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| REPORT TO: | | Council | |
| DATE: | | 27 February 2025 | |
| PORTFOLIO: | | Councillor Noordad Aziz/Councillor Vanessa Alexander - Finance and the Budget Process | |
| REPORT AUTHOR: | | Martin Dyson, Executive Director (Resources) | |
| TITLE OF REPORT: | | Council Tax Resolution 2025/26 | |
| EXEMPT REPORT (Local Government Act 1972, Schedule 12A) | No | Not applicable | |
| | | | |
| KEY DECISION: | Yes | If yes, date of publication: | |

1. Purpose of Report

- 1.1 The report sets out the Council's budget requirement for 2025/2026 as presented to Cabinet on 12th February 2025, its Precept on the Collection Fund and the formal details surrounding the Precept of other bodies on the Collection Fund.

2. Recommendations

That Council approves:

- 2.1 The acceptance and adoption of the Cabinet's recommendations on the Revenue and Capital Budgets and Prudential Indicators & Treasury Management Report for 2025/26 to 2027/28 made at the Cabinet meeting on 12th February 2025.
- 2.2 That Council Tax for Hyndburn Borough Council be increased by 2.99% from the 2024/25 charge and therefore increasing the charge by £8.03 to a new charge of £276.46 for the year for a Band D property.
- 2.3 That the Council commits to continuing to strengthen its Reserves during the year and requires the Chief Executive and the Executive Director of Resources to take appropriate action to protect the Council's overall financial position and further strengthen its reserves during the forthcoming year.
- 2.4 That the Council delegates authority to the Chief Executive to take such action as they consider necessary to implement the measures contained in the Revenue Budget for 2025/26.

2.5 That it is noted that on 22nd January 2025 Cabinet approved the calculation of the Council Tax Base for the year 2025/26 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act):

- 22,163 “D” Band equivalent units, being the Council Tax Base for the whole of the Council area (item T in the formula in Section 31B of the Act); and
- 320 “D” Band equivalent units, being the Council Tax Base for dwellings in that part of the Council’s area to which a parish precept relates, being Altham Parish.

2.6 That Council agrees that the Council Tax requirement for the Council’s own purpose for 2025/26 (excluding Parish precepts) is £6,127,183.

2.7 That Council agrees that the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:

| | | |
|----|--------------------|---|
| a) | £52,077,000 | 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) | £45,935,631 | Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act. |
| c) | £6,141,369 | Being the amount by which the aggregate at 4(a) above exceeds the aggregate at 4(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) | £277.10 | Being the amount at 4(a) above less the amount at 4(b) above, divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 31(B) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). |
| e) | £14,185.60 | Being the aggregate amounts of all special items (Parish precepts) referred to in Section 34(1) of the Act. |
| f) | £276.46 | Being the amount at 2 (d) above less the result given by dividing the amount at 2 (e) above by Item T (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. |
| g) | £320.79 | for part of the Council’s area, Parish of Altham, being the amounts given by adding to the amount at 4(f) above the amounts of the special item or items relating to dwellings in those parts of the Council’s area 4(e) above divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate. |

h) Being the amounts shown below that are given by multiplying the amounts at 4(f) and 4(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

| Valuation Bands | | | | | | | | |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | A | B | C | D | E | F | G | H |
| Parish of Altham | £213.86 | £249.50 | £285.14 | £320.79 | £392.08 | £463.36 | £534.65 | £641.58 |
| All other parts of the borough | £184.31 | £215.02 | £245.74 | £276.46 | £337.90 | £399.33 | £460.77 | £552.92 |

i) That it be noted that for the year 2025-26 the Lancashire County Council have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the Categories of dwellings shown below:-

| Valuation Bands | | | | | | | | |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | A | B | C | D | E | F | G | H |
| LCC Total | £1,157.19 | £1,350.06 | £1,542.92 | £1,735.79 | £2,121.52 | £2,507.25 | £2,892.98 | £3,471.58 |

At the time of publication, the above rates have not been approved.

j) That it be noted that for the year 2025-26 the Police and Crime Commissioner for Lancashire has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

| Valuation Bands | | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| | A | B | C | D | E | F | G | H |
| Police & Crime Commissioner for Lancashire | £184.93 | £215.76 | £246.58 | £277.40 | £339.04 | £400.69 | £462.33 | £554.80 |

At the time of publication, the above rates have not been approved.

k) That it be noted that for the year 2025-26 the Lancashire Combined Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

| Valuation Bands | | | | | | | | |
|------------------------------------|--------|--------|--------|--------|---------|---------|---------|---------|
| | A | B | C | D | E | F | G | H |
| Lancashire Combined Fire Authority | £59.82 | £69.79 | £79.76 | £89.73 | £109.67 | £129.61 | £149.55 | £179.46 |

l) That, being calculated the aggregate in each case of the amounts at 4.2(h) above and 4.2(i), (j) and (k) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2025-26 for each of the categories of dwellings show below:-

| | Valuation Bands | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | A | B | C | D | E | F | G | H |
| Hyndburn Borough Council | £184.31 | £215.02 | £245.74 | £276.46 | £337.90 | £399.33 | £460.77 | £552.92 |
| Lancashire County Council | £1,157.19 | £1,350.06 | £1,542.92 | £1,735.79 | £2,121.52 | £2,507.25 | £2,892.98 | £3,471.58 |
| Police & Crime Commissioner for Lancashire | £184.93 | £215.76 | £246.58 | £277.40 | £339.04 | £400.69 | £462.33 | £554.80 |
| Lancashire Combined Fire Authority | £59.82 | £69.79 | £79.76 | £89.73 | £109.67 | £129.61 | £149.55 | £179.46 |
| Total Non Parished Area | £1,586.25 | £1,850.63 | £2,115.00 | £2,379.38 | £2,908.13 | £3,436.88 | £3,965.63 | £4,758.76 |
| Parish of Altham | £1,615.80 | £1,885.11 | £2,154.40 | £2,423.71 | £2,962.31 | £3,500.91 | £4,039.51 | £4,847.42 |

- 2.8 That Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2025/26 is not excessive in accordance with principles determined by the Secretary of State under Section 52ZC. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2025/26 is excessive and therefore the billing authority is not required to hold a referendum in accordance with section 52ZK of the Local Government Finance Act 1992.
- 2.9 That the Executive Director of Resources, is given delegated authority to amend the budget (following consultation with the Leader of the Council) for technical reasons or to comply with legal requirements, such as the restructuring of cost centres, the re-apportionment and re-allocation of overheads etc., so long as these changes have an overall neutral impact on the budget.
- 2.10 That any continuing balances on Revenue or Capital previously earmarked for Area Councils continues to be set aside for use by these or their successor bodies.
- 2.11 That the Chief Executive is given delegated authority to use any unallocated surplus generated in 2025/26 should this occur to fund any future shortfall in income or additional expenditure, to support "Invest to Save" projects that will help reduce the Council's long term costs (including additional payments to the Pension Fund as outlined below), or support specific capital projects, or finance other commitments that he deems to be in the best long term interest of the Council or to transfer funds to Reserves as required and to allocate funds between Reserves should an overspend occur in 2025/26 to maintain the General Fund Reserve at that appropriate level as advised by the Executive Director of Resources.
- 2.12 That the Chief Executive is given delegated authority following consultation with the Leader to make a payment or payments to the Lancashire Pension Authority to help reduce any of the Council's pension liabilities, if this is calculated to be an appropriate use of Council Funds.

3. Reasons for Recommendations and Background

- 3.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously. Details of the budgetary proposals are contained with this Agenda and in the supporting papers to this Council meeting from the Cabinet Meeting on the 12th February 2025.
- 3.2 The Cabinet Budget proposals (12th February 2025) have been submitted with the agenda for today's meeting. The report outlines the precepts from the other councils and seeks permissions to roll forward any unspent Capital and Revenue balances and make a transfer of sums to the Local Government Pension Scheme to reduce any long-term pension liability.
- 3.3 The overall Council Tax requirement for a Band D property is to be increased by the maximum 2.99%. This will increase a Band D property to £276.46 and the Council's Budget for 2025/26 is £17,313,300.
- 3.4 The County Council will hold its Council meeting to approve its budget on 26th February 2025. Indications are that it will be proposing to increase its Council Tax requirement for each household by 4.99%. This is an increase of £82.50 for a Band D property from the previous year's figure of £1,653.29 to £1,735.79.
- 3.5 The Lancashire Police & Crime Commissioner has not yet officially notified Hyndburn Council of its Council Tax charges for 2025/26. Indications are that they will be proposing an increase to its Council Tax requirement for a Band D property household by £14.00. This is an increase of 5.32% for a Band D property from the previous year's figure of £263.40 to £277.40.
- 3.6 The Lancashire Combined Fire Authority notified Hyndburn Council on the 18th February 2025 that it had approved an increase to its Council Tax requirement from £84.73 to £89.73 for a Band D property at its budget meeting held on 17th February 2025. This is a rise of 5.90%.
- 3.7 Altham Parish Council have notified the Hyndburn Council that it intends to increase its it's Council Tax requirement by 2.66% from £43.18 to £44.33 for 2025/26.
- 3.8 The overall increase in Council Tax for 2025/26 compared with 2024/25 is 4.83% (Altham 4.79%). A Band D property will have to pay an additional £109.53 over the year. The amounts charged by each authority for each Council Tax Band is shown in the tables above, along with the combined amount due for each Council Tax Band. Information is also provided in the tables above for the charges for each band payable for residents in the parish of Altham.

2024/25 Collection Fund Surplus/(Deficit)

- 3.9 That estimated amounts due in relation to Council Tax collection fund surplus/(deficit) 2024/25 are noted:

| Preceptor | Council Tax £ |
|--|------------------|
| Lancashire County Council | (389,374) |
| Lancashire Police & Crime Commissioner | (62,035) |
| Lancashire Combined Fire Authority | (19,955) |
| Hyndburn Borough Council | (63,365) |

NNDR

- 3.10 In accordance with Section 59A of The Local Government Finance Act 1988, as amended by The Local Government Finance Act 2012, the report informs members of the calculations carried out in estimating the level of National Non-Domestic Rates (the business rates tax base) the Council anticipates collecting in 2025-26. The business rates tax base, reported in the NNDR1 submission to the Ministry for Housing, Communities and Local Government (MHCLG), is noted as £25,002,666 (Part 1a, line 11).

That estimated amounts due to each authority in relation to NNDR surplus/(deficit) collection fund for 2024/25 are noted:

| Preceptor | NNDR £ |
|------------------------------------|-----------|
| Central Government | 712,228 |
| Lancashire County Council | 128,201 |
| Lancashire Combined Fire Authority | 14,245 |
| Hyndburn Borough Council | 569,782 |

- 3.11 Currently the Council operates a policy that requires surplus funds to be returned to a central pot at the end of the year. The Cabinet has previously indicated that it would allow Area Councils or their successor bodies to utilise unspent monies into the future until these sums are exhausted. This recommendation paves the way for this to continue to occur.
- 3.12 The financial pressures on the Council in 2024/25 indicate that it may be difficult to achieve a surplus in 2025/26 and it is recommended that if a deficit was to occur, the Chief Executive is given delegated authority to take any action necessary to maintain our General Reserve at the level advised by the Executive Director (Resources).
- 3.13 If a surplus is generated in 2024/25 it is recommended that, as in previous years it will be used to assist the Council to address any shortfall in funding occurring in future years, the need to continue to reduce its long-term cost base via invest to save actions, funding additional capital expenditure, meeting other costs and enhancing its reserves. The surplus will be placed under the direction of the Chief Executive to ensure it can be used effectively and flexibly in response to the continuing financial pressures the Council faces.

4. Overall Financial Position and Robustness (Local Government Act Section 25 Statement)

4.1 There are a number of significant areas within the Budget for 2025/26 that require a degree of estimation. These estimates are based on the best professional judgements, developed upon data that is available to the Council at the time of drawing up its budget. However, there is always potential for the actual figures to vary from the estimates during the year. Within the Budget there is therefore a degree of risk. The most notable areas of risk are:-

- a pay settlement above the estimate used in rolling forward the Budget,
- the impact of non-pay inflation,
- further fluctuations in interest rates and the collapse of any Bank where we deposit our funds,
- the impact of changes on funding around business rates and council tax, particularly council tax support,
- the corporate savings target that has to be achieved during the year.

5. Alternative Options considered and Reasons for Rejection

5.1 The Budget represents the culmination of many months of deliberation over the level of service and savings to be made. Within the budget many options have been considered. No substantial reasons for rejecting the proposed budget have been provided, although the Overview & Scrutiny Committee will review the budget proposals at their meeting on the 20th February 2025. Any recommendations arising will be presented by the Chair of this committee, if accepted by Council, the calculations contained in section 2 of this report may need to be amended for final resolution at the Council meeting.

5.2 There may be further budget amendments proposed at the Council meeting. If approved by Council, the calculations in section 2 of this report may need to be amended for the final resolution at the Council meeting.

6. Consultations

6.1 Details on the consultations surrounding the Budget proposals are contained within the papers submitted to Cabinet on the 12th February 2025.

6.2 In addition, a formal consultation was held by the Council on the 20th February 2025 by the Overview & Scrutiny Panel. Members of the Public and people from the business community were invited to attend and put questions to the Leaders of each of the main groups.

7. Implications

| | |
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| Financial implications (including any future financial commitments for the Council) | As outlined in the report. |
| Legal and human rights implications | The Council is required to set a balanced budget. |
| Assessment of risk | There are a number of risks within the Budget. These have been highlighted in the Council Report and covered under the detail of the report in the section on Overall Financial Position and Robustness. |
| Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i> | In line with the latest Government Guidance the Council has not produced a specific customer first analysis of the overall budget. Individual services remain responsible for the production of any customer first analysis required where it is deemed the proposed budgetary adjustments may impact on different groups in different ways. Due to the nature of the savings proposals for 2025/26 no individual customer first analysis was undertaken by individual services as none were deemed to impact directly on service provision and therefore would not disproportionately impact on any of the protected characteristics. |

8. Local Government (Access to Information) Act 1985: List of Background Papers

- 8.1 This Report should be read in conjunction with the other finance reports presented to the Council meeting on the 27th February 2025. The relevant reports are listed below and can be found by accessing the Council's website.
- Medium Term Financial Strategy 2025/26 to 2027/28
 - Prudential Indicators Monitoring & Treasury Management Strategy 2025/26 to 2027/28
 - General Fund Revenue Budget 2025/26
 - Capital Budget Report 2025/26

9. Freedom of Information

- 9.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.