



Report to: Budget Council

Subject: Council Tax 2006/07

Date: 1 March 2006

Author: Leader of the Council

1. **PURPOSE**

- 1.1 This report summarises the General Fund Revenue Budget for the Council in 2006/2007.
- 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 2006/2007.
- 1.3 At the time of preparing this report details of Nottinghamshire County Council's and the Nottinghamshire Police Authority's total requirements, and resultant Council Tax levy were not available. Further information may 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 6 February 2006 and external support for Gedling has been confirmed at £8,217,200, a cash increase of £1,203,028 or 17.15% on the original figure for 2005/06. The increase includes £630,000 to implement the statutory free travel scheme in 2006/07 and this sum has been added to the base budget.
- 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 2006/2007, as recommended by Cabinet elsewhere on this agenda, are summarised in the table below:

Portfolio Totals 2006/2007

	£
Leader	2,798,300
Agenda 21, Crime & Community Dev.	1,386,300
E-Govt & Member Services	0
Development & Economic Regeneration	362,200
Direct Services & Property	4,964,700
Housing General Fund	980,700
Leisure Services	2,894,500
Finance	13,700
TOTAL	13,400,400

3.2 **Revenue Contributions to Capital**

The Estimates as drafted for the General Fund make provision for a £22,500 revenue contribution in relation to the Garden Waste Scheme in the 2006/2007 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 2006 is estimated to be £1,871,138 as detailed in Appendix 1.

Members will need to consider 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 2006/2007**

Appendix 1 summarises the Council's overall budget position for 2006/2007. This gives a total budget of £13,400,400 which will be partly funded from External

Support and Collection Fund Surpluses as described below. The balance of £5,261,566 has to be found from Council balances and the Council Tax.

4. COUNCIL TAX 2006/2007

4.1 General

The Council Tax Base was determined by Finance Portfolio Holder as 37,931.32 on 6 January 2006. 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)	1,329,560
Non-Domestic Rate (NNDR)	6,887,640

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.

The estimated Council Tax deficit of £788,000 declared at 16 January 2006 will be shared by the Authorities precepting on the Collection Fund as follows:

Nottinghamshire County Council	£602,324
Nottinghamshire Police Authority	£73,481
Combined Fire Authority	£33,829
Gedling Borough Council	£78,366

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 £5,261,566.

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, i.e. 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 and Notts Police Authority Council Tax 2006/2007

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 2006/2007. Further information may be given at the meeting.

4.5 Parish Precepts

The Parish Councils are required to give notice of their precept requirements for 2006/2007 by 1 March. These which have been already been received are detailed below:-

	Precept 2006/2007	Tax Base	Band D Equiv £
Bestwood St Albans	12,036	1,519.70	7.92
Burton Joyce	60,559	1,462.80	41.40
Calverton	61,193	2,144.87	28.53
Colwick	29,822	915.37	32.58
Lambley	7,123	485.53	14.67
Linby	3,004	105.30	28.53
Newstead	10,489	407.49	25.74
Papplewick	4,714	271.37	17.37
Ravenshead	67,461	2,639.31	25.56
Stoke Bardolph	435	53.65	8.10
Woodborough	16,554	897.28	18.45

5. RECOMMENDATIONS

- (i) To determine the application of fund balances or contributions to balances.
- (ii) To recommend the calculations for 2006/2007 required by Sections 32-36 of the Local Government & Finance Act 1992 and the amounts set as Council Tax for 2006/2007 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 16 February 2006.

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 2006/07 Council Tax.

Gedling Borough Council - Council Tax 2006/2007**Total Portfolio Budgets:**

	£
Leader	2,798,300
Agenda 21, Crime & Community Development	1,386,300
E-Government & Member Services	0
Development & Economic Regeneration	362,200
Direct Services & Property	4,964,700
Housing General Fund	980,700
Finance	13,700
Leisure Services	2,894,500
Total Budget 2006/2007	13,400,400

External Funding from Central Government:

Revenue Support Grant (RSG)	(1,329,560)
Payment from National Non-Domestic Rate (NNDR) Pool	(6,887,640)

Balances on the Collection Fund which can be applied:

Council Tax Deficit	78,366
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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

5,261,566

Estimated Balances (incl.transfers from Funds) at 1.4.06

1,871,138
