



B O S T O N B O R O U G H C O U N C I L

REPORT TO:	FULL COUNCIL
DATE:	2 MARCH 2020
SUBJECT:	MEDIUM TERM FINANCIAL STRATEGY AND COUNCIL TAX SETTING 2020/21
PORTFOLIO HOLDER:	MARTIN HOWARD, FINANCE PORTFOLIO HOLDER
REPORT AUTHOR:	CHIEF FINANCE OFFICER
EXEMPT REPORT?	No

SUMMARY

This report sets out the detail of the medium term financial strategy for the five years from 2020/21 to 2024/25, and the proposed budget and recommended level of Council Tax for 2020/21. This was presented to Cabinet on 19 February 2020, having been through scrutiny and consultation processes. The Council proposes to increase its element of the Council Tax by 2.05% to £192.96 at Band D.

RECOMMENDATIONS

1. To approve the Boston Borough Council Medium Term Financial Strategy for 2020/21 to 2024/25, and associated financial strategies which are appended at **Appendix C**.
2. To agree the formal 2020/21 Council Tax resolutions at **Appendix A** (Parishes, BTAC special expense, the County Council and Lincolnshire Police and Crime Commissioner are also dealt with as part of this resolution), that there is a 2.05% increase in the Borough element of Council Tax, its Band D Council Tax increasing to £192.96.
3. An increase in Council Tax premium on Long Term Empty Properties to apply the full extent of the provisions of the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018:
 - An additional 50% Council Tax premium on Long Term Empty properties from 1 April 2020;
 - An additional 100% Council Tax premium on Long Term empty properties longer than 5 years, from 1 April 2020;
 - An additional 100% Council Tax premium on Long Term Empty properties longer than 10 years, from 1 April 2021.

The only exceptions to apply to the premium will be in respect of those empty properties that are already exempt under Council Tax legislation.

4. That the Council removes the current 10% second home discount from April 2020, increasing the Council Tax to 100% charge on furnished, unoccupied dwellings.

REASONS FOR RECOMMENDATIONS

The Council must, by law, set a balanced revenue budget while retaining sufficient resources to offset the impact of reasonably foreseen risks. The recommended budget and support measures are regarded as the most suitable approach.

ALTERNATIVES CONSIDERED

None.

REPORT

1.0 Purpose

- 1.1 The purpose of this report is to approve the budget and set the Council Tax for 2020/21, and to receive the Medium Term Financial Strategy (MTFS) to 2024/25.

2.0 Budget and Precept Levels

- 2.1 Following consultation and scrutiny, the Budget and MTFS were presented to Cabinet on 19 February 2020 which recommended their approval (with the subsequent confirmation of the final 2020/21 settlement figures by the government on 24 February), along with associated Strategies and Policies, to Full Council.
- 2.2 The final settlement advised by the Ministry for Housing, Communities and Local Government continues to give the Council significant challenges to ensure its budget is robust for 2020/21 and future years.
- 2.3 The Council currently estimates that it will need to find £1.421m to balance its budget by 2024/25, although the proposed changes to the funding regime from 2021/22 mean that significant uncertainties exist at present.
- 2.4 The capital programme for 2020/21 is £3.041m, and remains affordable, sustainable and prudent over the next five years. The programme includes £1.279m for replacement of the refuse vehicle fleet as a demonstration of the commitment to improving frontline services.
- 2.5 Treasury management and capital prudential indicators show the projected impact of capital expenditure and treasury investment plans. These have been reviewed by the Audit and Governance Committee.

2.6 **Section 151 Officer Statement:** Whilst I have mentioned some of the risks the Council faces going forward I am confident, as the Council's Section 151 Officer, that the budget will be delivered. I am also comfortable that at this present time the level of Council reserves is adequate.

2.7 This Council, as billing authority, is required to calculate a Council Tax requirement for the year. A glossary of terms is set out for reference at **Appendix B (2)**.

2.8 As part of the budget setting process, the precept levels of other Precepting bodies have been received. These are detailed below:

2.9 *Boston Borough Council Budget*

The Boston Borough Council budget was considered by Cabinet on 19 February 2020 and recommendations are now provided to Council on 2 March 2020, setting the Band D Council Tax at £192.96, a £3.87 (2.05%) increase on 2019/20.

2.10 *Special Area Expense*

The Boston Town Area Committee (BTAC) Special Area Expense for 2020/21 is detailed in **Appendix A** and totals £702,696. The increase in the average Band D Council Tax for Special Area Expense is 1.94% and results in an increase in the average Band D Council Tax figure of £1.44 for 2020/21.

Expenditure charged to residents	£702,696
Tax Base	9,306.0
Band D Council Tax	£75.51
% Change from 2019/20	1.94%

2.11 *Parish Councils*

The Parish Council Precepts for 2020/21 are detailed in **Appendix A** and total £454,168.80. The increase in the average Band D Council Tax for Parish Council Precepts is 12.41% and results in an increase in the average Band D Council Tax figure of £5.04 for 2020/21.

2.12 *Lincolnshire County Council*

Lincolnshire County Council confirmed its precept for 2020/21 on 21 February 2020. The LCC Council Tax Requirement on the borough is £25,752,293.98. The estimated collection fund surplus is £57,334 giving rise to a County Precept of £25,809,627.98. This Council Tax Requirement represents a Council Tax Band D charge of £1,337.58 (an increase of 3.50%).

2.13 *Lincolnshire Police and Crime Commissioner*

The Lincolnshire Police and Crime Commissioner confirmed its precept for 2020/21 on 20 February 2020. The LPCC Council Tax Requirement on the borough is £4,839,601.47. The estimated collection fund surplus is £10,704 giving rise to a

LPCC Precept of £4,850,305.47. This Council Tax Requirement represents a Council Tax Band D charge of £251.37 (an increase of 4.14%).

3.0 CONCLUSION

- 3.1 The recommendations of the Cabinet are set out in the formal Council Tax Resolution in **Appendix A**.
- 3.2 If the Council Tax Resolution at **Appendix A** is approved, the total (average) 2020/21 Band D Council Tax position will be as follows:

	2019/20 £	2020/21 £	Increase / (Decrease) %
Boston Borough Council	189.09	192.96	2.05
Lincolnshire County Council	1,292.40	1,337.58	3.50
Police and Crime Commissioner for Lincolnshire	241.38	251.37	4.14
Sub-Total	1,722.87	1,781.91	3.43
Average Parish (including Special Expense Area)	56.68	60.09	6.02
Total	1,779.55	1,842.00	3.51

- 3.3 **Appendix B (1)** shows the total Council Tax payable per band per Parish.

FINANCIAL IMPLICATIONS

The Council is required to set a budget that balances for the 2020/21 year and the proposals present a balanced budget.

LEGAL IMPLICATIONS

This report is required by virtue of a notice served upon this Council pursuant to section 52 F(9) of the Local Government Finance Act 1992 (as amended by the Localism Act 2011) and to comply with the new sections 31A and 31(B) of the amended Act. The Council has no discretion in this matter.

ANY OTHER IMPLICATIONS

None

CONSULTATION

The draft budget was published on the Council’s website for public consultation, as well as presented to the Corporate and Community Scrutiny, and the Audit and Governance, Committees. A very limited number of public responses was received, and details are shown in **Appendix D**.

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Council Tax Resolutions
APPENDIX B (1)	All elements of the Council Tax
APPENDIX B (2)	Glossary of Terms
APPENDIX C	Medium Term Financial Strategy
APPENDIX D	Public Consultation responses

BACKGROUND PAPERS

Background papers used in the production of this report are listed below: -

Document title	Budget setting report and medium term financial strategy 2020/21 to 2024/25 – Draft to Cabinet 22 January, Audit and Governance Committee 27 January and Corporate and Community Committee 6 February 2020. Revised report to Cabinet 19 February 2020.
Where the documents can be viewed	<p><i>January papers -</i> https://moderngov.boston.gov.uk/ieListDocuments.aspx?CId=130&MId=1483&Ver=4</p> <p><i>February papers –</i> https://moderngov.boston.gov.uk/ieListDocuments.aspx?CId=130&MId=1484&Ver=4</p>

CHRONOLOGICAL HISTORY OF THIS REPORT

Name of body	Date
<i>See background papers section.</i>	

COUNCIL TAX RESOLUTIONS
Council is recommended to resolve as follows:

1. it be noted that on 2 March 2020 the Council calculated the Council Tax Base 2020/21.
 (a) for the whole Council area as 19,252.90; and
 (b) for dwellings in those parts of its area to which a Parish precept relates as in the table below:

Parts of the Council's Area: Parishes of	2019/2020			2020/2021			C/Tax Increase/ (Decr) (£)	C/Tax Increase/ (Decr) (%)
	Tax Base	Precepts (£)	Council Tax Band D (£)	Tax Base	Precepts (£)	Council Tax Band D (£)		
Algarkirk	104.00	6,848.00	65.85	103.50	7,727.40	74.66	8.81	13.38
Amber Hill	89.90	3,369.00	37.47	87.10	3,419.00	39.25	1.78	4.75
Benington	161.00	15,000.00	93.17	160.70	17,500.00	108.90	15.73	16.88
Bicker	278.80	21,000.00	75.32	280.30	25,000.00	89.19	13.87	18.41
Butterwick	399.00	21,000.00	52.63	404.20	30,000.00	74.22	21.59	41.02
Fishtoft	2,122.20	32,019.80	15.09	2,131.60	33,624.30	15.77	0.68	4.51
Fosdyke	148.20	11,400.00	76.92	146.50	12,000.00	81.91	4.99	6.49
Frampton	448.10	21,585.00	48.17	457.90	22,880.10	49.97	1.80	3.74
Freiston	323.40	24,000.00	74.21	328.80	30,000.00	91.24	17.03	22.95
Holland Fen with Brothertoft	199.70	3,250.00	16.27	201.10	3,250.00	16.16	(0.11)	(0.67)
Kirton	1,619.70	67,275.00	41.54	1,625.70	70,000.00	43.06	1.52	3.66
Leverton	193.60	15,000.00	77.48	195.00	15,000.00	76.92	(0.56)	(0.72)
Old Leake	687.30	35,200.00	51.21	644.10	42,096.00	65.36	14.15	27.63
Sutterton	519.00	27,000.00	52.02	521.50	28,350.00	54.36	2.34	4.50
Swineshead	944.50	30,783.00	32.59	943.20	32,332.00	34.28	1.69	5.19
Wigtoft	145.80	9,249.00	63.44	146.30	9,115.00	62.30	(1.14)	(1.79)
Wrangle	433.20	21,000.00	48.48	440.30	21,000.00	47.69	(0.79)	(1.62)
Wyberton	1,131.90	39,140.00	34.58	1,129.10	50,875.00	45.06	10.48	30.31
Sub-Total: Parishes	9,949.30	404,118.80	40.62	9,946.90	454,168.80	45.66	5.04	12.41
Boston Special Expense Area	9,184.60	680,303.00	74.07	9,306.00	702,696.00	75.51	1.44	1.94
Total	19,133.90	1,084,421.80	56.68	19,252.90	1,156,864.80	60.09	3.41	6.02

2. Calculate that the Council Tax requirement for the Council's own purposes for 2020/21 (excluding Parish precepts) is £3,715,040.
3. That the following amounts be calculated for the year 2020/21 in accordance with Sections 30 to 36 of the Act:

(a)	£41,571,849	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (including Special Expense and Parish Precepts).
(b)	(£36,699,945)	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£4,871,904	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year.
(d)	£253.05	being the amount at 3(c) above, all divided by 1(a) 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 and Special Expenses).
(e)	£1,156,864	being the aggregate amount of all special items (Parish precepts and Special Expenses) referred to in Section 34(1) of the Act (as per 1(b) above).
(f)	£192.96	being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by 1(a) 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 the County Council and the Police and Crime Commissioner 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 the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2020/21 for each part of its area and for each of the categories of dwellings.

VALUATION BANDS

	A £	B £	C £	D £	E £	F £	G £	H £
Lincolnshire County Council	891.72	1,040.34	1,188.96	1,337.58	1,634.82	1,932.06	2,229.30	2,675.16
Lincolnshire Police and Crime Commissioner	167.58	195.51	223.44	251.37	307.23	363.09	418.95	502.74
Boston Borough Council	128.64	150.08	171.52	192.96	235.84	278.72	321.60	385.92
Average Parish Excluding Special Expense Area	15.73	18.35	20.97	23.59	28.83	34.07	39.32	47.18
BTAC Special Expense Area	24.33	28.39	32.44	36.50	44.61	52.72	60.83	73.00
Aggregate of Council Tax Requirements	1,228.00	1,432.67	1,637.33	1,842.00	2,251.33	2,660.66	3,070.00	3,684.00

6. The Council has determined that its relevant basic amount of Council Tax for 2020/21 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992. As the billing authority, the Council has **not** been notified by a major Precepting authority that its relevant basic amount of Council Tax for 2020/21 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

APPENDIX B (1)

All elements of the Council Tax (Boston Borough Council, Parishes, Lincolnshire County Council & Lincolnshire Police and Crime Commissioner)

Council Tax Schedule 2020/21	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Lincolnshire County Council	891.72	1,040.34	1,188.96	1,337.58	1,634.82	1,932.06	2,229.30	2,675.16
Lincolnshire Police and Crime Commissioner	167.58	195.51	223.44	251.37	307.23	363.09	418.95	502.74
Boston Borough Council	128.64	150.08	171.52	192.96	235.84	278.72	321.60	385.92
Average Parish (<i>including Special Expense</i>)	40.06	46.73	53.41	60.09	73.44	86.79	100.15	120.18
Parish & Borough (<i>including Special Expense</i>)	168.70	196.82	224.93	253.05	309.28	365.51	421.75	506.10
Aggregate of Council Tax Requirements	1,228.00	1,432.66	1,637.33	1,842.00	2,251.33	2,660.66	3,070.00	3,684.00
Part of the Council's area:								
Algarkirk	1,237.71	1,444.00	1,650.28	1,856.57	2,269.14	2,681.71	3,094.28	3,713.14
Amber Hill	1,214.11	1,416.46	1,618.81	1,821.16	2,225.86	2,630.56	3,035.27	3,642.32
Benington	1,260.54	1,470.63	1,680.72	1,890.81	2,310.99	2,731.17	3,151.35	3,781.62
Bicker	1,247.40	1,455.30	1,663.20	1,871.10	2,286.90	2,702.70	3,118.50	3,742.20
Boston	1,238.28	1,444.66	1,651.04	1,857.42	2,270.18	2,682.94	3,095.70	3,714.84
Butterwick	1,237.42	1,443.66	1,649.89	1,856.13	2,268.60	2,681.08	3,093.55	3,712.26
Fishtoft	1,198.45	1,398.20	1,597.94	1,797.68	2,197.16	2,596.65	2,996.13	3,595.36
Fosdyke	1,242.55	1,449.64	1,656.73	1,863.82	2,278.00	2,692.18	3,106.37	3,727.64
Frampton	1,221.25	1,424.80	1,628.34	1,831.88	2,238.96	2,646.05	3,053.13	3,663.76
Freiston	1,248.77	1,456.89	1,665.02	1,873.15	2,289.41	2,705.66	3,121.92	3,746.30
Holland Fen & Brothertoft	1,198.71	1,398.50	1,598.28	1,798.07	2,197.64	2,597.21	2,996.78	3,596.14
Kirton	1,216.65	1,419.42	1,622.20	1,824.97	2,230.52	2,636.07	3,041.62	3,649.94
Leverton	1,239.22	1,445.76	1,652.29	1,858.83	2,271.90	2,684.98	3,098.05	3,717.66
Old Leake	1,231.51	1,436.77	1,642.02	1,847.27	2,257.77	2,668.28	3,078.78	3,694.54
Sutterton	1,224.18	1,428.21	1,632.24	1,836.27	2,244.33	2,652.39	3,060.45	3,672.54
Swineshead	1,210.79	1,412.59	1,614.39	1,816.19	2,219.79	2,623.39	3,026.98	3,632.38
Wigtoft	1,229.47	1,434.39	1,639.30	1,844.21	2,254.03	2,663.86	3,073.68	3,688.42
Wrangle	1,219.73	1,423.02	1,626.31	1,829.60	2,236.18	2,642.76	3,049.33	3,659.20
Wyberton	1,217.98	1,420.98	1,623.97	1,826.97	2,232.96	2,638.96	3,044.95	3,653.94

COUNCIL TAX RESOLUTION (APPENDIX A) - DEFINITIONS

The following notes detail the information contained in the formal Council Tax resolution.

REFERENCE	DEFINITION
1 (a) & (b)	The Council Tax Base for 2020/21 and the Tax Base broken down by Parish, after adjustments for the Council Tax Support Scheme
3 (a)	The estimated gross revenue expenditure for Boston, plus parish precepts and the special expenses area levy for 2020/21.
3 (b)	The estimated gross revenue income for Boston for 2020/21, including use of reserves and Revenue support grant.
3 (c)	Council Tax requirement for 2020/21 for Boston Borough Council plus the Parishes and the special expenses area.
3 (d)	The basic amount of Council Tax for 2020/21 - Boston element plus an average for the parish element (including any special levy) - for a Band D property.
3 (e)	The total of parish precepts and special expenses for 2020/21.
3 (f)	The Boston only element of the Council Tax for 2020/21 (excluding parish and special expenses elements) for a Band D property.
5	All elements of the Council Tax, by valuation band, including Lincolnshire County Council, Police and Crime Commissioner for Lincolnshire, Boston Borough Council and an average for the Parish precepts and special expenses area. These are shown gross.

Appendix D

Budget Consultation Results 2020/21

Methodology

Draft budget papers were made available online from 22nd January 2020 until 17th February 2020, for comment and consideration. Paper copies could also be requested by ringing the Municipal Buildings.

The document was advertised on social media, the council's website and the Boston Bulletin.

14 responses were received.

Full results

Q1 – Please read the draft Budget Report 2020/21 and the associated appendices. If you have any comments on the draft budget and what you feel the Council's priorities should be, please comment below:

1	Provide only essential services such as bin collections and cut others to reduce council tax.
2	Garden waste fee has gone up a lot – could it not have been a smaller increase year on year.
3	It is not apparent to the lay person that the council is facing a potential funding deficit of as much as 20%, perhaps if decisions made where related to the fact there is this deficit the public would be more open to understanding
4	The Council needs to be more positive in its outlook, focus on growth and the delivery of housing. The Council should look to invest in the future of the town and the Borough by purchasing land and buildings and securing assets that can be utilised in a social-value way.
5	Economic developments and business growth. Shouldn't waste time on things that don't directly have a positive

	benefit on the local area
6	Cant see any draft budget here, just another lip service exercise to the Boston population?
7	Active Boston, involving people to be active, join clubs, enjoy healthy lifestyle.
8	to encourage the IDB to reinstate the emergency pumps at the dock end of the forty foot, to allow for clearance of potential land drainage run-off against the incoming high tide.

Q2 – We are also keen to hear what you feel the town centre priorities are, please comment below:

1	Bins, parks and public safety.
2	ASB
3	What I feel they are is that the Council is overly sensitive to the needs of the few, such as those prejudiced or homeless rather than the many service users of this potentially vibrant town.
4	We need to encourage outside dining/seating, connectivity (pedestrian and cycling), digital services (free Wifi?) and generally do things to increase dwell-time
5	Cleanliness and support for local business but little the council can do to change the way the high street is going nationally.
6	Lowering car parking prices. Promote Boston. Lower prices that the stalls pay on markets days. Bring life back to Boston
7	Fly tipping
8	to encourage the commercial landlords/ owners to rent out their properties or charge a significant amount in rates for allowing the properties to remain empty. if they cannot be rented then a change to residential on the upper floors should be proposed
9	Make use of the empty shops before knocking ones down and rebuilding in their place

Social Media

The following comments were received on the Council's Facebook page.

- So wat about 25 million. Government hand out – Hidden
- Up to XXXX not the full 25
- Just sort cheap parking and get people into the town who want to spend money here. Everyone I talk to says it's a ghost town. So hope someone has the courage to do something. Everyone is watching what will happen.
 - There is a link above to voice your concerns in the survey, have you filled that out with your opinion above?