

## EAST AYRSHIRE COUNCIL

### SPECIAL POLICY AND RESOURCES COMMITTEE – 12 FEBRUARY 2003

#### GENERAL SERVICES REVENUE ESTIMATES 2003/04 - 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 2003/04 and recommend to the Council the level at which Council Tax Band 'D' should be set for the financial year 2003/04 and the indicative level of Council Tax for 2004/05 and 2005/06.

### 2 BACKGROUND

- 2.1 Members, at the Special Policy and Resources Committee Meeting on 31 January 2003, recommended the final allocations for each of the Service Committees following consideration of a report by the Director of Finance in respect of the 2003/04 General Services Revenue Estimates, and requested that those committees align service delivery plans with the financial allocations for 2003/04.

### 3 REVENUE ALLOCATIONS

- 3.1 Since the meeting of this committee on 31 January 2003, the Strathclyde Concessionary Fares Joint Committee has agreed the precept for 2003/04 at £0.242m less than was budgeted. This decision hinges on the claim for additional costs to the Scottish Executive the outcome of which will not be known until later in the year. It is proposed that the reduction be transferred from the Concessionary Fares budget to Contingencies meantime.
- 3.2 The final allocations made are shown below.

SERVICE	ALLOCATION £m
Education	79.848
Social Work	36.686
Community Services	43.622
Development Services	12.174
Policy & Resources -Corporate Resources	6.211
Policy & Resources – Other	46.644
Homes & Technical Services	1.697
Quality of Life	1.169
Insurance Fund	2.224
Trading Services	(0.846)
Better Neighbourhood Service Fund	3.665
Supporting People	0.977
Debt Charges	12.545
Contingencies	0.642
<b>Total Expenditure</b>	<b>247.258</b>

- 3.3 This committee on 31 January 2003 agreed a package of proposals for Quality of Life funding to be submitted to the Scottish Executive for approval. It is intended that the £1.169m will be allocated to the lead departments identified once that approval has been secured.
- 3.4 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 £247.258m. 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 by re-aligning departmental budgets to reflect service priorities.
- 4.2 On 4 December 2002, the Scottish Executive announced grant funding levels for each of the three years 2003/04, 2004/05 and 2005/06. This enables councils to plan spending and council tax levels for three years ahead. It will be important to ensure that departmental spending plans are aligned with the overall Council Plan and consequently it is not possible at this stage to determine detailed departmental budgets for years 2 and 3. Nevertheless some high level estimates can be made and indicative council tax levels calculated based on those assumptions.

	2003/04	2004/05	2005/06
Government Grant –AEF	£169.1m	£176.2m	£183.2m
Housing Benefit Subsidy Grant	£35.6m	£37.4m	£39.2m
Better Neighbourhoods Service Fund	£3.7m	N/A*	N/A*
Supporting People	£1.0m	£1.0m	£1.0m
<b>Total Government Grant</b>	<b>£209.4m</b>	<b>£214.6m</b>	<b>£223.4m</b>
Service Expenditure	£227.7m	£237.1m	£246.3m
Better Neighbourhoods Service Fund	£3.7m	N/A*	N/A*
Quality of Life Funds	£1.2m	£1.4m	£1.6m
Insurance Fund	£2.2m	£2.5m	£2.8m
Debt Charges	£12.5m	£13.3m	£14.4m
<b>Total Expenditure</b>	<b>£247.3m</b>	<b>£254.3m</b>	<b>£265.1m</b>
<b>Amount Funded by Council Tax</b>	<b>£37.9m</b>	<b>£39.7m</b>	<b>£41.7m</b>
Number of Band D Equivalentents	37,323	37,323	37,323
<b>Band D Council Tax</b>	<b>£1,014.30</b>	<b>£1,064.07</b>	<b>£1,116.27</b>
% Increase	4.9%	4.9%	4.9%

\*Distribution of Better Neighbourhoods Services Fund for years 2 and 3 has yet to be announced

4.3 On the basis of the above proposal the Council Tax for all Bands would be:

<b>Band</b>	<b>2002/03</b>	<b>2003/04</b>	<b>2004/05</b>	<b>2005/06</b>
<b>A</b>	<b>£644.40</b>	<b>£676.20</b>	<b>£709.38</b>	<b>£744.18</b>
<b>B</b>	<b>£751.80</b>	<b>£788.90</b>	<b>£827.61</b>	<b>£868.21</b>
<b>C</b>	<b>£859.20</b>	<b>£901.60</b>	<b>£945.84</b>	<b>£992.24</b>
<b>D</b>	<b>£966.60</b>	<b>£1,014.30</b>	<b>£1,064.07</b>	<b>£1,116.27</b>
<b>E</b>	<b>£1,181.40</b>	<b>£1,239.70</b>	<b>£1,300.53</b>	<b>£1,364.33</b>
<b>F</b>	<b>£1,396.20</b>	<b>£1,465.10</b>	<b>£1,536.99</b>	<b>£1,612.39</b>
<b>G</b>	<b>£1,611.00</b>	<b>£1,690.50</b>	<b>£1,773.45</b>	<b>£1,860.45</b>
<b>H</b>	<b>£1,933.20</b>	<b>£2,028.60</b>	<b>£2,128.14</b>	<b>£2,232.54</b>

## 5 RECOMMENDATIONS

It is recommended that Members:

- 5.1 Recommend to the Council that the budget be approved including the submission of proposals to the Scottish Executive for Quality of Life initiatives;
- 5.1 Recommend to the Council that the Band D Council Tax level for 2003/04 should be set at £1014.30;
- 5.2 Recommend to the Council that the indicative Band D Council Tax levels for 2004/05 and 2005/06 should be £1064.07 and £1116.27: and
- 5.3 Otherwise note the contents of this report.

Alex McPhee  
**Director of Finance**

AMcP/JP  
7 February 2003

### LIST OF BACKGROUND PAPERS NIL

Members wishing further information should contact Alex McPhee, Director of Finance, Telephone (01563) 576300.