

EAST AYRSHIRE COUNCIL

SPECIAL POLICY AND RESOURCES COMMITTEE – 14 FEBRUARY 2001

GENERAL SERVICES REVENUE ESTIMATES 2001/02 - 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 2001/02 and recommend to the Council the level at which Council Tax Band D should be set for the financial year 2001/02.

2 BACKGROUND

- 2.1 Members, at the Special Policy and Resources Committee Meeting on 6 February 2001, recommended the final allocations for each of the Service Committees upon consideration of a report by the Director of Finance in respect of the 2001/02 General Services Revenue Estimates, and requested that those committees align service delivery plans with the financial allocations for 2001/02.

3 REVENUE ALLOCATIONS

- 3.1 The final allocations made are shown below;

DEPARTMENT	RESOURCE ALLOCATIONS
	£M
Education	67.553
Social Work	26.089
Community Services	38.038
Development Services	9.251
Homes & Technical Services	1.406
Policy and Resources	13.933
Housing / Council Tax Benefit	2.068
Trading Services Surplus	(0.502)
Other Specific Budget Items	0.612
Council Funded Social Inclusion	0.065
Debt Charges	13.622
TOTAL EXPENDITURE	172.135

- 3.2 Service Committees have now confirmed acceptance of these allocations and where appropriate have instructed departmental directors to bring forward proposals on deployment of growth monies and to review departmental fees and charges. Special meetings have been timetabled for this as follows;

Committee	Date	Time
Community Services	28 February 2001	10:00 am
Social Work	1 March 2001	10:00 am
Development Services	6 March 2001	10:15 am
Education	7 March 2001	10:00 am

- 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 £172.135m and has been fully allocated to departments. Members will note that no general provision for contingencies arising in 2001/02 is available and in these circumstances all directors should be made aware of the need to manage any additional cost pressures within the final allocation made.
- 4.2 Aggregate External Finance for 2001/02 has been set by the Scottish Executive at £137.815m. The projected surplus for 2000/01 of £0.500m can be used to fund expenditure in the coming year, leaving £33.820m to be raised from Council Tax. This represents a Band D value of £921.60 based on forecast average numbers of band D equivalent taxable dwellings of 38,630 and includes a bad debt provision of 5%.

Heading	Estimates 2001/02
TOTAL EXPENDITURE	172.135
Funded by:	
Projected Surplus 2000/01	0.500
Aggregate External Finance	137.815
Council Tax Borne Expenditure	33.820
TOTAL INCOME	172.135
Band D Council Tax	921.60
Increase	4.9%

4.3 The increase for all bands would be: -

Band	A	B	C	D	E	F	G	H
2000/01	585.60	683.20	780.80	878.40	1073.60	1268.80	1464.00	1756.80
2001/02	614.40	716.80	819.20	921.60	1126.40	1331.20	1536.00	1843.20
Increase	28.80	33.60	38.40	43.20	52.80	62.40	72.00	86.40

4.4 **Council Tax Level 2002/03 and 2003/04**

The Scottish Executive's expenditure guideline controls of previous years have been replaced with a requirement to publish along with the 2001/02 council tax level, firm council tax figures for the following two years. A 4.9% increase for 2001/02 is indicated above and it is proposed that the council tax increase for years 2 and 3 should also be set at this level. This can however be revisited when final budgets are being set for these two years with any significant changes to these figures requiring to be justified to the Scottish Executive.

The Band D Council tax for 2002/03 would therefore be set at £966.60 with the figure for 2003/04 being £1014.30.

5 **RECOMMENDATIONS**

It is recommended that Members:

- 5.1** to recommend to Council the service resource allocations shown at paragraph 3.1 of the report;
- 5.2** recommend to the Council that the Band D Council Tax level for 2001/02 should be set at £921.60;
- 5.3** recommend to the Council that the Band D Council Tax for 2002/03 and 2003/04 be set at £966.60 and £1014.30 respectively; and
- 5.4** otherwise note the contents of this report.

Alex McPhee
Director of Finance

AMcP/JP
 6 February 2000

LIST OF BACKGROUND PAPERS
NIL

AGENDA