

## **THE CABINET reports as follows:-**

That they have referred the initial proposals on these matters to the Policy and Co-ordination Review Committee which supported the recommendations set out in the report to Cabinet dated 16<sup>th</sup> January, 2008.

That they have also subsequently submitted the attached reports numbered 1, 2, 3 and 4 to the meeting of the Policy and Co-ordination Review Committee on 21st February, 2008. The Review Committee accepted the budget and service reports and congratulated the City Treasurer, the other Council Directors and the Cabinet Portfolio holders on the work undertaken on the budget preparation in managing to keep the increase in Council Tax levels in Sunderland to a rise of only 3.39%.

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 13<sup>th</sup> February 2008 and included at Item 4. However the Northumbria Police Authority has confirmed a marginally lower precept than that reported to Cabinet on 13<sup>th</sup> February 2008 of £78.27 at Band D compared to the provisional sum of £78.35. As a result, Item 4 below has been amended to reflect this final confirmed position for the Northumbria Police Council tax levels at each band and also shows the final council tax levels for both Hetton Town Council and all other parts of the Council's Area.

The recommendations are as follows:

### **1. Corporate Improvement Plan 2008/2009 : Service and Financial Plans 2008/2009**

That they have given consideration to the attached joint report of the Chief Executive and the City Treasurer on the Corporate Improvement Plan for 2008/2009 which has been separately bound and which combines the service and financial plans of the Council and recommend that the Corporate Improvement Plan for 2008/2009 be approved.

**[NOTE:** To ensure completeness and accuracy, it has been necessary to make minor changes to the Corporate Improvement Plan to reflect those decisions taken by Cabinet at its meeting on 13<sup>th</sup> February, 2008 and to correct minor errors identified within the plan since Cabinet considered it. The reprinted pages distributed with the Council Agenda reflect the inclusion of a Financial Overview section drawn from the Revenue Budget Report 2008/2009 presented to Cabinet on 13<sup>th</sup> February, 2008 and reclassification adjustments to comply with the Best Value Accounting Code of Practice.

### **2. Corporate Improvement Plan 2008/2009 : Summary of Performance and Financial Information (Council Tax Leaflet) 2008/2009**

That they have given consideration to the report relating to the Summary of Financial Information (Council Tax Leaflet) 2008/2009 document and recommend that the final version be circulated with Council Tax Bills.

### **3. Capital Programme 2008/2009 Including Prudential Indicators and Treasury Management Strategy**

That they have given consideration to the attached joint report of the Chief Executive and the City Treasurer and recommend that approval be given to:

- (i) the proposed Capital Programme for 2008/2009;
- (ii) the Prudential Indicators;
- (iii) the Annual Minimum Revenue Provision Statement;
- (iv) the Annual Treasury Management Strategy including specifically the Annual Borrowing and Investment Strategies.

### **4. Revenue Budget 2008/2009**

That they have given consideration to the attached joint report of the Chief Executive and the City Treasurer and to the proposed Revenue Budget for 2008/2009 and recommend that approval be given to:

- (i) the Revenue Budget for 2008/2009, and
- (ii) that the notes of the meeting with the North East Chamber of Commerce (attached) be noted and that the response to consultation from the North East Chamber of Commerce (attached) also be noted.

### **Determination of Council Tax 2008/2009**

That they have given consideration to a report of the City Treasurer making, subject to the approval of the Revenue Budget 2008/2009, recommendations with respect to Council Tax levels for 2008/2009 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 30th January, 2008, 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 30<sup>th</sup> January, 2008, the Council approved the following amounts for the year 2008/2009 in accordance with regulations made under Section 33 (5) of the Local Government Finance Act 1992:

- (a) 80,036 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) 4,056 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 2008/2009 in accordance with Sections 32 to 36 of the Local Government and Finance Act 1992:
- (a) £711,238,516 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) £468,085,647 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) £243,152,869 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) £151,952,002 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) £1,139.4981 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) £50,268 being the precept notified by Hetton Town Council and a special item under Section 34 (1) of the Act.
- (g) £1,138.8700 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) £1,151.2635 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               | £ 767.51            | £ 759.25                              |
|     | B               | £ 895.42            | £ 885.79                              |
|     | C               | £1,023.34           | £1,012.33                             |
|     | D               | £1,151.26           | £1,138.87                             |
|     | E               | £1,407.10           | £1,391.95                             |
|     | F               | £1,662.93           | £1,645.03                             |
|     | G               | £1,918.77           | £1,898.12                             |
|     | H               | £2,302.52           | £2,277.74                             |

being the amounts given by multiplying the amounts at 2(g) and 2(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 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 2008/2009, 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:

Precepting Authority

| Valuation Bands | Northumbria Police Authority | Tyne & Wear Fire and Rescue Authority |
|-----------------|------------------------------|---------------------------------------|
| A               | £ 52.18                      | £ 47.74                               |
| B               | £ 60.88                      | £ 55.70                               |
| C               | £ 69.57                      | £ 63.65                               |
| D               | £ 78.27                      | £ 71.61                               |
| E               | £ 95.67                      | £ 87.52                               |
| F               | £113.06                      | £103.44                               |
| G               | £130.45                      | £119.35                               |
| H               | £156.54                      | £143.22                               |

- (iv) having calculated the aggregate in each case of the amounts of (ii) 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 2008/2009 for each of the categories of dwellings shown below:

Parts of the Council's Area

| Valuation Bands | Hetton Town Council | All other parts of the Council's Area |
|-----------------|---------------------|---------------------------------------|
| A               | £ 867.43            | £ 859.17                              |
| B               | £1,012.00           | £1,002.37                             |
| C               | £1,156.56           | £1,145.55                             |
| D               | £1,301.14           | £1,288.75                             |
| E               | £1,590.29           | £1,575.14                             |
| F               | £1,879.43           | £1,861.53                             |
| G               | £2,168.57           | £2,147.92                             |
| H               | £2,602.28           | £2,577.50                             |