**CABINET – 11th February, 2009**

**EXECUTIVE SUMMARY SHEET- PART 1**

**Title of Report:**
Revenue Budget and Proposed Council Tax 2009/2010 - Addendum Report

**Author(s):**
City Treasurer

**Purpose of Report:**
Subject to consideration of the supplementary pages in relation to the Corporate Improvement Plan, and approval of the Revenue Budget submitted, the proposed level of Council Tax for 2009/2010 can be recommended to Council.

**Description of Decision:**
Cabinet is requested to:

- approve the additional pages for inclusion in the Corporate Improvement Plan appended to this report and that should any other amended pages be necessary that these be despatched with the Council agenda and otherwise tabled at the meeting;

- recommend to Council the Council Tax levels for 2009/2010 in accordance with statutory requirements. The recommendations for 2009/2010 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 notified by 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 2009/2010 applicable to the Council and to the Parish of Hetton Town Council including all relevant precepts.

**Is the decision consistent with the Budget/Policy Framework?** Yes

**If not, Council approval is required to change the Budget/Policy Framework**

| | |
|---|---|
| **Suggested reason(s) for Decision:**<br>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. | |
| **Alternative options to be considered and recommended to be rejected:**<br>There are no alternative options recommended for approval. | |
| **Is this a "Key Decision" as defined in the Constitution?** Yes<br><br>**Is it included in the Forward Plan?** Yes | **Relevant Review Committee:**<br><br>Policy and Co-ordination |

**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

(i)

| Valuation Bands | Parts of the Council's Area: Hetton Town Council | Parts of the Council's Area: 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.