

COUNCIL – 22 FEBRUARY 2011

COUNCIL TAX SETTING

Report of the: Deputy Chief Executive & Director of Corporate Resources

Status: For Decision

Executive Summary:

This report follows on from the report to Council on 16 December 2010 and sets out the remaining factors that need to be considered in order to set the Council Tax for 2011/12. These factors include:

- Precepts received from other authorities;
 - Collection Fund position.
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This report supports all the Council's key themes and objectives.

Portfolio Holder Cllr. Ramsay

Head of Service Head of Finance and Human Resources – Tricia Marshall

Recommendation:

Due to their length and complexity, the recommendations have been produced as a separate document (Appendix 2).

Latest Information on Precepting Authorities

- 1 A list of parish and town council precepts is attached at Appendix 1. The tax base figures are those calculated and approved at the Cabinet meeting on 20 January 2011.
- 2 The Kent Police Authority met on 9 February, Kent County Council on 17 February and the Kent Fire & Rescue Service meets on 16 February to agree their budgets.

Collection Fund Surplus/Deficit Calculation

- 3 Rules governing the operation of the collection fund require the Council to make an estimate on 15 January (or the next working day) each year of the fund's likely difference at the end of the current financial year, in respect of council tax transactions. The amount so estimated is to be shared between the District Council, County Council and Fire and Police Authorities in proportion to their precepts on the collection fund. Each authority's share is to be taken into account by the authority in calculating its council tax for the year following the year in which the surplus or deficit has been estimated.

Item 6(b)

- 4 The actual surplus balance on the collection fund at 31st March 2010 was £365. The actual balance is very small in the context of the gross council tax collectible during 2009/10 of £73m.
- 5 My calculation at 15 January 2011 estimates a nil balance on the collection fund at 31 March 2011. This is based on the tax bills issued for the year, current collection performance and the level of bad debt provision held.

New information received since December 2010

- 6 Since this Council's budget was approved by Council on 16 December 2010, two new items of information have been received.
- 7 An increase in the Council Tax base of 148 band D equivalent properties which will produce an additional £27,000 Council Tax income. This was reported to Cabinet on 20 January 2011.
- 8 The Government has now announced the final 2011/12 and provisional 2012/13 settlement figures. The 2011/12 figure of £4.912m is £35,000 higher than the provisional figure announced on 13 December 2011 but the 2012/13 figure of £4.186m is £3,000 lower.
- 9 The overall effect of these two minor changes on the Ten Year Budget is to produce a small surplus of £66,000 by the end of the 10-year planning period (i.e. an average of £6,600 per year). The updated Ten Year Budget is included at Appendix 3.

RISK ASSESSMENT STATEMENT

- 10 A detailed risk assessment was attached as Appendix G to the Revenue Budget and Council Tax 2011/12 report to the Council meeting on 16 December 2010.

Sources of Information: 2011/12 Budget reports to Cabinet 16 December 2010

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