

## **CITY COUNCIL – 4 MARCH 2013**

### **REPORT OF THE DEPUTY LEADER**

#### **BUDGET 2013/14**

##### **1. Summary**

- 1.1 This budget report sets out the proposals for 2013/14 in a layout governed by statute.
- 1.2 The Medium Term Financial Plan (MTFP) 2013/14 - 2015/16 was considered by Executive Board on 19 February 2013.
- 1.3 This report should be read in conjunction with the contents of the associated financial plans and budget reports. Specific attention is drawn to the report to the Executive Board on 19 February 2013 entitled 'Medium Term Financial Plan 2013/14 – 2015/16'.

##### **2. Recommendations**

It is recommended that:

###### **2.1 the following be approved:**

- (1) the revenue budget for 2013/14, including;
  - (a) the recommendations of the Chief Finance Officer (CFO) in respect of the robustness of the estimates made for the purpose of the budget calculations and the adequacy of reserves;
  - (b) the delegation of authority to the Deputy Chief Executive/Corporate Director for Resources in consultation with the Deputy Leader to finalise the MTFP for publication;
  - (c) the delegation of authority to the appropriate Directors to implement Strategic Choices proposals after undertaking the appropriate consultation;
- (2) the capital programme for 2012/13 – 2015/16;

- (3) a council tax requirement of **£79,751,125**, including the calculations required by Sections 30 to 36 of the amended Local Government Finance Act 1992 (“the Act”), as set out below:
- (a) **£964,698,230** being the aggregate of the expenditure, allowances, reserves and amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;
  - (b) **£884,947,105** being the aggregate of the income and amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;
  - (c) **£79,751,125** being the amount by which the aggregate at **2.1(3)(a)** above exceeds the aggregate at **2.1(3)(b)** above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;
- (4) a City Council Band D basic amount of council tax for 2013/14 of **£1,404.42** being the amount at **2.1(3)(c)** divided by the amount at **2.2(3)** below, calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its council tax for the year (as set out in **section 5** of this report);
- (5) the setting of the amounts of council tax for 2013/14 at the levels described in **section 5.6** of this report;
- (6) the making of the Members’ Allowances Scheme for 2013/14 in the terms of the previously adopted Scheme, save for adjustments to mirror nationally determined rates for travel and subsistence (as applicable to officers) and for carers allowances
- (7) The Business Rates Discretionary Relief Policy as set out in **Appendix 1**

2.2 the following be noted:

- (1) a Nottinghamshire and City of Nottingham Fire and Rescue

Authority precept at Band D for 2013/14 of **£69.69**.

(2) a Nottinghamshire Police and Crime Commissioner precept at Band D for 2013/14 of **£169.65**.

(3) in January 2013, the City Council calculated the amount of **56,786** as its council tax base for the year 2013/14 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992.

### **3. Reasons for Recommendations (including outcomes of consultation)**

#### **3.1 General Approach**

Consultation on the budget was conducted in two phases. Before the budget settlement for 2013 was announced in December, pre-budget consultation was carried out between October and December 2012. A survey accompanied the Arrow magazine in October 2012 and was also available online. There was also a programme of pre-budget consultation events with the public and with the voluntary and community sector which were led by Executive Board Councillors. Consultation with Nottingham City Council colleagues was also undertaken.

The draft budget was approved for consultation by Executive Board on 18 December 2012. Phase two consisted of consultation on the draft budget proposals. A budget consultation form was made available online and in hard copy to enable everyone to have their say on the proposals. Events were arranged across the City, which were publicised locally by neighbourhood management teams. Consultation with businesses, One Nottingham partners, young people and the voluntary and community sector was also undertaken.

Appropriate action has been taken in relation to any representations made and feedback from the consultation has been taken into account in finalising the proposals within this report.

#### **3.2 HRA Tenant Consultation on 2013/14 Budget and Rents**

Presentations were made Tenant and Leaseholder Congress in January 2013. Tenants were advised that the investment plan set out in the MTFP was predicated on a medium term plan for housing

rent increases. The increase for 2013/14 according to the plan was 5.54%, slightly below the level if rent convergence would have been applied. The discussion also covered an outline of the sources of income and expenditure available to the HRA and a request to have presentations in the coming year about the detail of the HRA expenditure, similar to that undertaken last year. The tenants were keen to see the benefits of the investment in the stock realised.

It was recognised that setting rents was ultimately the responsibility of the City Council and that, in reaching a decision, the views of tenant representatives would be taken into account.

### 3.3 Members' Allowances Scheme 2013/14

This report recommends the adoption of the Scheme for 2013/14 without changes, save for adjustments to mirror nationally determined rates for travel and subsistence (as applicable to officers) and for carers' allowances. A copy of the current Scheme can be viewed within the Council's Constitution at Part 7 or by using the following hyperlink to the document published online at:

<http://www.nottinghamcity.gov.uk/index.aspx?articleid=3744>

## 4. Other options considered in making recommendations

4.1 None

## 5. Background

5.1 The legislation governing the setting of council tax is contained in the Local Government Finance Act 1992 (the "Act") as amended by the Localism Act 2011. Section 31B(1) requires a billing authority to calculate the basic amount of its council tax, which in the City Council's case is that applicable to Band D dwellings in its area.

The calculation is made in accordance with a formula **R/T**

5.2 **R** is the amount calculated by the City Council as its council tax requirement for 2013/14, calculated in accordance with section 31A(4) of the Act. The Executive Board at its meeting on 19 February 2013 determined the council tax requirement to be **£79,751,125**.

**T** is the amount calculated by the City Council as its council tax base for 2013/14. In January 2013 the City Council calculated the amount

of **56,786** as its council tax base for the year 2013/14 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax base) Regulations 1992.

Application of the formula **R/T** thus gives a basic amount of council tax of:

$$\frac{\mathbf{£79,751,125}}{\mathbf{56,786}} = \mathbf{£1,404.42}$$

for a Band D property in accordance with Section 31B(1) of the Act.

- 5.3 Application of the formula specified in section 36 of the Act gives the following basic amount of council tax for each valuation band :

<b>Band</b>	<b>Factor</b>	<b>Basic amount of council tax</b>
<b>A</b>	6/9	£936.28
<b>B</b>	7/9	£1,092.33
<b>C</b>	8/9	£1,248.37
<b>D</b>	9/9	£1,404.42
<b>E</b>	11/9	£1,716.51
<b>F</b>	13/9	£2,028.61
<b>G</b>	15/9	£2,340.70
<b>H</b>	18/9	£2,808.84

- 5.4 It should be noted that, for the financial year 2013/14, the Nottinghamshire Police and Crime Commissioner has issued the following amounts in precepts in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£113.10	£131.95	£150.80	£169.65	£207.35	£245.05	£282.75	£339.30

- 5.5 It should also be noted that, for the financial year 2013/14, the Nottinghamshire and City of Nottingham Fire and Rescue Authority has issued the following amounts in precepts in accordance with Section 40 of the Local Government Finance Act 1992 (which has been amended by the Local Government Act 2003 to include Combined Fire Authorities), for each of the categories of the

dwellings shown below:-

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
£46.46	£54.20	£61.95	£69.69	£85.18	£100.66	£116.15	£139.38

- 5.6 The City Council, as billing authority, is required under section 30 of the Act to set council taxes for its area. In the City Council's case these will represent the aggregate of the City Council's basic amount of council taxes and the precepts of the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire and City of Nottingham Fire and Rescue Authority as shown above.

The impact of the proposals in the council tax is provided below:

<b>Band</b>	<b>City Council £</b>	<b>Police &amp; Crime Commissioner £</b>	<b>Fire &amp; Rescue Authority £</b>	<b>Aggregate Council Tax £</b>
<b>A</b>	£936.28	£113.10	£46.46	£1,095.84
<b>B</b>	£1,092.33	£131.95	£54.20	£1,278.48
<b>C</b>	£1,248.37	£150.80	£61.95	£1,461.12
<b>D</b>	£1,404.42	£169.65	£69.69	£1,643.76
<b>E</b>	£1,716.51	£207.35	£85.18	£2,009.04
<b>F</b>	£2,028.61	£245.05	£100.66	£2,374.32
<b>G</b>	£2,340.70	£282.75	£116.15	£2,739.60
<b>H</b>	£2,808.84	£339.30	£139.38	£3,287.52

## **6. Financial Implications (including value for money)**

- 6.1 These have been considered in the Medium Term Financial Plan 2013/14 - 2015/16 report to Executive Board.

## **7. Risk Management Issues**

- 7.1 These have been considered in the Medium Term Financial Plan 2013/14 - 2015/16 report to Executive Board.

- 7.2 The recommendations within this report fall within the City Council functions under the Local Government Finance Act 1992, the Local Government Act 1972 and other enabling legislation

**8. Equality Impact Assessment (EIA)**

8.1 An EIA has been carried out and is detailed in **Appendix 2** which has been circulated separately.

**9. List of Background Papers**

9.1 Budget Working Papers

**10. Published Reports referred to in compiling this report**

10.1 Previously published documents are available on the dedicated internet page.

**COUNCILLOR CHAPMAN  
DEPUTY LEADER**