

**CABINET – 16TH FEBRUARY, 2011**

**EXECUTIVE SUMMARY SHEET- PART 1**

**Title of Report:**

Item 9(ii) – Appendix D – Revenue Budget and Proposed Council Tax 2011/2012

**Author(s):**

Executive Director of Commercial and Corporate Services

**Purpose of Report:**

To advise Cabinet of the final General Summary for the Revenue Estimates and the proposed Contingencies and Provisions for Strategic Priorities for 2011/2012 set out at Annex 1.

To enable recommendations to be made to Council with respect to Council Tax levels for 2011/2012, subject to the approval of the Revenue Budget 2011/2012. The Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as confirmed by Council on 26th January 2011. There are a number of resolutions required to be made to determine the Council Tax including precepts from the Major Precepting Authorities and the Parish of Hetton Town Council.

**Description of Decision:**

Cabinet is requested to recommend to Council the Council Tax levels for 2011/2012 in accordance with statutory requirements. The recommendations are:

- a) To note the Council Tax base applicable to the Council and to the Parish of Hetton Town Council.
- b) To recommend the estimated amount of the Council's aggregate gross revenue expenditure.
- c) To recommend the estimated amount of the Council's aggregate gross revenue income.
- d) To recommend the estimated amount of the Council's net revenue budget requirement.
- e) To note the aggregate of the sums estimated to be payable into the General Fund.
- f) To note the precept notified by Hetton Town Council.
- g) To note the Council Tax bands applicable to the Council and to the Parish of Hetton Town Council based on the above financial information.
- h) To note the provisional precept of the Tyne and Wear Fire and Rescue Authority.
- i) To note the provisional precept of the Northumbria Police Authority.
- j) To recommend the draft total Council Tax levels for 2011/2012 applicable to the Council and to the Parish of Hetton Town Council including all relevant precepts.

<b>Is the decision consistent with the Budget/Policy Framework?</b> Yes	
<b>If not, Council approval is required to change the Budget/Policy Framework</b>	
<b>Suggested reason(s) for Decision:</b> To comply with all legal requirements and the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003 in Sections 32, 33, 43 and 44 of the Local Government Finance Act 1992 and Sections 85, 86, 88 and 89 of the Greater London Authority Act 1999 which applied from 1 <sup>st</sup> April 2003, in order to determine the Council Tax applicable for 2011/2012.	
<b>Alternative options to be considered and recommended to be rejected:</b> There are no alternative options recommended for approval.	
<b>Is this a “Key Decision” as defined in the Constitution?</b> Yes	<b>Scrutiny Review Committee:</b>
<b>Is it included in the Forward Plan?</b> Yes	Management

## **Cabinet - 16th February 2011**

### **Proposed Council Tax 2011/2012**

Report of the Executive Director of Commercial and Corporate Services

#### **1. Purpose of Report**

- 1.1 To advise Cabinet of the final General Summary for the Revenue Estimates and the proposed Contingencies and Provisions for Strategic Priorities for 2011/2012 set out at Annex 1.
- 1.2 To enable recommendations to be made to Council with respect to Council Tax levels for 2011/2012, subject to the approval of the Revenue Budget 2011/2012. The Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as confirmed by Council on 26th January 2011. There are a number of resolutions required to be made to determine the Council Tax including precepts from the Major Precepting Authorities and the Parish of Hetton Town Council.

#### **2. Description of Decision**

##### **It is recommended that Cabinet recommend to Council:**

That it be noted that at its meeting on 26th January 2011 the Council approved the following amounts for the year 2011/2012 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:

- a) £80,167 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as it's Council Tax Base for the year
- b) £ 4,017 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of it's Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.

#### **3. It is also recommended that Cabinet recommend to Council:**

That the following amounts be now calculated by the Council for the year 2011/2012 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:

- a) £744,664,552 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act
- b) £649,537,034 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act

- c) £253,729,352 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 32 (4) of the Act, as its budget requirement for the year
- d) £158,601,834 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates, Revenue Support Grant, and the amount of the sum which the Council has estimated will be transferred from its Collection Fund to its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax Surplus)
- e) £1,186.6169 being the amount at 3 (c) above less the amount at 3 (d) above, all divided by the amount at 2 (a) above, calculated by the Council, in accordance with Section 33 (1) of the Act, as the basic amount of its Council Tax for the year
- f) £52,663 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act
- g) £1,185.9600 being the amount at 3 (e) above less the result given by dividing the amount at 3 (f) above by the amount at 2 (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 special item relates
- h) £1,199.0700 being the amount given by adding to the amount at 3 (g) above the amount 3 (f) divided 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 the area of the Parish of Hetton Town Council

#### **Parts of the Council's Area**

(i) Valuation Bands	Hetton Town Council	All other parts of the Council's Area
A	£ 799.38	£ 790.64
B	£ 932.61	£ 922.41
C	£ 1,065.84	£ 1,054.19
D	£ 1,199.07	£ 1,185.96
E	£ 1,465.53	£ 1,449.51
F	£ 1,731.99	£ 1,713.05
G	£ 1,998.45	£ 1,976.60
H	£ 2,398.14	£ 2,371.92

being the amounts given by multiplying the amounts at 3 (g) and 3 (h) 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 by the number which in that proportion is applicable 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.

**4. It is also recommended that Cabinet recommend to Council:**

That it be noted that for the year 2011/2012, Tyne and Wear Fire and Rescue Authority and Northumbria Police Authority have supplied their best estimate of their proposed precepts, which have still to be approved by their respective Authorities. Consequently, the following amounts for both the Tyne and Wear Fire and Rescue Authority and the Northumbria Police Authority represent the provisional precepts for 2011/2012, which may be issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as follows:

**Precepting Authority**

<b>Valuation Bands</b>	<b>Northumbria Police Authority</b>	<b>Tyne &amp; Wear Fire and Rescue Authority</b>
A	£ 55.79	£ 48.77
B	£ 65.09	£ 56.90
C	£ 74.38	£ 65.03
D	£ 83.68	£ 73.16
E	£102.28	£ 89.42
F	£120.87	£105.68
G	£139.47	£121.93
H	£167.36	£146.32

**5. It is also recommended that Cabinet recommend to Council:**

That having calculated the aggregate in each case of the amounts at 3 (i) and 4 above but not having received confirmation of the precept in paragraph 4, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, estimate the following amounts as the amounts of Council Tax for the year 2010/2011 for each of the categories of dwellings shown below at this point in time. The exact levels will only become known once formal notification of the precepts from the Tyne and Wear Fire and Rescue Authority and Northumbria Police Authority are received.

## Parts of the Council's Area

Valuation Bands	Hetton Town Council	All other parts of the Council's Area
A	£ 903.94	£ 895.20
B	£ 1,054.60	£ 1,044.40
C	£ 1,205.25	£ 1,193.60
D	£ 1,355.91	£ 1,342.80
E	£ 1,657.23	£ 1,641.21
F	£ 1,958.54	£ 1,939.60
G	£ 2,259.85	£ 2,238.00
H	£ 2,711.82	£ 2,685.60

### 6. Suggested Reason for Decision

To comply with all legal requirements and the Local Authorities (Alteration of requisite calculations) (England) Regulations 2003 on Sections 32, 33, 43 and 44 of the Local Government Finance Act 1992 and Sections 85, 86, 88 and 89 of the Greater London Authority Act 1999 which applied from 1<sup>st</sup> April 2003, in order to determine the Council Tax applicable for 2011/2012.

### 7. Alternative options to be considered and recommended to be rejected

There are no alternative options recommended for approval.

### Background Papers

Local Government Finance Settlement 2011/2012 (Final).

Calculation of Council Tax Base Report (Cabinet – 17th January 2011 and Council – 26th January 2011).

Revenue Budget 2011/2012 and Capital Programme 2011/2012 to 2013/2014.

Best estimate available of the Precept from Tyne and Wear Fire and Rescue Authority.

Best estimate available of the Precept from Northumbria Police Authority.

Notification of Hetton Town Council Precept.

Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2003.

Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2008.

**REVENUE ESTIMATES 2011/2012**  
**General Summary**

<b>Original Estimate 2010/11</b>	<b>Revised Estimate 2010/11</b>		<b>Estimate 2011/12</b>
<b>£</b>	<b>£</b>		<b>£</b>
5,522,367	5,138,637	Leader and Deputy Leader	5,299,245
4,900,620	5,331,318	Resources	5,651,536
66,549,172	69,774,845	Children and Learning City	60,082,249
16,654,145	15,645,582	Prosperous City	6,297,070
78,305,495	81,866,087	Healthy City	74,804,303
16,193,685	16,705,447	Safer City and Culture	15,725,546
41,899,494	43,025,255	Attractive and Inclusive City	44,749,439
12,244,354	12,364,745	Sustainable Communities	11,286,347
4,276,876	4,299,461	Responsive Local Services and Customer Care	3,991,735
5,523,000	5,362,536	Provision for Contingencies	10,443,000
14,291,000	9,499,138	Provision for Strategic Priorities	7,013,000
		Capital Financing Costs	
6,242,000	6,242,000	- Revenue Contributions to Capital Programme	2,570,000
19,095,682	16,095,682	- Debt Charges	20,096,000
(1,600,000)	(2,600,000)	- Interest on balances	(1,600,000)
(110,000)	(110,000)	- Interest on Airport long term loan notes	(75,000)
0	2,618,000	Transfer to Reserves	0
(9,213,136)	(18,512,026)	Technical Adjustments: FRS17 and Reversal of Capital Charges	(24,169,382)
<b>280,774,754</b>	<b>272,746,707</b>		<b>242,165,088</b>
		<b>LEVIES</b>	
18,382,210	18,382,210	Tyne and Wear Integrated Transport Authority	18,759,000
191,000	191,000	Environment Agency	196,315
49,576	49,576	North East Inshore Fisheries Conservation Authority	63,357
<b>18,622,786</b>	<b>18,622,786</b>		<b>19,018,672</b>
		<b>Less Core Grants</b>	
(39,521,567)	(36,342,520)	Area Based Grant	0
0	0	Transition Grant	(267,419)
0	0	Council Tax Freeze Grant	(2,376,871)
0	0	Inshore Fisheries Conservation Authority New Burdens	(13,781)
<b>259,875,973</b>	<b>255,026,973</b>	<b>TOTAL NET EXPENDITURE</b>	<b>258,525,689</b>
(7,179,000)	(2,330,000)	Less: (Use of)/Addition to Balances	(4,849,000)
<b>252,696,973</b>	<b>252,696,973</b>	<b>LOCAL BUDGET REQUIREMENT</b>	<b>253,676,689</b>
53,000	53,000	Hetton Town Council	52,663
<b>252,749,973</b>	<b>252,749,973</b>	<b>TOTAL BUDGET REQUIREMENT</b>	<b>253,729,352</b>
		<b>Deduct Grants etc.</b>	
19,965,712	19,965,712	Revenue Support Grant	37,330,705
137,496,111	137,496,111	National Non Domestic Rates	120,771,129
50,000	50,000	Collection Fund Surplus - Council Tax	500,000
<b>157,511,823</b>	<b>157,511,823</b>		<b>158,601,834</b>
<b>95,238,150</b>	<b>95,238,150</b>	<b>LOCAL COUNCIL TAX REQUIREMENT</b>	<b>95,127,518</b>

## Contingencies 2011/2012

	<b>£'000s</b>
Pay, Cost Pressures and Single Status	6,803
General Contingency	900
Improvement Programme Efficiencies	(5,560)
SWITCH Budget	8,300
<b>Total Contingency</b>	<b>10,443</b>

## Provision for Strategic Priorities

Strategic Investment Plan	100
Adult Social Care - Provision for Care and Preventative Services	591
Independent Care Services	394
Independent Safeguarding Authority Responsibilities	150
Waste Disposal - Provision for Strategic Solution and Preparatory Costs	3526
Kerb It Vehicle Leasing	124
Inward Investments - International Strategy	50
Summer Events	175
Repairs and Maintenance	250
Port	750
Economic Downturn	903
<b>Total Strategic Priorities</b>	<b>7013</b>