

THE CABINET reports as follows:-

That they have referred the initial proposals on these matters to the Management Scrutiny Committee which supported the recommendations set out in the report to Cabinet dated 13th January 2010.

That they have also subsequently, on 10th February 2010, submitted the attached report numbered 2 to the meeting of the Audit and Governance Committee on 15th February, 2010 and also the reports numbered 1, 2, 3 and 4 to the Management Scrutiny Committee on 18th February, 2010.

The Management Scrutiny Committee noted that notwithstanding the difficult economic outlook and the restrictions this presented, the Cabinet had still managed to bring forward a progressive proposed budget for 2010/2011, which would result in a low council tax. The Committee thanked the Cabinet, the Director of Financial Resources and his team and the Service Directorates for being able to formulate a budget to allow the Council to achieve its aims.

Subsequently the precept figures of the Tyne and Wear Fire and Rescue Authority have been confirmed as those set out in the report to Cabinet on 10th February 2010. However the Northumbria Police Authority have notified the Council of an amendment to the Band B precept originally reported as £65.09 and which has been amended to £65.08 in the final notification received by the Council. All other banding figures were as those reported to Cabinet on 10th February 2010 and this minor amendment is now included at Item 4.

NOTE: Members are requested to bring their copies of the Capital Programme 2010/2011 and Revenue Budget 2010/2011 which have been bound separately.

In relation to the report numbered 2 below entitled “Capital Programme 2010/2011 including Prudential Indicators and Treasury Management Strategy”, Appendix A is now included as part of the separately bound document.

In relation to the report numbered 3 below entitled “Revenue Budget 2010/2011”, Appendix C has not been printed with this item, but the recommendation, which includes all of the substantive content of the report (amended to reflect a minor change to the Northumbria Police Authority precept) is set out in full at item 4 below.

In relation to the report numbered 3 below entitled “Revenue Budget 2010/2011”, Appendix G is now included as part of the separately bound document.

Copies of the documents can also be viewed on the Council’s website at:-

<http://www.sunderland.gov.uk/committees/CmisWebPublic/Meeting.aspx?meetingID=1657>

1. Draft Council Tax Leaflet 2010/2011

That they have given consideration to the report relating to the Draft Council Tax Leaflet 2010/2011 document and recommend that the final version be circulated with Council Tax Bills. The latest outline version of the Council Tax Leaflet 2010/2011 will be tabled at the meeting.

2. Capital Programme 2010/2011 Including Prudential Indicators and Treasury Management Strategy

That they have given consideration to the attached joint report of the Chief Executive and the Director of Financial Resources and recommend that approval be given to:

- (i) the proposed Capital Programme for 2010/2011;
- (ii) the Prudential Indicators and revisions to the operational limit for 2009/2010;
- (iii) the Annual Minimum Revenue Provision Statement for 2010/2011 and adjustments to 2009/2010;
- (iv) the Annual Treasury Management Strategy including specifically the Annual Borrowing and Investment Strategies;
- (v) the adoption of the revised CIPFA Treasury Management Code of Practice 2009; and
- (vi) the Treasury Management Policy Statement.

The Audit and Governance Committee was consulted specifically on the Treasury Management Strategy and Policy for 2010/2011 and received clarification on the criteria and limits set for lenders on the approved lending list and noted the scrutiny and consideration given to all potential lenders when consideration was being given as to inclusion on the list or not. The Committee obtained further explanation of the basis for the figures included for future years in relation to the capital programme and received an explanation of the Council's 'LOBO' (Lenders Option, Borrowers Option) loans.

The Committee was informed that 'prudential' borrowing was undertaken either to fund invest to save schemes that will generate income or savings, or fund long term strategic asset acquisitions, upon which a return could be expected at some time in the future.

The Committee congratulated the Officers involved for their anticipation of the requirements of the Treasury Management Code of Practice in early 2009 and having scrutinised the report concluded that the arrangements for Treasury Management were in an excellent position for the next and future years, and resolved that the Council be advised accordingly.

3. Revenue Budget 2010/2011

That they have given consideration to the attached joint report of the Chief Executive and the Director of Financial Resources on:

- the overall revenue budget position for 2010/2011;
- the projected balances position as at 31st March, 2010 and 31st March, 2011 and advice on their level;
- a risk analysis of the Revenue Budget 2010/2011;
- a summary of the emerging medium term financial position facing the Council from 2011/2012 to 2013/2014; and
- views received from the North East Chamber of Commerce and Trade Unions.

They therefore recommend that:

- (i) the Revenue Budget for 2010/2011 be approved; and,
- (ii) that the notes of the meetings with the North East Chamber of Commerce and the Trades Unions be noted.

4. Determination of Council Tax 2010/2011

That they have given consideration to a report of the Director of Financial Resources making, subject to the approval of the Revenue Budget 2010/2011, recommendations with respect to Council Tax levels for 2010/2011, and advising that the Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as approved by Council on 27th January, 2010, and setting out a number of resolutions required to be made to determine the Council Tax, including the confirmed precepts from the Major Precepting Authorities and the Parish of Hetton Town Council.

They therefore recommend that:

- (i) it be noted that, at its meeting on 27th January, 2010, the Council approved the following amounts for the year 2010/2011 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:
 - (a) £80,260 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year;

- (b) £4,043 being the amount calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its Council Tax Base for the year for dwellings in the area of the Parish of Hetton Town Council.
- (ii) the following amounts be now calculated by the Council for the year 2010/2011 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:
- (a) £784,067,244 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) £531,317,271 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) £252,749,973 being the amount by which the aggregate at (ii)(a) above, exceeds the aggregate at (ii)(b) above calculated by the Council, in accordance with Section 32 (4) of the Act, as its budget requirement for the year.
- (d) £157,511,823 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) £1,186.6204 being the amount at (ii)(c) above, less the amount at (ii)(d) above, all divided by the amount at (i)(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) £53,000 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 (ii)(e) above less the result given by dividing the amount at (ii)(f) above by the amount at (i)(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) £1,199.0691 being the amount given by adding to the amount at (ii)(g) above, the amount (ii)(f) divided by the amount at (i)(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 (ii)(g) and (ii)(h) above, by the number which, in 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.

- (iii) it be noted that for the year 2010/2011, the Tyne and Wear Fire and Rescue Authority and the Northumbria Police Authority have confirmed 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 as follows:

Valuation Bands	Precepting Authority	
	Northumbria Police Authority	Tyne & Wear Fire and Rescue Authority
A	£55.79	£48.77
B	£65.08	£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

- (iv) having calculated the aggregate in each case of the amounts of (ii)(i) and (iii) above, and having received confirmation of the precepts in paragraph (iii), 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 2010/2011 for each of the categories of dwellings shown below:

Valuation Bands	Parts of the Council's Area	
	Hetton Town Council	All other parts of the Council's Area
A	£903.94	£895.20
B	£1,054.59	£1,044.39
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