



Report to: Budget Council

Subject: Council Tax 2009/10

Date: 4 March 2009

Author: Leader of the Council

1. **PURPOSE**

- 1.1 This report summarises the General Fund Revenue Budget for the Council in 2009/10. 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 2009/10.
- 1.2 At the time of preparing the report, final Precept requirements, and resulting Council Tax levies, for Nottinghamshire County Council and Nottinghamshire Police Authority had not been formally approved. Further information will be given at the meeting. The Combined Fire Authority met to approve its precept requirement on Friday 20 February, and details are given below at paragraph 4.6. Equivalent amounts in respect of the Parishes are shown at paragraph 4.7.

2. **BACKGROUND - REVENUE**

- 2.1 The final Local Government Finance Settlement figures were announced on 21 January 2009 and external support for Gedling for 2009/10 has been confirmed at £9,106,886, a cash increase of £173,105 or 1.94% on the figure for 2008/09.
- 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 2009/10, as recommended by Cabinet elsewhere on this agenda, are summarised in the table below:

Portfolio Totals 2009/2010	£
Leader	2,340,300
Safe & Sustainable Neighbourhoods	1,389,700
Customer Services & Efficiency	0
Development & Economic Regeneration	1,031,100
Direct Services & Property	5,281,800
Housing & Health	1,505,300
Leisure & Youth	3,020,800
Finance	1,001,800
TOTAL	15,570,800

Cabinet have recommended to Council a 2.44% Council Tax increase for 2009/10, which requires a contribution from balances of £1,092,294 to balance the total proposed budget of £15,570,800.

3.2 Revenue Contributions to Capital

The Estimates as drafted for the General Fund make no provision for a revenue contribution to capital in 2009/10.

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 2009 is estimated to be £2,190,409. During 2009/10, receipts of £1,537,400 are anticipated, giving a projected balance at 1 April 2010 of £3,727,809.

If the contribution referred to at paragraph 3.1 is made on support of General Fund expenditure in 2009/10, the projected balance at 1 April 2010 will be £2,635,515.

Members will need to consider the use of balances when determining the Council Tax.

The Local Government Act 2003 now requires that the Council's Chief Financial Officer, in the case of Gedling that is the Head of Corporate Services, provide 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 2009/10

Appendix 1 summarises the Council's overall budget position for 2009/10. This gives a total budget of £15,570,800, which together with Gedling's share of the Collection Fund deficit of £8,044, will be partly funded from External Support as

described below. The balance of £6,471,958 must be found from Council balances and the Council Tax.

4. **COUNCIL TAX 2009/10**

4.1 General

The Council Tax Base was determined by the Finance Portfolio Holder as 37,733.50 on 15 January 2009. The tax base for Parishes is given in paragraph 4.7.

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

	£
Basic Revenue Support Grant (RSG)	1,707,803
Non-Domestic Rate (NNDR)	7,399,083
Total External Support	9,106,886

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 £83,000 declared at 15 January 2009 will be shared by the Authorities precepting on the Collection Fund as follows:

Nottinghamshire County Council	£63,408
Nottinghamshire Police Authority	£7,968
Combined Fire Authority	£3,580
Gedling Borough Council	£8,044

4.3 Gedling Borough Council - Council Tax 2009/10

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 £6,471,958.

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 - Council Tax 2009/10

At the time of preparing this report, Nottinghamshire County Council had not formally approved their precept, the meeting being scheduled for 26 February. Provisional information has been obtained, indicating that the precept for Gedling

Borough Council will be £45,022,858 which gives a Band D of £1,193.18. This represents an increase of 3% over the charge for 2008/09.

4.5 Nottinghamshire Police Authority Council Tax 2009/10

At the time of preparing this report, Nottinghamshire Police Authority had not formally approved their precept, the meeting being scheduled for 25 February. Provisional information has been obtained, indicating that the precept for Gedling Borough Council will be £5,766,433, which gives a Band D of £152.82. This represents an increase of 4.94% over the charge for 2008/09.

4.6 Combined Fire Authority - Council Tax 2009/10

The Combined Fire Authority met on Friday 20 February and formally approved their precept for Gedling Borough Council as £2,555,705, which gives a Band D of £67.73. This represents an increase of 3.5% over the charge for 2008/09.

4.7 Parish Precepts

The Parish Councils are required to give formal notice of their precept requirements for 2009/10 by 1 March 2009. Those that have already been received are detailed below, together with the provisional notifications received from the remainder.

	Precept 2009/10 £	Tax Base	Band D 2009/10 £	Band D 2008/09 £	Inc/Decr %
Bestwood St Albans	16,258	1,566.30	10.38	10.08	+2.98
Burton Joyce	62,250	1,462.30	42.57	40.52	+5.06
Calverton	71,270	2,165.18	32.92	32.49	+1.32
Colwick	31,948	913.51	34.97	32.00	+9.28
Lambley	9,733	491.69	19.80	17.32	+14.32
Linby	1,544	106.05	14.56	29.52	-50.68
Newstead	11,892	399.19	29.79	28.53	+4.42
Papplewick	6,011	277.15	21.69	20.34	+6.64
Ravenshead	71,660	2,560.20	27.99	27.18	+2.98
Stoke Bardolph	128	53.53	2.39	19.01	-87.43
Woodborough	17,248	899.77	19.17	20.11	-4.67

5. RECOMMENDATIONS

- (i) To determine the application of fund balances or contributions to balances.
- (ii) To recommend the calculations for 2009/10 required by Sections 32-36 of the Local Government & Finance Act 1992 and the amounts set as Council Tax for 2009/10 for each category of dwelling.

COMMENT OF THE HEAD OF CORPORATE SERVICES

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 and the Council's Financial Strategy shows this Council has minimal financial risk over the medium term.

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 in the medium term are significant, as demonstrated in the Medium Term Financial Strategy Summary reported to Cabinet on 19 February 2009.

The Council has in the past successfully managed such pressure, 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 2009/10 Council Tax.

Gedling Borough Council – Council Tax 2009/10**Total Portfolio Budgets:**

Leader	2,340,300
Safe Sustainable Neighbourhoods	1,389,700
Customer Services and Efficiency	0
Development and Economic Regeneration	1,031,100
Direct Services and Property	5,281,800
Housing and Health	1,505,300
Leisure and Youth	3,020,800
Finance and IT	1,001,800
<u>TOTAL BUDGET 2009/10</u>	<u>15,570,800</u>

External Funding from Central Government:

Revenue Support Grant (RSG)	(1,707,803)
Payment from National Non Domestic Rate (NNDR) Pool	(7,399,083)

Balances on the Collection Fund to be taken into account:

Council Tax Deficit	8,044
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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. The amount is: 6,471,958

Estimated General Fund Balance at 1 April 2009: 2,190,409

Estimated GF receipts during 2009/10 1,537,400

Estimated Balance 1 April 2010 before Contribution to support 2009/10 General Fund Expenditure 3,727,809

Proposed Use of balances in support of 2009/10 General Fund Expenditure (1,092,294)

Estimated General Fund Balance 1 April 2010 2,635,515

Minimum Required General Fund Balance 1 April 2010 1,167,800