

THE CABINET reports and recommends as follows:-

That they have referred the initial proposals on these matters to the Scrutiny Committee which supported the recommendations set out in the report to the Cabinet dated 16 January 2013.

That they have also subsequently, on 8 February 2013, submitted the attached report numbered 1 to the meeting of the Audit and Governance Committee and also the reports numbered 1, 2 and 3 to the Scrutiny Committee on 14 February 2013.

The Scrutiny Committee commented that, having monitored the development of the proposals, overall it was in support of the detail within the Budget and Service reports and therefore supported the Cabinet recommendation to recommend the Council to approve the budget proposals.

The Scrutiny Committee thanked the Executive Director of Commercial and Corporate Services and his Finance Team for the work they had done on the preparation of the 2013 /2014 budget proposals.

Subsequently the precept figures of the Tyne and Wear Fire and Rescue Authority (TWFR) and the Police and Crime Commissioner Northumbria (PCCN) have been confirmed as those set out in the report to Cabinet on 13 February 2013. For TWFR this will mean a freeze in the precept level for 2013/2014. For the PCCN this will mean an increase of 3.5% in the precept level for 2013/2014.

NOTE:

In relation to the report numbered 2 below entitled “Revenue Budget and Proposed Council Tax for 2013/2014 and Medium Term Financial Strategy 2013/2014 to 2015/2016”, 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 3 below.

1. Capital Programme 2013/2014 and Treasury Management Policy and Strategy 2013/2014, including Prudential Indicators for 2013/2014 to 2015/2016

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

- (i) the proposed Capital Programme for 2013/2014;
- (ii) the Treasury Management Policy and Strategy for 2013/2014 (including specifically the Annual Borrowing and Investment Strategies);
- (iii) the Prudential Indicators for 2013/2014 to 2015/2016; and
- (iv) the Minimum Revenue Provision Statement for 2013/2014.

The Audit and Governance Committee was consulted specifically on the Treasury Management Strategy and Policy for 2013/2014 and was pleased to note that there were no major changes proposed to the overall Strategy and

that the careful and prudent approach adopted by the Council in previous years would continue.

The Committee also noted the Borrowing and Investment Strategies and the positive and prudent approach which was taken to both borrowing and investment by the Council which had resulted in the rate of return on investments being significantly higher than the benchmark rate.

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.

2. Revenue Budget and Proposed Council Tax for 2013/2014 and Medium Term Financial Strategy 2013/2014 to 2015/2016

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 2013/2014;
- the projected balances position as at 31st March, 2013 and 31st March, 2014 and advise on their level;
- a risk analysis of the Revenue Budget 2013/2014;
- a summary of the emerging medium term financial position facing the Council from 2014/2015 to 2015/2016;
- views received from the North East Chamber of Commerce and Trade Unions.

They therefore recommend that the Revenue Budget for 2013/2014, as set out at Appendix I, be approved.

3. Determination of Council Tax 2013/2014

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 2013/2014 (as set out at item 2 above), recommendations with respect to Council Tax levels for 2013/2014, 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 30 January 2013, 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 2013/2014, Council confirm the Council Tax Requirement for its own purposes is £76,012,920 (excluding Parish precepts), and

- i) it be noted that at its meeting on 30 January 2013 the Council approved the following amounts for the year 2013/2014 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
- a) £64,094 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 amended by Local Authorities (Calculation of Tax Base) (Amendment) (England) Regulations 2012, as its Council Tax Base for the year (Item T).
 - b) £3,122 being the amount calculated by the Council, in accordance with 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) That the Council Tax Leaflet be made available via the Council's website rather than enclosed with Council Tax bills which reflects a relaxation of the rules and that due to timings the final document be delegated to and finalised by the Executive Director of Commercial and Corporate Services in consultation with the Leader of the Council and the Cabinet Secretary.
- iii) That the following amounts be now calculated by the Council for the year 2013/2014 in accordance with Sections 31 to 36 of the Local Government and Finance Act 1992 as amended:
- (a) £694,729,777 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) £618,675,928 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - (c) £76,053,849 being the amount by which the aggregate at iii (a) above exceeds the aggregate at iii (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year including Parish Precepts (Item R in the formula in Section 31A(4) of the Act)

- (d) £1,186.5986 being the amount at iii (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) £40,929 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 iii (d) above less the result given by dividing the amount at iii (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 iii (f) above the amount iii (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 iii (f) and iii (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.

- iv) it be noted that for the year 2013/2014, the Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria 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	
	Police and Crime Commissioner for Northumbria	Tyne & Wear Fire and Rescue Authority
A	£ 57.74	£ 48.77
B	£ 67.36	£ 56.90
C	£ 76.99	£ 65.03
D	£ 86.61	£ 73.16
E	£105.86	£ 89.42
F	£125.10	£105.68
G	£144.35	£121.93
H	£173.22	£146.32

- v) having calculated the aggregate in each case of the amounts at (iii) h and (iv) above, and having received confirmation of the precept in paragraph (iv), 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 2013/2014 for each of the categories of dwellings shown below:

Valuation Band	Parts of the Council's Area	
	Hetton Town Council	All other parts of the Council's Area
A	£ 905.89	£ 897.15
B	£1,056.87	£1,046.67
C	£1,207.86	£1,196.21
D	£1,358.84	£1,345.73
E	£1,660.81	£1,644.79
F	£1,962.77	£1,943.83
G	£2,264.73	£2,242.88
H	£2,717.68	£2,691.46

- vi) to note that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of council tax for 2013/2014 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed Council Tax Freeze for 2013/2014 means that the Council does not need to hold a referendum on its proposed council tax. The regulations set out in 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 if they exceed government guidelines set out annually.

For 2013/2014 the guideline increase for the council was 2.0%.

As the council is proposing a council tax freeze for 2013/2014 then the above regulations have no impact for 2013/2014.

It should be noted however that under revised government regulations, authorities which are considered by the government to be in the lowest quartile of council tax for their category can increase their council tax for 2013/2014 by more than 2.0% and up to a maximum increase of £5 at Band D before it is necessary to hold a referendum as required under Section 52ZC of the Local Government Finance Act 1992. The Police and Crime Commissioner for Northumbria falls into this category of authority in 2013/2014 and has approved an increase of 3.5% which equates to a £2.93 increase at Band D (which is within the £5 limit).