

Cabinet - 11th February 2009

Proposed Council Tax 2009/2010

1. Purpose of Report

- 1.1 Subject to consideration of the supplementary pages in relation to the Corporate Improvement Plan, and approval of the Revenue Budget 2009/2010, submitted as part of the Report set out at Item 7 iii) of today's agenda, recommendations can be made with respect to Council Tax levels for 2009/2010.
- 1.2 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 28th January 2009. 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.
- 1.3 The supplementary pages which are appended to this report set out details of the:
 - Revenue Estimates 2009/2010 - General Summary
 - Estimate of General Fund Balances
 - Contingencies 2009/2010
 - Provision for Strategic Priorities 2009/2010

2. Description of Decision

It is recommended that Cabinet recommend to Council:

That it be noted that at its meeting on 28th January 2009 the Council approved the following amounts for the year 2009/2010 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:

- a) £80,089 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) £4,032 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.

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

That the following amounts be now calculated by the Council for the year 2009/2010 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:

- a) £743,867,051 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) £494,816,231 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) £249,050,820 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) £155,143,066 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, Additional Grant and Community Charge surplus, pursuant to the Collection Fund (Community Charges) Directions under Section 98 (4) of the Local Government Finance Act 1988 made on 7th February 1994, 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) £1,172.5425 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) £51,455 being the precept notified by Hetton Town Council and a special item under Section 34 (1) of the Act
- g) £1,171.9000 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) £1,184.6617 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	£ 789.77	£ 781.27
B	£ 921.40	£ 911.48
C	£1,053.03	£1,041.69
D	£1,184.66	£1,171.90
E	£1,447.92	£1,432.32
F	£1,711.18	£1,692.74
G	£1,974.43	£1,953.17
H	£2,369.32	£2,343.80

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 2009/2010, 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 and the Northumbria Police Authority represent the provisional precepts for 2009/2010, 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

Valuation Bands	Northumbria Police Authority	Tyne & Wear Fire and Rescue Authority
A	£ 54.21	£ 48.33
B	£ 63.25	£ 56.39
C	£ 72.28	£ 64.44
D	£ 81.32	£ 72.50
E	£ 99.39	£ 88.61
F	£117.46	£104.72
G	£135.53	£120.83
H	£162.64	£145.00

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 2009/2010 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	£ 892.31	£ 883.81
B	£1,041.04	£1,031.12
C	£1,189.75	£1,178.41
D	£1,338.48	£1,325.72
E	£1,635.92	£1,620.32
F	£1,933.36	£1,914.92
G	£2,230.79	£2,209.53
H	£2,676.96	£2,651.44

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 1st April 2003, in order to determine the Council Tax applicable for 2009/2010.

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 2009/2010 (Final).

Calculation of Council Tax Base Report (Cabinet – 14th January 2009 and Council – 28th January 2009).

Corporate Improvement Plan 2009/2010 to 2011/2012 with Revenue Budget and Capital Programme 2009/2010.

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.

CITY OF SUNDERLAND
REVENUE ESTIMATES 2009/10

GENERAL SUMMARY

Page No.	Actual 2007/08 £	Original Estimate 2008/09 £	Revised Estimate 2008/09 £		Estimate 2009/10 £
74	4,232,553	2,951,297	3,797,721	Leader / Deputy Leader	3,574,660
139	25,516,613	7,069,660	8,419,748	Resources	7,415,665
217	72,932,225	58,665,710	67,468,974	Children's Services	64,715,779
311	61,554,999	65,842,401	68,613,116	Adult Services	66,115,825
365	21,730,072	20,982,006	22,528,868	Planning and Transportation	21,369,693
423	5,739,480	5,167,210	6,054,308	Housing and Public Health	6,220,610
467	20,366,612	20,358,659	21,083,913	Neighbourhood and Street Services	20,659,243
547	4,023,934	4,742,465	11,119,842	Regeneration and Community Cohesion	14,453,172
595	31,964,393	26,589,300	27,208,359	Culture and Leisure	25,932,204
	0	14,416,187	3,120,230	Provision for Contingencies	7,352,024
				Provision for Strategic Priorities	12,006,000
				Capital Financing Costs:	
	2,415,372	5,159,000	5,159,000	- Revenue Contributions to Capital Programme	5,693,000
	18,094,895	19,037,000	19,037,000	- Debt Charges	19,145,220
	(10,918,197)	(2,600,000)	(2,600,000)	- Interest on balances	(2,600,000)
	(225,777)	(186,000)	(186,000)	- Interest on Airport Long Term Loan Notes	(148,000)
	17,840,711	0	0	- Transfer to / from Reserves	0
	(306,381)	0	0	Local Authority Business Growth Incentive Scheme	0
	(59,882,662)	(19,165,822)	(12,760,488)	Technical Adjustments: FRS 17 and Reversal of Capital Charges	(9,841,338)
	<u>215,078,842</u>	<u>229,029,073</u>	<u>248,064,591</u>		<u>262,063,757</u>
				LEVIES	
	17,461,515	17,929,000	17,929,000	Tyne and Wear Passenger Transport Authority	18,177,049
	131,628	151,372	151,372	Northumbria Regional Flood Defence Committee	181,646
	40,000	42,156	42,156	North Eastern Sea Fisheries Committee	42,156
	<u>17,633,143</u>	<u>18,122,528</u>	<u>18,122,528</u>		<u>18,400,851</u>
	0	0	(22,572,518)	Less Area Based Grant	(27,969,243)
	<u>232,711,985</u>	<u>247,151,601</u>	<u>243,614,601</u>	TOTAL NET EXPENDITURE	<u>252,495,365</u>
	(3,185,721)	(4,049,000)	(512,000)	Less: (Use of)/Addition to Balances	(3,496,000)
	<u>229,526,264</u>	<u>243,102,601</u>	<u>243,102,601</u>	LOCAL BUDGET REQUIREMENT	<u>248,999,365</u>
	48,804	50,268	50,268	Hetton Town Council	51,455
	<u>229,575,068</u>	<u>243,152,869</u>	<u>243,152,869</u>	TOTAL BUDGET REQUIREMENT	<u>249,050,820</u>
				Deduct Grants etc.	
	20,303,424	18,507,022	18,507,022	Revenue Support Grant	29,000,033
	120,982,887	132,944,980	132,944,980	National Non Domestic Rates	125,643,033
	500,000	500,000	500,000	Collection Fund Surplus - Council Tax	500,000
	<u>141,786,311</u>	<u>151,952,002</u>	<u>151,952,002</u>		<u>155,143,066</u>
	<u>87,788,757</u>	<u>91,200,867</u>	<u>91,200,867</u>	LOCAL COUNCIL TAX REQUIREMENT	<u>93,907,754</u>

CITY OF SUNDERLAND
ESTIMATE OF GENERAL FUND BALANCES

	£000	£000
Balances as at 31st March 2008		12,008
Additions to Balances 2008/09		
- Local Authority Business Growth Incentive Scheme	211	
- Safer and Stronger Communities Fund - Neighbourhood Element	258	
- Repayment of Temporary Capital Financing	456	
- Debt Charges and Interest Savings	<u>8,150</u>	
		9,075
Use of Balances 2008/09		
- Contribution to Revenue Budget	(1,150)	
- Contribution to fund the Capital Programme	(2,899)	
- Transfer to the Strategic Investment Reserve	<u>(5,538)</u>	
		(9,587)
Estimated Balances 31st March 2009		11,496
Use of Balances 2009/10		
- Contribution to fund the Capital Programme	(3,065)	
- Contribution to Revenue Budget	<u>(431)</u>	
		(3,496)
Estimated Balances 31st March 2010		8,000

CITY OF SUNDERLAND
CONTINGENCIES 2009/10

	£000
Pay and Price increases including Single Status	6,101
General Contingency	900
Corporate Efficiency Reviews	(500)
New Adoptions and Grounds Maintenance	153
Health and Safety	75
Featurenet Costs	130
Strategic Change Programme	418
Security Services	75
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	7,352

CITY OF SUNDERLAND
PROVISION FOR STRATEGIC PRIORITIES 2009/10

	£000
Adult Social Care - Provision for Care and Preventative Services	3,192
Foster and Adoption Care Strategy	475
Children's Independent Care Services	215
Youth Initiatives	300
Provision for Economic Downturn	965
Community Safety Initiatives	162
Homelessness	100
Free Swimming for Under 16's and Over 60's	53
Silksworth Pool Running Costs	100
Waste Disposal - Provision for Strategic Solution and Preparatory Costs	2,514
Enforcement Officers	100
Sustainability Initiatives	50
Inward Investment - International Strategy	50
Community Development	288
Cultural Development - Festivals and Events	250
Equality and Diversity	121
Revenue Implications of the Strategic Investment Plan	900
Highways and Footway Maintenance	400
Repairs and Maintenance of Buildings	250
Communications	250
Partnership Support	170
Business Continuity	150
Procurement Officers	150
Service Review	150
Attendance Management - OHU Capacity	150
Job Enrichment	150
Area Committee Support	100
Local Development Framework	251
	12,006

There are other specific provisions referred to in the report on the Revenue Budget and proposed Council Tax 2009/10 which are not set out separately above but have been included in the base budget of relevant portfolios.