

COUNTY COUNCIL BUDGET MEETING 7 FEBRUARY 2012

REPORT OF THE LEADER

A. BUDGET

PROPOSED COUNCIL TAX RATES AND PRECEPT LEVEL

1. The Cabinet, having considered all of the information contained in the Officer reports and the feedback and representations received from the public, representatives of the business community, voluntary sector and employees, proposes and recommends a balanced and sustainable revenue and capital budget for the next five years to the County Council on 7 February 2012. This is set out in the Council Budget Report 2012-2017 and annexes.
2. To summarise, the five-year revenue budget for each Directorate is below.

Directorate	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Adult Social Care	324.9	331.5	326.6	329.2	341.0	357.7
Children Schools and Families	283.4	286.8	284.7	289.1	293.2	290.3
Schools	616.2	536.6	536.6	536.6	536.6	536.6
Customer and Communities	68.3	70.3	67.3	67.1	68.5	70.0
Environment and Infrastructure	121.1	124.2	123.2	126.1	125.0	128.5
Change and Efficiency	88.7	84.8	81.9	82.5	82.6	85.3
Chief Executive's Office	14.9	13.6	15.0	13.8	13.3	13.6
Corporate projects	1.0	1.5	1.5	1.5	1.5	1.5
Central Income and Expenditure	70.2	75.0	65.9	70.4	66.6	69.0
Total	1,588.7	1,524.3	1,502.7	1,516.3	1,528.3	1,552.5

3. Details of the proposed budgets for each Directorate are set in Annex 3 for information. Directorate strategies and detailed budgets will be presented to Cabinet on 27 March 2012.
4. Spending decisions during the year should comply with any specific direction given in the Leader's budget statement and any material variations reported to the Cabinet as part of the monthly budget monitoring process.

5. Cabinet proposes that a capital programme for 2012/13 of £141m and a capital programme for the five years to 2016/17 of £681m, should be approved subject to the Cabinet approving individual business cases and detailed proposals for each specific scheme. In order to fund this, the revenue budget proposals allow for the financing costs of borrowing £197m between 2012/13 and 2016/17 for prioritised capital schemes, of which £32m is scheduled in 2012/13. The proposed capital programme for the five years should be financed as set out in Annex 4.
6. The basic amount of council tax is the council tax requirement over the tax base.

The **Council tax requirement** for 2012/13 is based on:

	£
Gross expenditure	1,655,607,456.00
Other income	-131,326,405.00
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Budgeted Revenue expenditure	1,524,281,051.00
Council Tax collection fund balance	-5,259,717.00
Raised from reserves and balances	-15,248,800.00
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Budgeted net expenditure	1,503,772,534.00
Formula grant	-148,614,723.00
Other Government grant	-780,391,226.25
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COUNCIL TAX REQUIREMENT	574,766,584.75
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The **tax base** is the number of Band D equivalent properties for precepting purposes to be as follows:

Billing Authority	Number of Band D Equivalent Properties
Elmbridge	63,895.00
Epsom & Ewell	32,166.34
Guildford	57,644.39
Mole Valley	40,801.70
Reigate & Banstead	59,403.00
Runnymede	33,893.97
Spelthorne	40,667.30
Surrey Heath	37,476.90
Tandridge	38,001.50
Waverley	54,846.80
Woking	41,147.94
Total	499,944.84

Therefore the basic amount of council tax is

$$574,766,584.75 / 499,944.84 = \text{£}1,149.66$$

7. It is therefore recommended to the Council that:

- i. the council tax requirement for 2012/13 is set at £574.8m;**
- ii. the 2012/13 council tax increase be fixed at 2.99%;**
- iii. the basic amount for 2012/13 council tax at Band D is set at £1,149.66 (para 6);**
- iv. reserves totalling £15.2m to be applied to 2012/13;**
- v. the revenue budget proposals set out in paragraphs 2 to 4 above are agreed;**
- vi. the capital budget proposals set out in paragraph 5 above are agreed;**
- vii. the conclusion of the Chief Finance Officer (S151 Officer) in Annex 8 under Section 25 of the Local Government Act 2003, that these budget proposals are robust and sustainable and provide for adequate reserves against the level of risk identified, be noted;**
- viii. the forecasts for 2013/14, 2014/15, 2015/16 and 2016/17 be used as a basis for service planning;**
- ix. the County Council's level of Council Tax for each category of dwelling in its area be as follows:**

Valuation Band	£
A	766.44
B	894.18
C	1,021.92
D	1,149.66
E	1,405.14
F	1,660.62
G	1,916.10
H	2,299.32

- x. the payment for each billing authority including and balances on the collection fund will be as follows:**

Billing Authority	£
Elmbridge	74,740,468.70
Epsom & Ewell	37,138,530.44
Guildford	66,574,324.41
Mole Valley	47,268,715.42
Reigate & Banstead	68,899,753.98
Runnymede	39,143,400.55
Spelthorne	46,806,408.12
Surrey Heath	44,195,692.85
Tandridge	43,880,104.49
Waverley	63,716,430.09
Woking	47,662,472.70
TOTAL	580,026,301.75

- xi. With such payments to be made in ten equal instalments on the following dates, already agreed with billing authorities:**

20 April 2012	15 October 2012
25 May 2012	19 November 2012
29 June 2012	03 January 2013
06 August 2012	08 February 2013
10 September 2012	12 March 2013

B. PRUDENTIAL INDICATORS

- xii. In addition the Council is recommended to adopt:**

- The 2012/13 authorised limit for total external debt of £662m (as set out at Annex 5)
- The level of prudential borrowing of £197m over the next five years (£32m in 2012/13)
- All other prudential indicators (as set out in Annex 5)
- The treasury management strategy (as set out in Annex 5)