

Runnymede Borough Council

COUNCIL SUMMONS, 12 FEBRUARY 2004, ITEM 3

Report of the Director of Finance

BUDGET 2004/05 AND COUNCIL TAX 2004/05

1. The report of the Corporate Management Committee held on 5 February 2004 has already been circulated. This deals with this Council's budget and its recommendation for the Runnymede Borough Council element of the Council Tax for 2004/05.
2. Following their consideration of the budget, the Corporate Management Committee received the Annual Personnel Report and resolved to approve staffing changes that would increase General Fund expenditure by £72,000 subject to revenue reductions equivalent to the top of scale impact being made by the end of 2005/06.
3. As a consequence of this decision, the net expenditure on services for the 2004/05 Estimate needs to be increased by £72,000 to £14,333,900. This will require the use of working balances to be increased to £2,559,500.
4. An adjustment is also required to the 2003/04 probable outturn to take account of the subsequent decision of the Corporate Management Committee to approve a supplementary estimate of £5,000 to equip a tourism kiosk at Thorpe Park. This results in the net expenditure on services increasing to £14,070,500 and the use of balances increasing to £2,747,500.
5. These amendments will be reflected in the final budget book. An amended General Fund Summary Revenue Account (page 23 of the Budget Book) is attached to this item.
6. The Local Government Act 2003 requires me to report on the robustness of the estimates made for the purposes of calculating the Council Tax. I am satisfied that the detailed preparation of each service budget in the context of the Council's corporate strategies means that the Council is presented with robust estimates as a basis for making decisions about the level of Council Tax.

SURREY COUNTY COUNCIL BUDGET REQUIREMENT

7. Surrey County Council met to determine its Council Tax levy on 10 February 2004. The County Council precept on Runnymede in 2004/05 will be £28.75 million, producing a Band D Council Tax of £889.38 (an increase of 4.4% on the 2003/04 Band D charge of £851.49). The effect of the County's precept on each of the valuation bands is as follows:-

Band	A	B	C	D	E	F	G	H
Proportion	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths
Amount	£592.92	£691.74	£790.56	£889.38	£1,087.02	£1,284.66	£1,482.30	£1,778.76

SURREY POLICE AUTHORITY

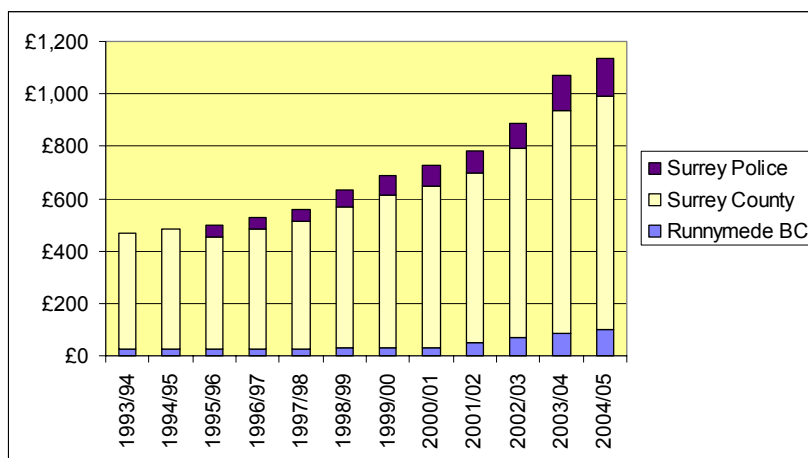
8. The Surrey Police Authority met to determine its Council Tax levy on 11 February 2004. The Police Authority's precept on Runnymede in 2004/05 will be £4.7 million, producing a Band D Council Tax of £147.06 (representing an increase of 8.9% on the 2003/04 Band D charge of £135.09). The charge for each of the valuation bands will be as follows:-

Band	A	B	C	D	E	F	G	H
Proportion	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths
Amount	£98.04	£114.38	£130.72	£147.06	£179.74	£212.42	£245.10	£294.12

COMPARISON WITH PREVIOUS YEARS

9. The following graph illustrates the impact on the Band D Council Tax of spending decisions since Council Tax was introduced.

Council Tax at Band D since 1993/94



N.B. Surrey Police Authority was established as a separate authority from Surrey County Council on 1st April 1995.

SETTING OF THE COUNCIL TAX

10. In accordance with section 30 of the Local Government Finance Act 1992, the Council in its capacity as billing authority is required to set an amount of Council Tax for each of the valuation bands which is an aggregate of the amounts set by the Borough Council, the County Council and the Police Authority.

The total Council Tax is therefore as follows:-

Band	A	B	C	D	E	F	G	H
Proportion	6/9ths	7/9ths	8/9ths	9/9ths	11/9ths	13/9ths	15/9ths	18/9ths
	£	£	£	£	£	£	£	£
Runnymede BC	66.96	78.12	89.28	100.44	122.76	145.08	167.40	200.88
Surrey County	592.92	691.74	790.56	889.38	1,087.02	1,284.66	1,482.30	1,778.76
Surrey Police	98.04	114.38	130.72	147.06	179.74	212.42	245.10	294.12
	£757.92	£884.24	£1,010.56	£1,136.88	£1,389.52	£1,642.16	£1,894.80	£2,273.76

11. The recommendations of the Corporate Management Committee in relation to Runnymede Borough Council's Budget and Council Tax are included with the minutes already circulated but recommendations *ii)a* and *ii)b* have been amended by £72,000 to take account of the adjustments described in paragraph 3. The full recommendation, as amended, and incorporating the precepting decisions of Surrey County Council and the Surrey Police Authority is set out below.

OFFICERS' RECOMMENDATION that -

- i) **the revised revenue estimates for the year 2003/04 and the revenue estimates for 2004/05 as submitted in the 2004/05 Budget, be approved;**
- ii) **the following amounts be now calculated by the Council for the year 2004/05 in accordance with sections 32 to 36 of the Local Government Finance Act 1992:-**
 - (a) **£49,021,800** being the aggregate of the amounts which the Council estimates for the items set out in section 32(2)(a) to (e) of the Act.
 - (b) **£41,291,700** being the aggregate of the amounts which the Council estimates for the items set out in section 32(3)(a) to (c) of the Act.

- (c) £7,730,100 being the amount by which the aggregate at ii)(a) above exceeds the aggregate at ii)(b) above, calculated by the Council, in accordance with section 32(4) of the Act, as its budget requirement for the year.
- (d) £4,483,000 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund calculated in accordance with section 33(3) of the Act.
- (e) £100.44 being the amount of ii)(c) above less the amount at ii)(d) above, all divided by the Council Tax Base of 32,329 calculated in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.

f) Runnymede Borough Council
Valuation Bands

A	B	C	D	E	F	G	H
£66.96	£78.12	£89.28	£100.44	£122.76	£145.08	£167.40	£200.88

(being the amounts calculated by the Council in applying the figure set out at ii)(e) to the formula in 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.

- iii) it be noted that for the year 2004/05, Surrey County Council has stated 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 shown below:

Precepting authority - Surrey County Council
Valuation Bands

A	B	C	D	E	F	G	H
£592.92	£691.74	£790.56	£889.38	£1,087.02	£1,284.66	£1,482.30	£1,778.76

- iv) it be noted that for the year 2004/05, Surrey Police Authority has stated 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 shown below:

Precepting authority - Surrey Police Authority
Valuation Bands

A	B	C	D	E	F	G	H
£98.04	£114.38	£130.72	£147.06	£179.74	£212.42	£245.10	£294.12

- v) having calculated the aggregate in each case of the amounts at (ii)(f),(iii) and (iv) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amount of Council Tax for the year 2004/05 for each of the categories of dwellings shown below:

Valuation Bands

A	B	C	D	E	F	G	H
£757.92	£884.24	£1,010.56	£1,136.88	£1,389.52	£1,642.16	£1,894.80	£2,273.76

GENERAL FUND SUMMARY REVENUE ACCOUNT

COUNCIL BUDGET FOR THE YEAR ENDING 31st MARCH 2005

	<u>2002/03</u> Actual £	<u>2003/04</u> Estimate £	<u>2003/04</u> Probable £	<u>2004/05</u> Estimate £
<u>EXPENDITURE ON SERVICES</u>				
Housing Services	1,287,656	1,262,900	1,193,300	953,100
Community Services	1,991,526	2,008,200	2,069,500	2,039,700
Leisure Services	2,627,036	2,557,600	2,749,400	2,968,800
Environmental Services	2,737,427	3,044,000	3,185,000	3,221,100
Planning Services	1,214,101	1,326,400	1,311,500	1,292,500
Highways Services	781,946	935,100	903,200	907,700
Economic Development	588,951	(23,200)	89,700	139,500
Corporate & Business Services	2,879,086	3,035,300	2,915,400	3,022,000
Capitalisation of Building Works (AMP)	0	(372,700)	(346,500)	(210,500)
NET EXPENDITURE ON SERVICES	14,107,729	13,773,600	14,070,500	14,333,900
<u>TRANSFERS AND FINANCING ADJUSTMENTS</u>				
Transitional transfer from the HRA	(437,316)	(118,400)	(118,400)	0
Residual statutory transfer from the HRA	0	0	0	0
Asset Management - reversal of capital charges	(4,261,000)	(2,795,800)	(3,092,600)	(3,378,300)
Transfer to Reserves:				
- Information Technology Replacement Reserve	100,000	205,000	205,000	205,000
- CCTV Equipment Replacement Reserve	129,000	129,000	129,000	129,000
Investment Income	(1,465,053)	(1,100,000)	(850,000)	(1,000,000)
NET GENERAL FUND EXPENDITURE	8,173,360	10,093,400	10,343,500	10,289,600
Use of Working Balance	(1,191,900)	(2,497,400)	(2,747,500)	(2,559,500)
BUDGET REQUIREMENT	6,981,460	7,596,000	7,596,000	7,730,100
Formula Grant	(4,765,710)	(4,820,800)	(4,820,800)	(4,506,900)
Transfer to the Collection Fund	0	0	0	23,900
NET DEMAND	2,215,750	2,775,200	2,775,200	3,247,100

COUNCIL TAX CALCULATION & STANDARD SPENDING ASSESSMENT

Council Tax Base (note 1)	32,394	32,458	32,458	32,329
Basic Amount of Council Tax (note 2)	£68.40	£85.50	£85.50	£100.44
<u>Notes</u>				
1. This represents the number of properties adjusted for discounts, exemptions and bandings.				
2. Calculated by dividing the Net Demand by the Council Tax base.				

Standard Spending Assessment	£7,490,977			
Formula Spending Share		£10,446,834	£10,446,834	£10,235,568