

EAST AYRSHIRE COUNCIL

SPECIAL POLICY AND RESOURCES COMMITTEE – 13 FEBRUARY 2002

GENERAL SERVICES REVENUE ESTIMATES 2002/03 - SETTING THE COUNCIL TAX

Report by Director of Finance

1 PURPOSE OF REPORT

- 1.1 To request that the Committee agree the overall General Services Revenue Budget for 2002/03 and recommend to the Council the level at which Council Tax Band 'D' should be set for the financial year 2002/03.

2 BACKGROUND

- 2.1 Members, at the Special Policy and Resources Committee Meeting on 1 February 2002, recommended the final allocations for each of the Service Committees upon consideration of a report by the Director of Finance in respect of the 2002/03 General Services Revenue Estimates, and requested that those committees align service delivery plans with the financial allocations for 2002/03.

3 REVENUE ALLOCATIONS

- 3.1 The final allocations made are shown below.

DEPARTMENT	DEPARTMENTAL RESOURCE ALLOCATIONS
	£M
Education	75.917
Social Work	29.563
Community Services	41.088
Development Services	10.942
Policy & Resources –Corporate Resources	5.571
Policy & Resources – Other	38.736
Homes & Technical Services	1.471
Insurance Fund	1.554
Trading Services	(0.742)
Debt Charges	11.867
Contingencies	0.386
TOTAL EXPENDITURE	216.353

- 3.3 Following acceptance of these allocations by the Service Committees, this Committee may now recommend to the Council the Council Tax level for the forthcoming financial year.

4 SETTING THE COUNCIL TAX

- 4.1 Total Expenditure has been set at £216.353m. Members will note that this includes a provision for contingencies. This relates however to specific potential pressures. In these circumstances all directors should be made aware that the final allocations are fixed and that any additional cost pressures over and above those for which contingency has been set aside must be met from within the departmental allocation.
- 4.2 Aggregate External Finance for 2002/03 has been set by the Scottish Executive at £151.858m. Housing Benefit Subsidy Grant has been estimated at £28.187m. It is proposed that balances of £0.500m be used to fund expenditure in the coming year, leaving £35.808m to be raised from Council Tax. This represents a Band 'D' value of £966.60 based on forecast average numbers of Band 'D' equivalent taxable dwellings of 37,045 and includes a bad debt provision of 5%.

Revenue Estimates 2002/03		£M
TOTAL EXPENDITURE		216.353
Funded by:		
Government Grant		180.045
Use of Balances		0.500
Council Tax Borne Expenditure		35.808
TOTAL INCOME		216.353
Band 'D' Council Tax		£966.60
Increase		4.9%

The 4.9% increase proposed is in line with the indicative increase for 2002/03 announced last year in terms of the three-year grant settlement arrangements.

- 4.3 The increase for all bands would be: -

Band	A	B	C	D	E	F	G	H
2001/02	614.40	716.80	819.20	921.60	1126.40	1331.20	1536.00	1843.20
2002/03	644.40	751.80	859.20	966.60	1181.40	1396.20	1611.00	1933.20
Increase	30.00	35.00	40.00	45.00	55.00	65.00	75.00	90.00

5 RECOMMENDATIONS

It is recommended that Members:

- 5.1 recommend to the Council that the Band 'D' Council Tax level for 2002/03 should be set at £966.60; and
- 5.3 otherwise note the contents of this report.

Alex McPhee
Director of Finance

AMcP/DMW
7 February 2002

**LIST OF BACKGROUND PAPERS
NIL**

AGENDA