

THE CABINET reports and recommends 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 the Cabinet dated 11 January 2012.

That they have also subsequently, on 15 February 2012, submitted the attached report numbered 2 to the meeting of the Audit and Governance Committee on 10 February 2012 and also the reports numbered 1, 2, 3 and 4 to the Management Scrutiny Committee on 16 February 2012.

The Management Scrutiny Committee commented that officers and the Cabinet were to be congratulated on the preparation of the 2012 /2013 budget and agreed that the Cabinet's actions be supported.

Subsequently the precept figures of the Tyne and Wear Fire and Rescue Authority and the Northumbria Police Authority have been confirmed as those set out in the report to Cabinet on 15 February 2012.

NOTE:

In relation to the report numbered 3 below entitled "Revenue Budget 2012/2013", Appendix D has not been printed with this item, but the recommendation, which includes all of the substantive content of the report, is set out in full at item 4 below.

1. Draft Council Tax Leaflet 2012/2013

That they have given consideration to the joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services relating to the Draft Council Tax Leaflet 2012/2013 document and recommend that the final version be circulated with Council Tax Bills. The latest version of the Council Tax Leaflet 2012/2013 will be available at the meeting.

2. Capital Programme 2012/2013 and Treasury Management Policy and Strategy 2012/2013, including Prudential Indicators for 2012/2013 to 2014/2015

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

- (i) the proposed Capital Programme for 2012/2013;
- (ii) the Treasury Management Policy and Strategy for 2012/2013 (including specifically the Annual Borrowing and Investment Strategies);
- (iii) the Prudential Indicators for 2012/2013 to 2014/2015; and
- (iv) the Minimum Revenue Provision Statement for 2012/2013.

The Audit and Governance Committee was consulted specifically on the Treasury Management Strategy and Policy for 2012/2013 and was pleased to note that there were no major changes being proposed to the overall Strategy and the careful and prudent approach adopted by the Council in previous years would continue.

The Committee also noted the Annual Borrowing and Investment Strategy and the positive and prudent approach which was taken to both borrowing and investment by the Council.

The Committee were satisfied 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 2012/2013 and Medium Term Financial Strategy 2011/2012 to 2014/2015

That they have given consideration to the attached joint report of the Chief Executive and the Executive Director of Commercial and Corporate Services on:

- the overall revenue budget position for 2012/2013;
- the projected balances position as at 31 March, 2012 and 31 March, 2013 and advise on their level;
- a risk analysis of the Revenue Budget 2012/2013;
- a summary of the emerging medium term financial position facing the Council from 2013/2014 to 2014/2015;
- views received from the North East Chamber of Commerce and Trade Unions.

They therefore recommend that:

- (i) the notes of the meetings with the North East Chamber of Commerce and the Trades Unions be noted;
- (ii) the Revenue Budget for 2012/2013, as set out at Appendix I, be approved; and
- (iii) the medium term financial strategy 2011/2012 to 2014/2015 be noted.

4. Determination of Council Tax 2012/2013

That they have given consideration to a report of the Executive Director of Commercial and Corporate Services making, subject to the approval of the Revenue Budget 2012/2013 (as summarised at Annex 1 attached), recommendations with respect to Council Tax levels for 2012/2013, 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 25 January 2012, 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 the report having advised of the statutory requirements to recommend to Council a proposed Council Tax Requirement which for Sunderland will mean a freeze to the Council Tax for 2012/2013, Council confirm the Council Tax Requirement for its own purposes is £96,302,324 (excluding Parish precepts), and

i) it be noted that at its meeting on 25th January 2012 the Council approved the following amounts for the year 2012/2013 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):

- | | | |
|----|---------|---|
| a) | £81,202 | being the amount calculated by the Council, in accordance with the above regulation of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year (Item T). |
| b) | £ 4,130 | being the amount calculated by the Council, in accordance with 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. |

ii) the following amounts be now calculated by the Council for the year 2012/2013 in accordance with Sections 31 to 36 of the Local Government and Finance Act 1992:

- | | | |
|----|--------------|---|
| a) | £729,371,824 | 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) | £633,015,356 | being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act. |
| c) | £96,356,468 | 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 31A (4) of the Act, as its Council Tax Requirement for the year (Item R in the formula in Section 31A(4) of the Act) |
| d) | £1,186.6268 | being the amount at ii (c) above (Item R) all divided by Item T (i (a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts). |

- e) £54,144 being the precept notified by Hetton Town Council as a special item under Section 34 (1) of the Act.
- f) £1,185.9600 being the amount at ii (d) above less the result given by dividing the amount at ii (e) above by the Item T (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 Parish precept relates.
- g) £1,199.0699 being the amount given by adding to the amount at ii (f) above the amount ii (e) 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.

(h) Valuation Band	Parts of the Council's Area	
	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 (f) and ii (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 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 2012/2013, Tyne and Wear Fire and Rescue Authority and 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:

Precepting Authority

Valuation Bands	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 at (ii) h and (iii) above, and having received confirmation of the precept 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 2012/2013 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

- v) To note that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of council tax for 2012/2013 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax Freeze for 2012/13 means that the Council does not need to hold a referendum on its proposed council tax. New regulations introduced by the government (Section 52ZC of the Local government Finance Act 1992) requires all billing authorities (councils and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic Council tax each year from 2012/13 if they exceed government guidelines set out annually.

For 2012/13 the guideline increase for the council was 3.5%.

As the council is proposing a council tax freeze for 2012/13 then the above regulations have no impact for 2012/13).

Sunderland City Council

REVENUE ESTIMATES 2012/2013

General Summary

Original Estimate 2011/12	Revised Estimate 2011/12		Estimate 2012/13
£	£		£
5,720,503	6,259,866	Leader	6,070,996
844,088	864,795	Deputy Leader	833,530
5,222,974	5,089,744	Cabinet Secretary	6,423,886
60,151,180	55,173,999	Children and Learning City	53,582,852
6,402,745	6,184,019	Prosperous City	5,568,664
83,878,155	81,728,073	Health and Well Being	75,068,635
14,600,927	13,513,655	Safer City and Culture	12,969,221
45,157,847	44,187,327	Attractive and Inclusive City	43,878,656
3,104,027	2,422,862	Sustainable Communities	2,286,967
2,896,939	2,839,340	Responsive Services and Customer Care	3,442,817
10,563,600	12,932,660	Provision for Contingencies	10,486,000
7,013,000	6,135,977	Provision for Strategic Priorities	10,596,000
		Capital Financing Costs	
2,570,000	2,570,000	- Revenue Contributions to Capital Programme	2,570,000
20,096,000	17,396,000	- Debt Charges	22,596,000
(1,600,000)	(2,900,000)	- Interest on balances	(1,600,000)
(75,000)	(75,000)	- Interest on Airport long term loan notes	(37,500)
(24,261,297)	(16,037,629)	Technical Adjustments: IAS19 and Reversal of Capital Charges	(22,975,168)
242,285,688	238,285,688		231,761,556
		LEVIES	
18,759,000	18,759,000	Tyne and Wear Integrated Transport Authority	17,777,529
196,315	196,315	Environment Agency	206,298
63,357	63,357	North East Inshore Fisheries Conservation Authority	63,357
19,018,672	19,018,672		18,047,184
		Less Core Grants	
(267,419)	(267,419)	Transition Grant	0
(2,376,871)	(2,376,871)	Council Tax Freeze Grant 2011/2012	0
0	0	Council Tax Freeze Grant 2012/2013	(2,378,160)
(120,600)	(120,600)	Lead Local Flood Authorities	(157,000)
(13,781)	(13,781)	Inshore Fisheries Conservation Authority New Burdens	(13,781)
258,525,689	254,525,689	TOTAL NET EXPENDITURE	247,259,799
(4,849,000)	(849,000)	Less: (Use of)/Addition to Balances	(2,272,000)
253,676,689	253,676,689	LOCAL BUDGET REQUIREMENT	244,987,799
52,663	52,663	Hetton Town Council	54,144
253,729,352	253,729,352	TOTAL BUDGET REQUIREMENT	245,041,943
		Deduct Grants etc.	
37,330,705	37,330,705	Revenue Support Grant	2,817,915
120,771,129	120,771,129	National Non Domestic Rates	145,367,560
500,000	500,000	Collection Fund Surplus - Council Tax	500,000
158,601,834	158,601,834		148,685,475
95,127,518	95,127,518	LOCAL COUNCIL TAX REQUIREMENT	96,356,468

Contingencies 2012/2013

£'000s

Pay and Cost Pressures	5,419
General Contingency	900
Improvement Programme Efficiencies	(4,133)
SWITCH Budget	8,300
Total Contingency	10,486

Provision for Strategic Priorities

Independent Care Services	390
Adoption and Guardianship Allowances	350
Safeguarding - External Placements	330
Independent Safeguarding Authority Responsibilities	150
Waste Disposal - Provision for Strategic Solution and Preparatory Costs	3,642
Kerb It Vehicle Leasing	294
Apprentices	230
Inward Investment	1,000
Inward Investments - International Strategy	50
Olympics	180
Wellness Equipment	250
Private Housing Stock Transfer	30
Port Dredging	220
Carbon Reduction	320
Winter Maintenance	800
Economic Downturn	1,430
Transitional costs provisions	930
Total Strategic Priorities	10,596