

Council Meeting - 19 February 2009

ITEM 7 - REVENUE BUDGET 2009-10 TO 2011-12

LABOUR GROUP AMENDMENT

1. The Labour Group is proposing the amendment to the budget set out in Appendix 1.
2. The revised Medium Term Budget Strategy is attached at Appendix 2.
3. The amendment does not alter the proposed Council Tax for 2009-10.
4. The amendment does not alter the report of the Chief Finance Officer on the robustness of the budget and the adequacy of reserves.
5. The revised Council Tax Resolution is attached at Appendix 3. Note that the only changes are on the budget summary for 2009-10.

Labour Group - Proposed Amendment

	2009-10 £000	2010-11 £000	2011-12 £000
External Funding Officer	50	-50	
S106 Officer (existing resource)	0		
Harrow Business Officer (existing resource)	0		
Economic downturn group	30		
Town centre library - Sunday opening	50		
Book of Remembrance	10		-10
Reduce contingency	-140	50	10
Total Inflation	0	0	0

The proposals are:

1. To appoint a second external funding officer, on an invest to save basis with a contingency of £50K to cover the first year's salary. It is expected that the post will become self-funding from 2010-11.
2. To allocate an existing officer to be the Section 106 Officer with the specific remit to look after, coordinate and maximise Section 106 funding. This is intended to be an invest-to-save appointment with some reallocation of duties.
3. To allocate an existing officer to be the "Harrow Business Officer" to coordinate all services across the Council for local businesses, and to be their first point of call.
4. To set up a cross-party working group with outside membership from the voluntary sector and the local business community with the aim of helping Harrow residents and businesses to cope with the economic downturn, and seeking external and partnership funding. This group to be allocated a contingency fund of £30K to pursue its important work.
5. To open the Town Centre Library on Sundays for four hours at a cost of £50K.
6. To set up a cross-party working group with outside advisers to produce a Book of Remembrance for Harrow's war dead and to allocate £10K p.a. for this group in 2009-10 and 2010-11 to carry out its work.

7. To introduce a provision for non direct debit customers to apply to pay their Council Tax in twelve instalments instead of ten, if the person can demonstrate that they are facing financial difficulties. Each case will be assessed on its merits. This measure may have some impact on the collection fund but take up and the impact on collection performance are difficult to estimate. The impact will be kept under review during the year.
8. To fund these measures by reducing the contingency in the budget.

**MEDIUM TERM FINANCIAL STRATEGY
2009-10 to 2011-12**

	2008-09 Budget £m	2009-10 Budget £m	2010-11 Budget £m	2011-12 Budget £m
Budget Requirement Brought Forward		162.837	168.839	172.298
Technical changes		3.771	5.402	2.800
Inflation		4.150	4.450	5.000
Investment in priority areas - years 2 and 3		0.000	2.000	2.000
Adults and Housing		-0.598	0.743	0.250
Children's Services		-0.097	0.021	0.236
Community and Environment		0.002	1.621	0.940
Corporate Directorates (Assistant Chief Executive, Legal, Finance)		-1.226	-1.894	-0.958
FUNDING GAP		0.000	-8.884	-7.128
Total Change in Budget Requirement		6.002	3.459	3.140
Revised Budget Requirement	162.837	168.839	172.298	175.438
Collection Fund Deficit/-surplus	1.365	-0.300	0.000	0
Government Grant	-65.698	-66.786	-67.764	-67.764
Amount to be raised from Council Tax	98.504	101.753	104.534	107.674
Council Tax at Band D	£ 1,152.55	£ 1,186.55	£ 1,222.10	£ 1,258.81
Increase in Council Tax (%)	2.95	2.95	3.00	3.00

Band D Equivalent Properties	86,768	87,282	87,282	87,282
Assumed collection rate	98.50%	98.25%	98.00%	98.00%
Tax Base	85,466	85,755	85,536	85,536

Harrow Council

Council Tax Resolution 2009-2010

Cabinet to approve as part of the Summons for Council, the model budget and Council Tax resolutions reflecting the recommendations of Cabinet and the GLA precept.

Council is requested to determine the level of the Council Tax for 2009-2010 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 18 December 2008 the Council calculated the amount of 85,755 as its Council Tax Base for the year 2009-2010 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33 (5) of the Local Government Finance Act 1992.
- (2) That the following amounts be now calculated by the Council for the year 2009-2010, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (i) 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. **(Gross expenditure)**

£532,402,127
 - (ii) 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. **(Gross income including use of reserves)**

£363,563,769
 - (iii) Being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Council, in accordance with Section 32(4) of the Act, **as its budget requirement for the year.**

£168,838,358
 - (iv) Being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund its Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 (Collection Fund Surplus)

£67,085,763

(v) Being **the amount to be raised from Council Taxes**

Calculated as the amount at 2 (iii) above less the amount at 2 (iv.) above.

£101,752,595

(vi) Being the amount at (v) divided by the Council Tax Base, calculated by the Council at its meeting on 18 December 2008 in accordance with Section 33 (1) of the Act, as the basic amount of its council tax for the year. **(The average Band D Council Tax)**

£1,186.55

(vii) Valuation Bands

	A	B	C	D	E	F	G	H
£	791.03	922.87	1,054.71	1,186.55	1,450.23	1,713.90	1,977.58	2,373.10

Being the amounts given by multiplying the amount at (vi.) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with 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.

- (3) That it be noted that for 2009-2010 the Greater London Authority stated the following amount in precept 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

Valuation Bands

	A	B	C	D	E	F	G	H
£	206.55	240.97	275.40	309.82	378.67	447.52	516.37	619.64

- (4) That, having calculated the aggregate in each case of the amounts at (2)(vii) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2009-2010 for each of the categories of dwellings shown below

Valuation Bands

	A	B	C	D	E	F	G	H
£	997.58	1,163.84	1,330.11	1,496.37	1,828.90	2,161.42	2,493.95	2,992.74

**HARROW COUNCIL
REVENUE BUDGET SUMMARY 2009-2010**

	2008-2009 Original Budget £000	2009-2010 Original Budget £000
Local Demand - Borough Services		
Adults and Housing	63,918	64,596
Children's	38,172	38,962
Community and Environment	46,594	47,957
Place Shaping	2,881	3,011
Legal and Governance	1,997	2,215
Assistant Chief Executive	3,212	3,389
Corporate Finance	19,210	20,036
Total Directorate Budgets	175,984	180,166
Inflation and Corporate items	4,973	4,072
Capital Financing adjustments	-6,972	-6329
Interest on Balances	-3,135	-185
Total – Baseline	170,850	177,724
Capitalisation	-590	-390
Contribution to Balances	1,000	500
Total Net Expenditure	171,260	177,834
Collection Fund Surplus()/Deficit b/f	1,365	-300
Redistributed Business Rates	-57,670	-54,261
Revenue Support Grant	-8,028	-12,524
Area Based Grant	-8,423	-8,996
Local Demand on Collection Fund	98,504	101,753
Funds / Balances		
Balances Brought Forward	2,154	4,031
Adjustment to Balances	1,000	500
Balances Carried Forward	3,154	4,531
Council Tax for Band D Equivalent		
Harrow (£)	1,152.55	1,186.55
<u>Increase</u>		
Harrow (%)	2.95%	2.95%
Taxbase	85,466	85,755