</b>	<b>1,621.01</b>	<b>1,698.67</b>	<b>77.66</b>	<b>4.79%</b>

3.10 An explanation of the resolutions in **Appendix 1** is provided below.

### **Resolution 1 - Council Tax Base**

3.11 This is the District Council's Tax Base, which was approved by the Finance and Management Committee at its meeting held on the 11th January 2018. The Tax Base was set at **32,467** and is known as **Item T**.

### **Resolution 2 – The Council Tax Requirement (CTR)**

3.12 This is the amount of revenue expenditure to be met from Council Tax. It is the Council's Band D rate (excluding Parishes) multiplied by its Council Tax Base, as follows:

$$£159.21 * 32,467 = \underline{\underline{£5,169,071}}$$

### **Resolution 3 (a)**

3.13 This is the Council's estimated gross expenditure for 2018/19 including the Housing Revenue Account and Parish Precepts and totals £46,052,623.

### **Resolution 3 (b)**

3.14 This is the Council's estimated income for 2018/19. It includes all fees and charges, together with housing rents, specific government grants, contributions from reserves and declared surpluses on the Collection Fund. The total is £40,111,039.

### **Resolution 3 (c)**

3.15 This is the difference between 3 (a) and 3 (b), i.e. £5,941,584 and is known as **Item R**. It represents the CTR for the year of £5,169,071 (Resolution 2) together with Parish Precepts of £772,513.

### **Resolution 3 (d)**

3.16 This is the basic amount of Council Tax for 2018/19, including Parish Precepts and is item R divided by item T. i.e.

$$£5,941,584 / 32,467 = \underline{\underline{£183.00}}$$

### **Resolution 3 (e)**

3.17 This is the total amount of Parish Precepts as detailed in **Appendix 2**, i.e. £772,513.

### **Resolution 3 (f)**

3.18 This is the basic amount of Council Tax for areas where no Parish Precept applies, i.e.

$$£183.00 - (£772,513 / 32,467) = \underline{\underline{£159.21}}$$

### **Resolutions 4 and 5**

3.19 These confirm the precepts levied by Parish Councils together with those notified to the Council by the County, Police/Crime Commissioner and Fire authorities. The equivalent tax rates by property band are shown in Schedules A and B.

### **Resolution 6**

3.20 This is the aggregate amount of Council Tax for South Derbyshire as detailed in **Schedule C**.

### **Resolution 7**

3.21 Schedule 5 of the Localism Act 2011, makes provision for a referendum to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State.

3.22 The Secretary has determined that for 2018/19, a Council Tax will be *deemed excessive* (and subject to a local Referendum) for shire district councils if the authority's relevant basic amount of Council Tax (i.e. Band D) for 2018/19 is:

(a) *3% greater than its relevant basic amount of Council Tax for 2017/18; and*

(b) *£5 greater than its relevant basic amount of Council Tax for 2017/18.*

3.23 As shown in the table in **paragraph 3.9**, the District's Band D rate will increase following the recommendation of the Finance and Management Committee on 15th February 2018, by 1.95%. Therefore, under the principles set out by the Secretary of State, the Council's increase is not deemed excessive.

## **Appendix 1**

**The Council is recommended to resolve as follows:**

1. It be noted that on 11th January 2018, the Finance and Management Committee calculated the Council Tax Base 2018/19:

(a) For the whole area as 32,467 (Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended by the Localism Act 2011).

(b) For dwellings in those parts of its area to which a Parish Precept relates as 22,193.

2. Calculate that the Council Tax Requirement for the Council's own purpose for 2018/19 (excluding Parish Precepts) is £5,169,071.

3. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 and 36 of the Localism Act 2011:

(a) £46,052,623

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.

(b) £40,111,039

Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

(c) £5,941,584

Being the amount by which the aggregate of 3(a) above exceeds the aggregate of 3(b) above, calculated by the Council in accordance with Section 31A (4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

(d) £183.00

Being the amount at 3(c) above (Item R) all divided by Item T (1a above) calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).

(e) £772,513

Being the aggregate amount of all Parish Precepts referred to in Section 34 (1) of the Act.

(f) £159.21

Being the amount at 3 (d) above less the result given by dividing the amount at 3 (e) above by Item T (1a above) calculated by the Council in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept relates.

4. To note that Parish Councils have issued precepts to the Council in accordance with Section 41 of Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule A**
5. To note that the County Council, the Police and Crime Commissioner and the Fire and Rescue Service for Derbyshire, have issued Precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Schedule B**.
6. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in **Schedule C**, as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings, this being the aggregate of Schedules A and B.
7. That in accordance with Section 52 (ZB) of the Local Government Finance Act 1992, the Council determines that the amount of council tax shown at 3 (f) of £159.21 **is not** excessive compared to 2017/18 and therefore there is no requirement for a local referendum.

Parish	Precept 2017/18 £	Precept 2018/19 £	Tax Base 2017/18	Tax Base 2018/19	Band D 2017/18 £	Band D 2018/19 £	LCTR Grant 2017/18 £	LCTR Grant 2018/19 £
Aston-on-Trent	33,385	33,385	677	717	49.31	46.56	1,317	1,317
Barrow-on-Trent	10,575	10,994	243	239	43.52	45.92	452	452
Bretby	3,060	3,481	411	408	7.45	8.53	73	73
Burnaston	8,366	8,533	719	693	11.64	12.31	148	148
Castle Gresley	22,124	23,369	528	558	41.90	41.87	2,876	2,876
Church Broughton	7,000	7,500	235	234	29.79	32.02	151	151
Coton-in-the-Elms	6,676	6,775	272	271	24.54	24.96	989	989
Dalbury Lees	1,600	1,600	125	128	12.80	12.50	102	102
Egginton	10,415	11,215	253	259	41.17	43.30	199	199
Elvaston	10,820	10,820	814	895	13.29	12.09	210	210
Etwall	39,992	42,270	988	1,017	40.48	41.57	2,751	2,751
Findern	19,399	24,500	633	802	30.65	30.54	1,135	1,135
Foston & Scropton	8,568	8,568	241	241	35.55	35.52	433	433
Hartshorne	7,950	7,950	1,062	1,086	7.49	7.32	1,783	1,783
Hatton	50,000	54,500	868	878	57.60	62.10	2,100	2,100
Hilton	200,380	170,000	2,601	2,640	77.04	64.38	5,484	5,484
Linton	31,159	31,782	661	663	47.14	47.94	3,325	3,325
Melbourne	72,610	74,425	1,912	1,944	37.98	38.28	2,568	2,568
Netherseal	9,730	10,000	321	327	30.31	30.62	1,141	1,141
Newton Solney	4,400	4,900	282	284	15.60	17.24	171	171
Overseal	29,200	30,076	796	813	36.68	37.00	2,801	2,801
Repton	16,210	39,903	1,082	1,114	14.98	35.84	693	693
Rosliston	7,500	7,725	265	268	28.30	28.79	378	378
Shardlow & Great Wilne	13,870	13,870	415	413	33.42	33.57	1,399	1,399
Smisby	4,914	5,110	125	126	39.31	40.59	164	164
Stenson	3,000	3,000	1,101	1,479	2.72	2.03	736	736
Ticknall	12,450	12,450	300	299	41.50	41.67	822	822
Walton-on-Trent	5,762	5,819	308	305	18.71	19.07	607	607
Weston-on-Trent	13,500	13,500	480	483	28.13	27.93	535	535
Willington	37,944	39,098	946	975	40.11	40.11	4,392	4,392
Woodville	53,523	55,396	1,632	1,633	32.80	33.92	3,692	3,692
<b>TOTAL PRECEPTS / AVERAGE BAND D</b>	<b>756,081</b>	<b>772,513</b>	<b>21,296</b>	<b>22,193</b>	<b>31.35</b>	<b>32.13</b>	<b>43,627</b>	<b>43,627</b>

## APPENDIX 3

## **Section 25 Report (under the Local Government Act 2003)**

1. In their role as the Council's Section 151 (Chief Finance) Officer, the Director of Finance and Corporate Services, is required to provide an overall opinion on the robustness of the estimates included in budgets and the adequacy of Council reserves. An assessment is set out in the sections that follow.

### **Comments of the Chief Finance Officer**

2. This report, together with that considered on 11th January 2018, highlights the challenge that the Council now faces to ensure that its financial position remains robust and sustainable over the medium-term.
3. It is considered that estimates of income and expenditure included in the Base Budget and longer-term financial forecast are prudent. They provide for inflation and other known variations, together with provisions that recognise both current cost pressures and potential costs associated with growth of the District.
4. It is noted that additional resources have been approved for "Growth" and that a separate reserve will be set-aside to provide on-going investment to meet additional demand on services.
5. The Budget for 2018/19 and forward projections are based on the most up-to-date economic forecasts for inflation and interest rates, etc.
6. In addition, a realistic but prudent view has been taken regarding projected income levels from fees, charges and short-term investments. This also includes the likely effects of future funding in the form of Retained Business Rates, the New Homes Bonus and Council Tax receipts, based on provisional allocations (updated for local factors) from Central Government for the period ending in March 2020. It is noted that the full financial benefit for the Council of being part of the Derbyshire 100% Business Rates Retention Pilot have still to be analysed and included in the Budget.
7. The compilation of detailed budgets has been undertaken in conjunction with service managers. It is recognised that the Council has well established performance and budget monitoring arrangements in place to help ensure that Council finances are monitored effectively. This includes a quarterly report to this Committee.
8. The Council's Financial Strategy directs the Council to plan its spending over a 5-year rolling period for the General Fund and 10 years for the Housing Revenue Account. This provides an indication of the sustainability of spending plans and allows sufficient time in which remedial action can be implemented to address any issues in a planned and timely manner.
9. The following table shows the projected level of revenue reserves over the planning period, 2018 to 2023.

### **Projected Level of Revenue Reserves**

Revenue Reserves	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
General Fund	9,213	8,180	6,742	5,407	3,899	2,052
Earmarked - General Fund	11,206	10,661	10,496	10,409	10,005	9,402
HRA	4,397	4,195	3,844	3,476	3,222	2,701
Earmarked - HRA	0	45	90	135	180	225
<b>Estimated Balances</b>	<b>24,816</b>	<b>23,081</b>	<b>21,172</b>	<b>19,427</b>	<b>17,306</b>	<b>14,380</b>

10. The Council, based on the recommendation of the Chief Finance Officer, has approved to set a minimum (contingency) level of General Reserves of £1.5m on the General Fund and £1m on the Housing Revenue Account. This meets the requirements of the Local Government Act 2003.

### General Fund

11. The above table shows that the level of reserves on the General Fund is currently healthy compared to the minimum target of £1.5m and is forecast to remain above the minimum level of £11.5m by 2022/23.
12. Although the General Fund is forecast to achieve budget surpluses for 2017/18 based on current projections, a deficit is then forecast from 2018/19.
13. However, the annual deficits could be financed by drawing down the current level of the General Reserve. Effectively, the financial projection shows the implications of taking that action.
14. However, it is considered that this is a high risk strategy. Future deficits, as highlighted in Section 3 earlier in the Report, are projected to be significant from 2019/20. If no action is taken to reduce future deficits, it could quickly destabilise the financial position given that any action to achieve budget savings may take time to fully implement.
15. Meanwhile, the income retained under the Derbyshire 100% Business Rates Pilot and future changes from 2019/20 in the Business Rates funding mechanism are still uncertain and will be updated as more detail emerges.
16. Effectively, the current base budget remains unsustainable in the medium-term. Provision for certain cost pressures and potential risks have been included in the MTFP, including additional income being set-aside to meet additional demand on services.
17. It is considered that a balanced approach needs to be undertaken by utilising reserves, identifying some budget savings and at the same time providing for additional costs associated with growth.
18. Although in budgeting terms expenditure is still greater than income over the medium-term, the Council does have a history of under spending on its General Fund. This is reviewed each year and budgets adjusted accordingly.

However, future under spends are not guaranteed and therefore, should not be relied upon.

19. The budget process has again considered in detail the potential implications of Growth on costs and made provision for additional costs of Waste Collection. Projections associated with new residential development have been reviewed. It is noted that projections for new properties have been revised upwards, but latest Planning numbers indicate that these could be higher based on the current number of developments with outline and approved planning permissions.
20. The issue is that the full effects of growth are not fully known at present. Some costs are emerging and although provision has been made in the MTFP, it is difficult to currently gauge the full impact. However, it is noted that services such as Grounds Maintenance are being reviewed.
21. In the meantime, the Council is faces a financial challenge to identify budget savings from within its current General Fund budget. It has been recommended that the Council takes action during 2018/19 to begin to alleviate the projected budget deficit.
22. This would ease the pressure in future years and help to maintain a sustainable financial position. Therefore, the Council will review service expenditure at its earliest opportunity in order to continue to maintain a sustainable financial position ahead of 2019/20 and this is a recommendation as part of this report.

### **Housing Revenue Account (HRA)**

23. The financial position has improved and the HRA is forecast to remain sustainable based on current budgets and service levels. This will allow the existing minimum reserve balance of £1m to be maintained and ensure that sufficient amounts are set-aside to repay debt.
24. It is noted that the biggest risk is future income from rents and the direction of Central Government Policy following the current 4-year reduction in rent levels. It has been confirmed that rent increases will return to the former calculation of CPI + 1% beyond 2020 and this should help to sustain the HRA if this policy is implemented.
25. It is considered that the HRA is financially sustainable over the longer-term but should be kept under review and measures identified to mitigate the financial risks as detailed in the report.

### **Earmarked Reserves**

26. The Council also maintains various reserves that are used to meet one-off/known commitments or to defray expenditure over a number of years, for

example, ICT upgrades, vehicle replacements, community development projects and grounds maintenance.

27. It is considered that current reserves will remain sufficient overall to meet commitments over the life of the current MTFP. Reserves held to finance on-going community and sports development spending, will need to be kept under careful review if external and partnership contributions significantly reduce.
28. A list of all other reserves and funds is detailed in **Appendix 4** showing current balances.

## Risk Analysis

29. The following table summarises the key risks and issues detailed in the report and during this particular Budget Round; it assesses the potential impact upon the Council's reserves as projected in the updated MTFP.

Factor	Potential Implications	Mitigation	Likely impact on Financial position
<b>Changes in Central Government Policy</b>	<ul style="list-style-type: none"> <li>Further reductions in core funding (General Fund) and rent income (HRA) due to the national position or changes in redistribution systems.</li> </ul>	<ul style="list-style-type: none"> <li>The MTFP has analysed and built in provisional allocations for future years, informed by the Financial Settlement and current growth forecasts.</li> </ul>	<p><b>High</b></p> <p>Cumulatively a 1% variance in core funding equates to approximately £1/2m over the MTFP; a ½% reduction in rents equates to approximately £3/4m over 10-years.</p>
<b>Council Tax and the Collection Fund</b>	<ul style="list-style-type: none"> <li>Collection rates reduce due to the economic climate.</li> <li>Demand for Council Tax Support increases when resources are fixed.</li> <li>Empty properties increase reducing New Homes Bonus.</li> <li>Business Rates reduce due to appeals and a reduction in liable businesses.</li> </ul>	<ul style="list-style-type: none"> <li>Council Tax Fund in surplus.</li> <li>Tax receipts increasing from new properties.</li> <li>Local Council Tax Support Scheme now matured.</li> <li>Continued membership of the Derbyshire Business Rates Pool.</li> <li>Part of Derbyshire Pilot for 100% Rates Retention</li> <li>Provisions made for Bad Debts and Appeals.</li> </ul>	<p><b>Medium</b></p> <p>Only 11% of the Council Tax Fund is transferred to the Council's General Fund. In addition, the effect is not immediate and costs can be spread.</p>
<b>Growth</b>	<ul style="list-style-type: none"> <li>A key factor influencing future income and cost of service provision.</li> </ul>	<ul style="list-style-type: none"> <li>The MTFP projects continuing growth in Council Tax receipts and New Homes Bonus which based on past performance and planning forecasts are</li> </ul>	<p><b>High</b></p> <p>This could affect the MTFP either way. Growth is a determining factor for the Council's income and expenditure</p>

		<p>less than actuals.</p> <ul style="list-style-type: none"> <li>• Provision for cost of growth increased in 2017/18 Budget Round.</li> <li>• Future budgets for planning, land charges income, etc. are currently within actual levels for 2017/18.</li> </ul>	<p>which could easily vary compared to that forecast.</p>
<b>Budget Overspend</b>	<ul style="list-style-type: none"> <li>• Underlying cost pressures, due to growth, yet to surface.</li> <li>• Unexpected costs. There are on-going cost pressures, for example, maintenance of assets, as identified in the Base Budget review for 2018/19.</li> </ul>	<ul style="list-style-type: none"> <li>• Current level of general and specific reserves is healthy and the MTFP allows contingencies for inflation and growth, etc. The Base Budget of both the General Fund and HRA is assumed to increase by around 2% per year.</li> <li>• Monitoring arrangements in place allow early identification of issues.</li> </ul>	<b>Medium</b>
<b>Economic Conditions</b>	<ul style="list-style-type: none"> <li>• Higher price increases on key costs such as fuel and utilities.</li> <li>• Interest rates affect investment returns and debt payments.</li> </ul>	<ul style="list-style-type: none"> <li>• Inflation provision for price increases across these key areas.</li> <li>• The General Fund is currently “debt free” and not subject to movement in interest rates. The HRA debt is largely fixed.</li> <li>• Sufficient balances allow “internal borrowing” if required.</li> <li>• Budgeted income from short-term investments is relatively low and not reliant on interest rates increasing.</li> </ul>	<b>Low</b>
<b>Welfare Reform</b>	<ul style="list-style-type: none"> <li>• In particular the implementation of Universal credit. Evidence suggests that this could lead to more Council tenants failing to pay rent.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional provision is made in the HRA for rent arrears.</li> </ul>	<b>Medium</b>

## Consultation and Provision of Information

30. The information and broad budget proposals, together with details on where the Council spends its money and how it is financed, have been presented across the District. This also explained the challenge that the Council faces over the medium-term and why this has arisen.
31. Specifically, this dissemination of information has been undertaken via:
  - Local Area Forums
  - Consultation with the local businesses, together with the Community and Voluntary Sector, including a presentation at the South Derbyshire Partnership on 31st January 2018.
32. In addition, the proposals have been subject to the Council's scrutiny process and a report back from the Overview and Scrutiny Committee has been provided separately.
33. Although there were questions and queries, no substantive issues were raised. A record of discussions has been minuted at each Area Forum, at the Overview and Scrutiny Committees on 17th January and 8th February 2018, together with the South Derbyshire Partnership on 31st January 2018.

## APPENDIX 4

### LIST OF PRUDENTIAL INDICATORS 2017/18 to 2022/23

External Debt	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
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	£'000	£'000	£'000	£'000	£'000	£'000
Debt 1st April	57,423	57,423	57,423	57,423	57,423	47,423
New Debt	0	0	0	0	0	0
Maturing Debt	0	0	0	0	-10,000	0
<b>Debt 31st March</b>	<b>57,423</b>	<b>57,423</b>	<b>57,423</b>	<b>57,423</b>	<b>47,423</b>	<b>47,423</b>
Annual Change in Debt	0	0	0	0	-10,000	0
Long-term Investments	1,000	1,000	1,000	1,000	1,000	1,000
Short-term Investments	8,000	5,000	4,000	4,000	2,000	2,000

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>Limits compared to Actual Debt</b>						
Authorised Limit - General Fund	5,653	5,316	4,988	4,667	4,667	4,409
Authorised Limit - HRA	66,853	66,853	66,853	66,853	66,853	66,853
Financing Requirement	67,237	66,900	66,572	66,251	66,251	55,993
Operational Boundary	62,423	62,423	62,423	62,423	52,423	52,423
Gross Debt	57,423	57,423	57,423	57,423	47,423	47,423
Debt Less Investments	49,423	52,423	53,423	53,423	45,423	45,423

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>General Fund - Net Indebtedness</b>						
CFR	5,653	5,316	4,988	4,667	4,409	4,214
Estimated Reserves	9,213	8,180	6,742	5,407	3,899	2,052
<b>Net Indebtedness</b>	<b>-3,560</b>	<b>-2,864</b>	<b>-1,754</b>	<b>-740</b>	<b>510</b>	<b>2,162</b>

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>HRA Limit on Indebtedness</b>						
HRA Debt Cap	66,853	66,853	66,853	66,853	66,853	66,853
HRA CFR	61,584	61,584	61,584	61,584	61,584	51,584
Difference	5,269	5,269	5,269	5,269	5,269	15,269
HRA Debt	57,423	57,423	57,423	57,423	47,423	47,423
<b>Borrowing Headroom (Debt Cap minus Debt)</b>	<b>9,430</b>	<b>9,430</b>	<b>9,430</b>	<b>9,430</b>	<b>19,430</b>	<b>19,430</b>

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
<b>Interest Payable and Receivable</b>						

<b>General Fund</b>						
Interest Payable	0	0	0	0	0	0
Interest Received	-20	-45	-45	-45	-45	-45

<b>HRA</b>						
Interest Payable	1,757	1,793	1,793	1,793	1,793	1,793
Interest Received	-5	-5	-5	-5	-5	-5

<b>Net Interest Payable</b>	<b>1,732</b>	<b>1,788</b>	<b>1,788</b>	<b>1,788</b>	<b>1,788</b>	<b>1,788</b>
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## SCHEDULE A - DISTRICT COUNCIL TAX 2018/19

### Valuation Band and Proportion to Band D

<u>Part of Council's area:</u>	A	B	C	D	E	F	G	H
<u>Parish of</u>	6/9	7/9	8/9	1.00	11/9	13/9	15/9	18/9
	£:p	£:p	£:p	£:p	£:p	£:p	£:p	£:p

Aston-on-Trent	137.18	160.04	182.91	205.77	251.50	297.22	342.95	411.54
Barrow-on-Trent	136.75	159.55	182.34	205.13	250.72	296.30	341.88	410.26
Bretby	111.83	130.46	149.10	167.74	205.02	242.29	279.57	335.48
Burnaston	114.35	133.40	152.46	171.52	209.64	247.75	285.87	343.04
Castle Gresley	134.05	156.40	178.74	201.08	245.77	290.45	335.13	402.16
Church Broughton	127.49	148.73	169.98	191.23	233.73	276.22	318.72	382.46
Coton-in-the-Elms	122.78	143.24	163.71	184.17	225.10	266.02	306.95	368.34
Dalbury Lees	114.47	133.55	152.63	171.71	209.87	248.03	286.18	343.42
Egginton	135.01	157.51	180.01	202.51	247.51	292.52	337.52	405.02
Elvaston	114.20	133.23	152.27	171.30	209.37	247.43	285.50	342.60
Etwall	133.85	156.16	178.47	200.78	245.40	290.02	334.63	401.56
Findern	126.50	147.58	168.67	189.75	231.92	274.08	316.25	379.50
Foston & Scropton	129.82	151.46	173.09	194.73	238.00	281.28	324.55	389.46
Hartshorne	111.02	129.52	148.03	166.53	203.54	240.54	277.55	333.06
Hatton	147.54	172.13	196.72	221.31	270.49	319.67	368.85	442.62
Hilton	149.06	173.90	198.75	223.59	273.28	322.96	372.65	447.18
Linton	138.10	161.12	184.13	207.15	253.18	299.22	345.25	414.30
Melbourne	131.66	153.60	175.55	197.49	241.38	285.26	329.15	394.98
Netherseal	126.55	147.65	168.74	189.83	232.02	274.20	316.38	379.66
Newton Solney	117.63	137.24	156.84	176.45	215.66	254.87	294.08	352.90
Overseal	130.81	152.61	174.41	196.21	239.81	283.42	327.02	392.42
Repton	130.03	151.71	173.38	195.05	238.40	281.74	325.08	390.10
Rosliston	125.33	146.22	167.11	188.00	229.78	271.56	313.33	376.00
Shardlow & Great Wilne	128.52	149.94	171.36	192.78	235.62	278.46	321.30	385.56
Smisby	133.20	155.40	177.60	199.80	244.20	288.60	333.00	399.60

Stenson	107.49	125.41	143.32	161.24	197.07	232.90	268.73	322.48
Ticknall	133.92	156.24	178.56	200.88	245.52	290.16	334.80	401.76
Walton-on-Trent	118.85	138.66	158.47	178.28	217.90	257.52	297.13	356.56
Weston-on-Trent	124.76	145.55	166.35	187.14	228.73	270.31	311.90	374.28
Willington	132.88	155.03	177.17	199.32	243.61	287.91	332.20	398.64
Woodville	128.75	150.21	171.67	193.13	236.05	278.97	321.88	386.26
All other parts of the Council's area	106.14	123.83	141.52	159.21	194.59	229.97	265.35	318.42

## SCHEDULE B - MAJOR PRECEPTING AUTHORITIES COUNCIL TAX 2018/19

<b>Precepting Authority</b>	<b><u>Valuation Band and Proportion to Band D</u></b>							
	A	B	C	D	E	F	G	H
	6/9 £:p	7/9 £:p	8/9 £:p	1.00 £:p	11/9 £:p	13/9 £:p	15/9 £:p	18/9 £:p
Derbyshire County Council	848.08	989.43	1,130.77	1,272.12	1,554.81	1,837.51	2,120.20	2,544.24
Police and Crime Commissioner for Derbyshire	128.40	149.80	171.20	192.60	235.40	278.20	321.00	385.20
Derbyshire Fire and Rescue Service	49.83	58.13	66.44	74.74	91.35	107.96	124.57	149.48

## SCHEDULE C - AGGREGATED COUNCIL TAX FOR SOUTH DERYSHIRE 2018/19

<u>Part of Council's area:</u> <u>Parish of</u>	<u>Valuation Band and Proportion to Band D</u>							
	A	B	C	D	E	F	G	H
	£:p	£:p	£:p	£:p	£:p	£:p	£:p	£:p
Aston - on - Trent	1,163.49	1,357.40	1,551.32	1,745.23	2,133.06	2,520.89	2,908.72	3,490.46
Barrow - on - Trent	1,163.06	1,356.90	1,550.75	1,744.59	2,132.28	2,519.96	2,907.65	3,489.18
Bretby	1,138.13	1,327.82	1,517.51	1,707.20	2,086.58	2,465.96	2,845.33	3,414.40
Burnaston	1,140.65	1,330.76	1,520.87	1,710.98	2,091.20	2,471.42	2,851.63	3,421.96
Castle Gresley	1,160.36	1,353.75	1,547.15	1,740.54	2,127.33	2,514.11	2,900.90	3,481.08
Church Broughton	1,153.79	1,346.09	1,538.39	1,730.69	2,115.29	2,499.89	2,884.48	3,461.38
Coton - in - the - Elms	1,149.09	1,340.60	1,532.12	1,723.63	2,106.66	2,489.69	2,872.72	3,447.26
Dalbury Lees	1,140.78	1,330.91	1,521.04	1,711.17	2,091.43	2,471.69	2,851.95	3,422.34
Egginton	1,161.31	1,354.87	1,548.42	1,741.97	2,129.08	2,516.18	2,903.28	3,483.94
Elvaston	1,140.51	1,330.59	1,520.68	1,710.76	2,090.93	2,471.10	2,851.27	3,421.52
Etwall	1,160.16	1,353.52	1,546.88	1,740.24	2,126.96	2,513.68	2,900.40	3,480.48
Findern	1,152.81	1,344.94	1,537.08	1,729.21	2,113.48	2,497.75	2,882.02	3,458.42
Foston and Scropton	1,156.13	1,348.81	1,541.50	1,734.19	2,119.57	2,504.94	2,890.32	3,468.38
Hartshorne	1,137.33	1,326.88	1,516.44	1,705.99	2,085.10	2,464.21	2,843.32	3,411.98
Hatton	1,173.85	1,369.49	1,565.13	1,760.77	2,152.05	2,543.34	2,934.62	3,521.54
Hilton	1,175.37	1,371.26	1,567.16	1,763.05	2,154.84	2,546.63	2,938.42	3,526.10
Linton	1,164.41	1,358.47	1,552.54	1,746.61	2,134.75	2,522.88	2,911.02	3,493.22
Melbourne	1,157.97	1,350.96	1,543.96	1,736.95	2,122.94	2,508.93	2,894.92	3,473.90
Netherseal	1,152.86	1,345.00	1,537.15	1,729.29	2,113.58	2,497.86	2,882.15	3,458.58
Newton Solney	1,143.94	1,334.60	1,525.25	1,715.91	2,097.22	2,478.54	2,859.85	3,431.82
Overseal	1,157.11	1,349.97	1,542.82	1,735.67	2,121.38	2,507.08	2,892.78	3,471.34
Repton	1,156.34	1,349.06	1,541.79	1,734.51	2,119.96	2,505.40	2,890.85	3,469.02
Rosliston	1,151.64	1,343.58	1,535.52	1,727.46	2,111.34	2,495.22	2,879.10	3,454.92

Shardlow and Great Wilne	1,154.83	1,347.30	1,539.77	1,732.24	2,117.18	2,502.13	2,887.07	3,464.48
Smisby	1,159.51	1,352.76	1,546.01	1,739.26	2,125.76	2,512.27	2,898.77	3,478.52
Stenson Fields	1,133.80	1,322.77	1,511.73	1,700.70	2,078.63	2,456.57	2,834.50	3,401.40
Ticknall	1,160.23	1,353.60	1,546.97	1,740.34	2,127.08	2,513.83	2,900.57	3,480.68
Walton - on - Trent	1,145.16	1,336.02	1,526.88	1,717.74	2,099.46	2,481.18	2,862.90	3,435.48
Weston - on - Trent	1,151.07	1,342.91	1,534.76	1,726.60	2,110.29	2,493.98	2,877.67	3,453.20
Willington	1,159.19	1,352.38	1,545.58	1,738.78	2,125.18	2,511.57	2,897.97	3,477.56
Woodville	1,155.06	1,347.57	1,540.08	1,732.59	2,117.61	2,502.63	2,887.65	3,465.18
All other parts of the Council's area	1,132.45	1,321.19	1,509.93	1,698.67	2,076.15	2,453.64	2,831.12	3,397.34