



Report to: Budget Council
Subject: Council Tax 2005/06
Date: 2 March 2005
Author: Leader of the Council

1. **PURPOSE**

- 1.1 This report summarises the General Fund Revenue Budget for the Council in 2005/2006.
- 1.2 The report also includes information about the external support to the Council and sets out the basis from which decisions can be made regarding the Council Tax level for 2005/2006.
- 1.3 At the time of preparing this report details of Nottinghamshire County Council's, Nottinghamshire Police Authority's and Nottinghamshire Fire Authority's total requirements, and resultant Council Tax levy were not available. Further information will be given at the meeting. Equivalent amounts, in respect of the Parishes, are shown in paragraph 4.5.

2. **BACKGROUND - REVENUE**

- 2.1 The final Local Government Finance Settlement figures were announced on 2 February 2005 and external support for Gedling has been confirmed at £7,014,172, a cash increase of £530,294 or 8.18% on the original figure for 2004/05.
- 2.2 The Government still retains reserve powers to cap Council Tax levels if it regards the Council's budget requirements to be excessive.

3. **SUMMARY GENERAL FUND ESTIMATES**

3.1 **General**

The proposed budgets for 2005/2006, as recommended by Cabinet elsewhere on this agenda, are summarised in the table below and include amendments agreed in respect of twinning event and highways vehicles.

Portfolio Totals 2005/2006	£
Leader	1,995,200
Agenda 21, Crime and Community Dev	1,265,800
E-Government Member and Property Services	0
Development and Economic Regeneration	317,900
Direct Services	4,627,400
Housing General Fund	522,400
Finance	516,500
Leisure Services	2,785,600
TOTAL	12,030,800

3.2 Revenue Contributions to Capital

The estimates as drafted for the General Fund make no provision for a revenue contribution in relation to the 2005/2006 capital programme.

3.3 Consultation with Non-Domestic Ratepayers

In accordance with the Local Government Finance Act 1992, consultation with representatives of non domestic rate payers has been undertaken and at the time of writing the report no responses have been received.

3.4 The General Fund Balance

The General Fund balance at 1 April 2005 is estimated to be £1,490,800 as detailed in Appendix 1.

Members will need to consider the Cabinet's proposals with regard to the use of balances when determining the Council Tax.

The Local Government Act 2003 now requires that the Head of Finance provides advice to the Council on the adequacy of financial reserves and the robustness of the estimates. These comments can be found at the end of this report.

3.5 Overall Budget 2005/2006

Appendix 1 summarises the Council's overall budget position for 2005/2006. This gives a total budget of £12,030,800 which will be partly funded from External Support as described below. The balance of £5,018,801 has to be found from Council balances and the Council Tax.

4. **COUNCIL TAX 2005/2006**

4.1 **General**

The Council Tax Base was determined by Finance Portfolio Holder as 37647.02 on 13 January 2005. The tax base for Parishes is given in paragraph 4.5.

When final notification was given by the ODPM of the Total Formula Spend the following external support figures were also given:

	£
Basic Revenue Support Grant (RSG)	3,801,854
Non-Domestic Rate (NDR)	3,212,318

This level of support is not dependent on a particular level of expenditure.

4.2 **The Collection Fund**

The Collection Fund continues to operate for Council Tax requirements. All remaining Community charge items will be cleared by 31 March 2005.

The estimated Council Tax deficit of £22,000 declared at 15 January 2005 will be shared by the Authorities precepting on the Collection Fund as follows:

Nottinghamshire County Council	£16,828
Nottinghamshire Police Authority	£2,033
Combined Fire Authority	£966
Gedling Borough Council	£2,173

4.3 **Borough Council - Council Tax Level**

Gedling's total budget shown in paragraph 3.5 above less the total external support above gives the amount to be raised from the Council Tax or to be funded from balances. Appendix 1 shows that this amount is £5,018,801.

Gedling Borough Council's Council Tax is calculated by dividing the amount to be raised through the Council Tax by the Council Tax Base. This produces an amount per Band D property.

The amounts charged to properties in other bands are determined by proportion, ie Properties in Band A pay two-thirds of the amount payable by a property in Band D, while a Band H property will pay twice as much as a Band D property.

4.4 Nottinghamshire County Council's Notts Police Authority and Notts Fire Authority Council Tax 2005/2006

At the time of preparing this report the County Council has not advised the Council of these amounts. It is not possible therefore to show the overall Council Tax which will be levied for 2005/2006. Further information will be given at the meeting.

4.5 Parish Precepts

The Parish Councils are required to give notice of their precept requirements for 2005/2006 by 1 March. These which have been already been received are detailed below:-

	Precept 2005/2006	Tax Base	Band D Equiv £
Bestwood St Albans	12,702	1501.37	8.46
Burton Joyce	61,516	1485.91	41.40
Calverton	59,725	2093.41	28.53
Colwick	24,874	915.16	27.18
Lambley	7,638	482.14	15.84
Linby	3,000	103.91	28.89
Newstead	9,530	410.44	23.22
Papplewick	4,577	277.91	16.47
Ravenshead	63,311	2567.35	24.66
Stoke Bardolph	435	50.22	8.73
Woodborough	16,500	884.09	18.72

5. **RECOMMENDATIONS**

- (i) To consider the Cabinet's proposals with regard to the application of fund balances or contributions to balances.
- (ii) To make the calculations for 2005/2006 required by Sections 32-36 of the Local Government & Finance Act 1992 and the amounts set as Council Tax for 2005/2006 for each category of dwelling.

COMMENT OF HEAD OF FINANCE

Robustness of Estimates and Adequacy of General Fund Balances

The Annual Budget and Medium Term Plan have been based upon a range of assumptions that have been previously detailed to Members. This has enabled an estimate of current and future spending to be modelled. The Authority has an excellent track record of meeting demands within the approved budget and the robustness of the Council's financial planning has been the subject of positive comment from both the CPA Inspectors and External Audit. The Council has an established process for assessing financial risk factors that are inherent in any business activity.

An assessment of Reserves and Balances has been carried out and I am satisfied that the financial position as presented is robust and that reserves and balances are adequate in the short term. However, pressures on the budget are building in the medium term, as demonstrated in the Medium Term Financial Strategy Summary reported to Cabinet on 10 February 2005.

The Council has in the past successfully managed such change and therefore I consider that, given the information available at the time, the level of general reserves are adequate for the purpose of setting the 2005/06 Council Tax.

Gedling Borough Council - Council Tax 2005/2006**Total Portfolio Budgets:**

	£
Leader	1,995,200
Agenda 21, Crime & Community Development	1,265,800
E-Government Member & Property Services	0
Development & Economic Regeneration	317,900
Direct Services	4,627,400
Housing General Fund	522,400
Finance	516,500
Leisure Services	2,785,600
Total Budget 2005/2006	12,030,800

External Funding from Central Government:

Revenue Support Grant (RSG)	(3,801,854)
Payment from National Non-Domestic Rate (NNDR) Pool	(3,212,318)

Balances on the Collection Fund which can be applied:

Council Tax Deficit	2,173
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Taking these amounts from the Total Budget leaves a requirement which has to be funded either from the Council's general balances or from the Council Tax yield. This amount is

5,018,801

Estimated Balances (incl.transfers from Funds) at 1.4.05

1,490,800
