



Report to: Budget Council

Subject: Council Tax 2010/11

Date: 3 March 2010

Author: Leader of the Council

1. PURPOSE

- 1.1 This report summarises the General Fund Revenue Budget for the Council in 2010/11. 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 2010/11.
- 1.2 At the time of preparing the report, final precept requirements, and the resulting Council Tax levies, had been received from Nottinghamshire Police Authority and the Combined Fire Authority, and these are detailed at 4.4 and 4.5 below. Nottinghamshire County Council will meet to formally approve its charge on 25 February, and further information will be given at the meeting. 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 20 January 2010 and external support for Gedling for 2010/11 was confirmed at £9,253,407, a cash increase of £146,521 or 1.6% on the figure for 2009/10. The settlement is in line with that announced as part of the Comprehensive Spending Review of 2007.
- 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 2010/11, as recommended by Cabinet elsewhere on this agenda, are summarised in the table below:

Portfolio Totals 2010/2011

	£
Leader	2,158,400
Safe & Sustainable Neighbourhoods	2,346,700
Customer & Member Services	349,000
Development & Enterprise	557,000
Direct Services	5,033,900
Strategic Planning	401,300
Leisure & Well-being	2,943,900
Finance	881,100

TOTAL PROPOSED BUDGET **14,671,300**

Cabinet have recommended to Council a 2% Council Tax increase for 2010/11.

3.2 Revenue Contributions to Capital

The Estimates as drafted for the General Fund make no provision for a revenue contribution to capital in 2010/11.

3.3 Consultation with Non-Domestic Ratepayers

In accordance with the Local Government Finance Act 1992, consultation with representatives of non-domestic rate-payers, including all attendees at the last Business Breakfast, has been undertaken.

3.4 The General Fund Balance

The General Fund balance at 1 April 2010 is estimated to be £3,011,240. During 2010/11, receipts of £417,500 are anticipated, together with an internal transfer of £140,620, giving a projected balance at 1 April 2011 of £3,569,360.

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 below:

The robustness of the Estimates and the 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 CAA 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 18 February 2010.

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 2010/11 Council Tax.

3.5 Overall Budget 2010/11

Appendix 1 summarises the Council's overall budget position for 2010/11. This gives a total budget of £14,671,300 and a Council Tax Requirement of £5,539,073.

4. COUNCIL TAX 2010/11

4.1 General

The Council Tax Base was determined by the Finance Portfolio Holder as 38,090.16 on 8 December 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)	1,173,305
Non-Domestic Rate (NNDR)	8,080,102
Total External Support	9,253,407

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 surplus of £202,000 declared at 15 January 2010 will be shared by the Authorities precepting on the Collection Fund as follows:

Nottinghamshire County Council	£154,081
Nottinghamshire Police Authority	£19,733
Combined Fire Authority	£8,746
Gedling Borough Council	£19,440

4.3 Gedling Borough Council - Council Tax 2010/11

As shown at paragraph 3.5 above, Gedling's total budget for 2010/11 is £14,671,300. The amount to be raised from the Council Tax is detailed at Appendix 1, and totals £5,539,073.

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 Police Authority

Nottinghamshire Police Authority met on Wednesday 17 February and formally approved their precept for Gedling Borough Council as £6,098,616, which gives a Band D of £160.11. This represents an increase of 4.8% over the charge for 2009/10.

4.5 Combined Fire Authority

The Combined Fire Authority met on Friday 19 February and formally approved their precept for Gedling Borough Council as £2,654,675, which gives a Band D of £69.69. This represents an increase of 2.9% over the charge for 2009/10.

4.6 Nottinghamshire County Council - Council Tax 2010/11

As indicated above, at the time of preparing this report, Nottinghamshire County Council had not formally approved their precept. Indications are however that the Band D charge will be maintained at £1,193.18 as in 2009/10.

4.7 Parish Precepts

The Parish Councils are required to give formal notice of their precept requirements for 2010/11 by 1 March 2010. Those that have already been received are detailed below, together with the provisional notifications received from the remainder.

	Precept 2010/11 £	Tax Base 2010/11	Band D 2010/11 £	Band D 2009/10 £	Inc/Decr %
Bestwood St Albans	15,538	1,583.88	9.81	10.38	-5.5
Burton Joyce	62,757	1,474.21	42.57	42.57	0.0
Calverton	73,504	2,200.49	33.40	32.92	+1.5
Colwick	28,507	907.77	31.40	34.97	-10.2
Lambley	9,733	492.33	19.77	19.80	-0.2
Linby	3,100	111.35	27.84	14.56	+91.2
Newstead	12,249	408.87	29.96	29.79	+0.6
Papplewick	6,765	275.92	24.52	21.69	+13.0
Ravenshead	74,541	2,596.34	28.71	27.99	+2.6
Stoke Bardolph	240	53.32	4.50	2.39	+88.3
Woodborough	17,248	902.74	19.11	19.17	-0.3

5. RECOMMENDATIONS

- (i) To determine the application of fund balances or contributions to balances.
- (ii) To recommend the calculations for 2010/11 required by Sections 32-36 of the Local Government & Finance Act 1992 and the amounts set as Council Tax for 2010/11 for each category of dwelling.

Gedling Borough Council – Council Tax 2010/11

Total Portfolio Budgets:	£
Leader	2,158,400
Safe Sustainable Neighbourhoods	2,346,700
Customer and Member Services	349,000
Development and Enterprise	557,000
Direct Services	5,033,900
Strategic Planning	401,300
Leisure and Well-being	2,943,900
Finance	881,100
<u>Total Budget 2010/11</u>	<u>14,671,300</u>

External Funding from Central Government:

Revenue Support Grant (RSG)	(1,173,305)
Payment from National Non Domestic Rate (NNDR) Pool	(8,080,102)

Balances on the Collection Fund to be taken into account:

Council Tax Surplus	(19,440)
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Other Items to be taken into account:

Internal Transfer to balances in year	140,620
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The “Council Tax Requirement” is therefore: 5,539,073

General Fund Balance

Estimated General Fund Balance at 1 April 2010:	£
	3,011,240
Estimated GF receipts during 2010/11	417,500
Transferred to balances during 2010/11	140,620
<u>Estimated General Fund Balance 1 April 2011</u>	<u>3,569,360</u>
Minimum Required General Fund Balance 1 April 2011	1,100,300