

CITY COUNCIL – 9 MARCH 2015

REPORT OF THE DEPUTY LEADER

BUDGET 2015/16

1. SUMMARY

- 1.1 This budget report sets out the proposals for 2015/16 in a layout governed by statute.
- 1.2 This report is based on the Medium Term Financial Plan (MTFP) as considered by Executive Board on 24 February 2015 and which comprised the General Fund revenue budget, General Fund capital programme, Housing Revenue Account (HRA) revenue budget and HRA capital programme.
- 1.3 This report should be read in conjunction with the contents of the associated financial plans and budget reports.

2. RECOMMENDATIONS

It is recommended that:

2.1 the following be approved:

- (1) the revenue budget for 2015/16, including;
 - (a) the recommendations of the Chief Finance Officer 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 Acting 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 saving proposals after undertaking the appropriate consultation;
- (2) the capital programme for 2014/15–2019/20;
- (3) a council tax requirement of **£89,108,406**, including the calculations required by Sections 30 to 36 of the Local Government Finance Act 1992 (“the Act”), as set out below:
 - (a) **£948,597,199** 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) **£859,488,793** 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) **£89,108,406** 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 2015/16 of **£1,459.67** 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 2015/16 at the levels described in **section 5.6** of this report;
- (6) the making of the Members' Allowances Scheme for 2015/16 in the terms of the previously adopted and amended Scheme, save for adjustments to mirror nationally determined rates for pay awards and travel and subsistence (as applicable to officers) and for carers allowances;

2.2 the following be noted:

- (1) a Nottinghamshire and City of Nottingham Fire and Rescue Authority precept at Band D for 2015/16 of **£72.44**.
- (2) a Nottinghamshire Police and Crime Commissioner precept at Band D for 2015/16 of **£176.40**.
- (3) in January 2015, the City Council calculated the amount of **61,047** as its council tax base for the year 2015/16 in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

3. REASONS FOR RECOMMENDATIONS

3.1 Council Tax

The City Council is required by Section 30 of the Act to set its Council Tax for each year on or before 11 March in the preceding financial year. In order to do so, it must calculate its council tax requirement in accordance with the Act as detailed below including taking into account its estimated forthcoming spending requirements and ensuring that there are adequate reserves to draw on in the event that these estimates turn out to be insufficient. The City Council must also take into account the report of its Chief Financial Officer (set out at Annex 5 to the MTFP) on the robustness of these estimates and the adequacy of the proposed reserves. The total Council Tax being set also includes the precepted requirements of the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire and City of Nottingham Fire and Rescue Authority.

3.2 Members' Allowances Scheme 2015/16

This report recommends the adoption of the Scheme for 2015/16 without changes, save for adjustments to mirror nationally determined rates for pay awards and 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/article/24275/Nottingham-City-Councils-Constitution>

4. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

4.1 None

5. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

5.1 The legislation governing the setting of council tax is contained in the Act. 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 2015/16, calculated in accordance with section 31A(4) of the Act. The Executive Board at its meeting on 24 February 2015 determined the council tax requirement to be **£89,108,406**.

T is the amount calculated by the City Council as its council tax base for 2015/16. In January 2015 the City Council calculated the amount of **61,047** as its council tax base for the year 2015/16 in accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

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

$$\frac{\mathbf{£89,108,406}}{\mathbf{61,047}} = \mathbf{£1,459.67}$$

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 :

Band	Factor	Basic amount of council tax
A	6/9	£973.11
B	7/9	£1,135.30
C	8/9	£1,297.48
D	9/9	£1,459.67
E	11/9	£1,784.04
F	13/9	£2,108.41
G	15/9	£2,432.78
H	18/9	£2,919.34

5.4 It should be noted that, for the financial year 2015/16, 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:

A	B	C	D	E	F	G	H
£117.60	£137.20	£156.80	£176.40	£215.60	£254.80	£294.00	£352.80

- 5.5 It should also be noted that, for the financial year 2015/16, the Nottinghamshire and City of Nottingham Fire and Rescue Authority has issued the following amounts in precepts in accordance with Section 40 of the Act for each of the categories of the dwellings shown below:

A	B	C	D	E	F	G	H
£48.29	£56.34	£64.39	£72.44	£88.54	£104.64	£120.73	£144.88

- 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:

Band	City Council £	Police & Crime Commissioner £	Fire & Rescue Authority £	Aggregate Council Tax £
A	£973.11	£117.60	£48.29	£1,139.00
B	£1,135.30	£137.20	£56.34	£1,328.84
C	£1,297.48	£156.80	£64.39	£1,518.67
D	£1,459.67	£176.40	£72.44	£1,708.51
E	£1,784.04	£215.60	£88.54	£2,088.18
F	£2,108.41	£254.80	£104.64	£2,467.85
G	£2,432.78	£294.00	£120.73	£2,847.51
H	£2,919.34	£352.80	£144.88	£3,417.02

5.7 Budget Consultation

The MTFP process is supported by extensive consultation and the City Council is committed to maintaining and developing this participation.

Pre-budget consultation was carried out in October to December 2014 with 1,982 residents expressing their views on priority Council services. Further consultation has been undertaken from December 2014 with citizens, colleagues, businesses and the voluntary sector to consider the budget proposals set out in the draft Medium Term Financial Plan. A total of 240 people responded to online and paper surveys and around 200 attended public meetings.

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.

5.8 HRA Tenant Consultation on 2015/16 Budget and Rents

Presentations were made to the Tenant and Leaseholder Congress in February 2015. Tenants were advised that the investment plan set out in the MTFP was predicated on a medium term plan for housing rent increases, and that given the constraints that could be imposed on future increases there is a need to increase rents

in 2015/16 to protect the investment priorities of tenants. The increase for 2015/16 according to the plan was 2.2%. The tenant reward scheme will continue in 2015/16.

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

6. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 6.1 These have been considered in the MTFP 2015/16–2017/18 report to Executive Board on 24 February 2015.

7. RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS)

- 7.1 These have been considered in the MTFP 2015/16–2017/18 report to Executive Board on 24 February 2015.
- 7.2 The recommendations within this report fall within the City Council's functions under the Act, the Local Government Act 1972 and other enabling legislation.

8. EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An EIA has been carried out and was detailed in **Appendix A** of the MTFP 2015/16–2017/18 report to Executive Board. Due regard has been given to the equality implications identified in the EIA.

9. LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 9.1 Budget working papers.

10. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 10.1 Previously published documents are available on the dedicated consultation page <http://www.nottinghamcity.gov.uk/yourcityyourservices> and the committee page <http://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=177&MId=3919>.

**COUNCILLOR CHAPMAN
DEPUTY LEADER**