

**COUNCIL TAX AND GENERAL FUND BUDGET 2007/2008**

Accountable Cabinet Member: Councillor Crooks

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**1. Purpose**

1.1 To set the Council Tax for 2007/08.

**2. Recommendations**

2.1 That the Council notes the final effect on its budget requirement for 2007/08 (excluding Parish, Town Council and Parish Meeting precepts), including the various levies, as detailed at **Annex A**.

2.2 That the Council Tax resolutions for 2007/08 as set out at **Annex B** be adopted.

2.3 That the Council acknowledges the statement by the Section 151 Officer under section 25 of the Local Government Act 2003 on the robustness of estimates and the adequacy of reserves as set out in **Annex C**.

2.4 That the Section 151 Officer be authorised, in consultation with the relevant Strategic Director, to make any technical presentational changes to the final published budget as deemed necessary to meet external reporting obligations.

2.5 That the details of the Prudential Indicators, required under the CIPFA Prudential Code for Capital Finance in Local Authorities, are set as shown in the Annex to the Prudential Indicators report, with the revision attached at **Annex E** to reflect the amended revenue budget requirement, as part of setting the budget for 2007/08 to 2010/11.

**3. Issues and Choices**

*The Council's Budget*

3.1 Council, earlier in its Agenda, is expected to agree a net budget of £152.947m which results in a Council Tax increase for its own purposes of 3.6%.

- 3.2 The report to the Cabinet at its meeting on 20 February 2007 set out the S151 Officer's statement under section 25 of the Local Government Act 2003 (Annex H of that report). This refers to the robustness of estimates and the adequacy of reserves. The Council is asked to acknowledge the statement, which is shown at **Annex C**.

*Levies*

- 3.3 The Council's budget assumes the demand from the levying bodies (Drainage Board and Environment Agency) is a total £367,528 based on information received from those bodies. The budget recommended by Cabinet to Council anticipated this level of levies.

*Local Precepting Authorities*

- 3.4 The Parish Precepts for 2007/08 total £4,122,423. These are detailed, on a Band D equivalent basis, at **Annex B**.

*Major Precepting Authorities*

- 3.5 The Thames Valley Police Authority agreed its precept requirement of £10,871,187.00 and net budget of £344.67m on 16 February 2007. The Band D equivalent is £139.19, an increase of 4.99%.
- 3.6 The Buckinghamshire and Milton Keynes Fire Authority agreed its precept requirement of £4,087,054.11 and net budget of £26.362m on 16 February 2007. The Band D equivalent is £52.33, an increase of 4.95%.

*Special Items*

- 3.7 Sections 34 and 35 of the Local Government Act 1992 require Parish precepts to be determined by the Council as special items. This is reflected in the Council Tax resolution (**Annex B**). The individual parish precepts on a Band D basis are detailed at **Annex D**.

*Prudential Code*

- 3.8 **Annex E** shows amended Prudential Indicators for the Ratio of Financing Costs to Net Revenue Stream to reflect the Budget Requirement recommended by Cabinet at its meeting on 20 February 2007.

*Setting the Council Tax*

- 3.9 If the recommendations above are approved the average Council Tax increase for Milton Keynes Council services including the levies will be as set out at **Annex B**. After taking account of the Parishes, the Police Authority, and the Fire Authority, the average increase in Milton Keynes' tax levels will vary depending on the relevant area's tax charge. The details

behind these increases are set out at **Annex B**. Table 1 below details the average Band D Council Tax figure for 2007/08.

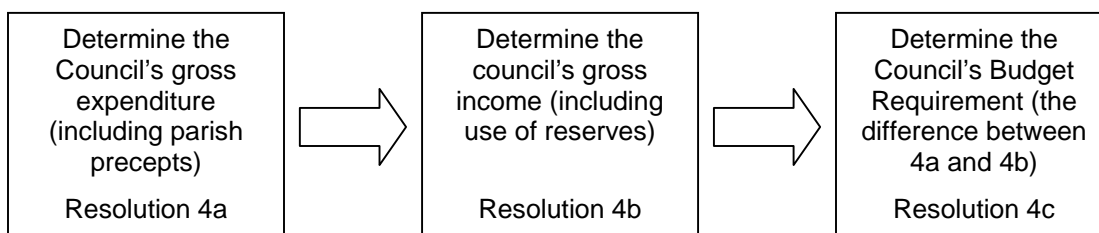
**Table 1: Average Band D council tax**

	2006/07	2007/08	Increase		% increase
			£ per annum	£ per week	
<b>Milton Keynes Council</b>	£981.37	£1,016.70	£35.33	£0.68	3.60
<b>Parish Precepts</b>	£48.33	£52.78	£4.45	£0.09	9.21
<b>Buckinghamshire &amp; Milton Keynes Fire Authority</b>	£49.86	£52.33	£2.47	£0.05	4.95
<b>Thames Valley Police Authority</b>	£132.58	£139.19	£6.61	£0.13	4.99
<b>Total</b>	<b>£1,212.14</b>	<b>£1,261.00</b>	<b>£48.86</b>	<b>£0.94</b>	<b>4.03</b>

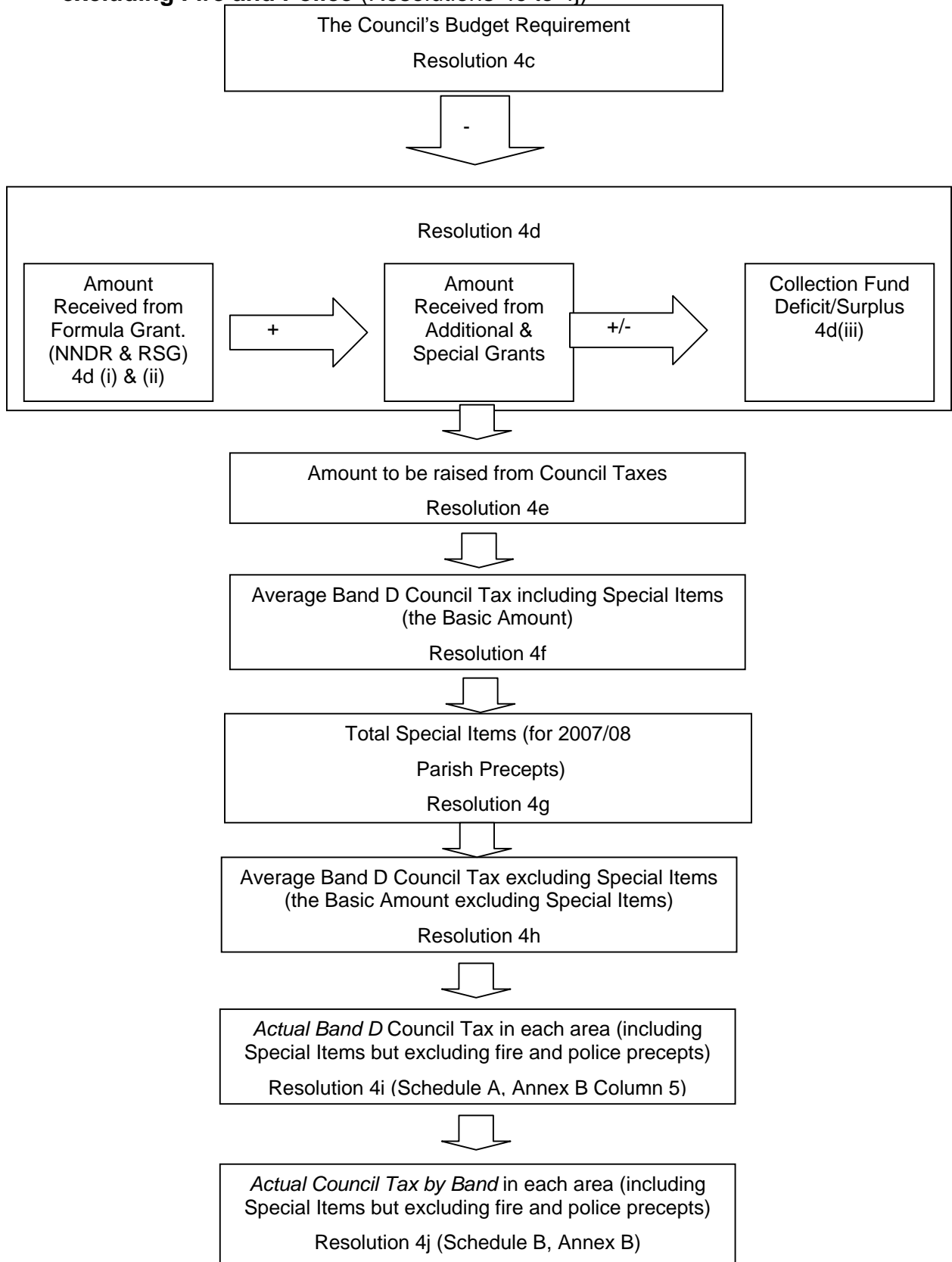
3.10 In order to set the Council Tax legally, the Council must agree a complex set of resolutions shown at **Annex B**. These resolutions build up from the Council's budget requirement including Parish precepts, through deducting formula grant and collection fund surpluses (or adding a deficit) to arrive at a basic Council Tax including and excluding Parish precepts. To that is added the precepts for the Fire and Police Authorities to arrive at a total Council Tax by Parish and by Council Tax Band.

3.11 Resolutions 1 and 2 reiterate the General Fund budget requirement and special items that are then covered more formally in resolution 4. Resolution 3 confirms the Council has calculated the Council Tax base at a total area level and at a parish level. The remainder of the Council Tax setting process is shown below diagrammatically.

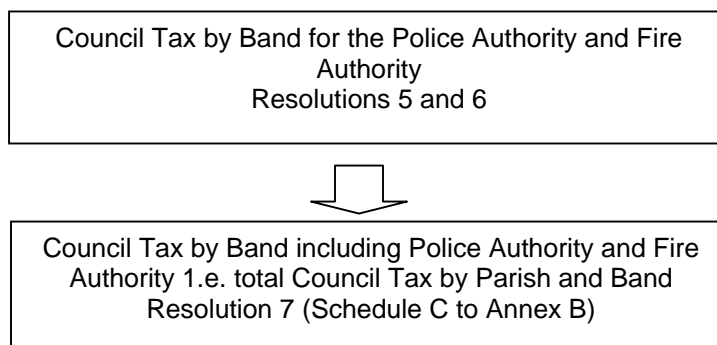
**Stage 1: Determining the Council's Budget Requirement**  
(Resolutions 4a, 4b, and 4c)



**Stage 2: Determining the Amount to be raised from Council Taxes excluding Fire and Police (Resolutions 4c to 4j)**



**Stage 3: Determining the Amount to be raised from Council Taxes including Fire and Police (Resolutions 5 to 7)**



**4. Implications**

4.1 Policy

None

4.2 Resources

The budget presented at **Annex A**, in conjunction with the tax setting resolution at **Annex B** present a balanced budget for 2007/08.

4.3 Legal

The Council is required to set its Council Tax level before 11 March. The legal requirements in relation to the setting of the Council Tax are noted against the relevant resolutions in **Annex B**.

Background Papers: Correspondence from the Police Authority, Fire Authority, levying bodies and local Councils.

Annexes

A: General Fund Budget Requirement 2007/08 (Revised and amended Annex E from the Cabinet)

B: Council Tax resolution 2007/08, including:

- Schedule A: Council Tax where special items [Parish precepts] apply;

- Schedule B: Milton Keynes Council and Parish Council Tax, Bands A to H, by Parish area excluding the Thames Valley Police Authority and the Buckinghamshire and Milton Keynes Fire Authority
- Schedule C: Milton Keynes Council and Parish Council Tax, Bands A to H, by Parish area including the Thames Valley Police Authority and Buckinghamshire Fire Authority

C: Robustness of budget estimates and adequacy of reserves

D: Review of Parish Precepts for the 2007/08 Council Tax charges

E: Revised Prudential Indicators