

Item No. 2.1	Classification: Open	Date: 23 February 2009	Meeting Name: Council Assembly
Report title:		Policy and Resources Strategy - The 2009/10 Revenue Budget (The Budget and Policy Framework)	
Wards or groups affected:		All	
From:		Finance Director	

RECOMMENDATION

That Council Assembly:

1. Agree the recommendations of the Executive for a general fund budget of £315.152m and zero council tax increase for 2009/10 (see attached report – appendix 1).

BACKGROUND INFORMATION

2. On the 10 February 2009 the Executive considered a report on the Council's revenue budget proposals for 2009/10. A copy of this report is appended for information (appendix 1). The Executive, at this meeting, proposed the general fund revenue budget and council tax recommendation for council assembly.
3. The Executive recommended a general fund revenue budget of £315.152m with a zero percent council tax increase for Southwark's element of the council tax in 2009/10.

KEY ISSUES FOR CONSIDERATION

Resources 2009/10

4. Assuming a zero percent increase in Council Tax for 2009/10 the resources available to the Council are:

	£'000
Income from formula grant and NNDR	227,356
Projected collection fund surplus 2007/08	1,442
Income from council tax – assuming 0.0% increase	86,354
Total Revenue Resources Available	315,152

Revenue Budget 2009/10

7. The following table sets out the proposed budget for 2009/10:

	£'000
2008/09 budget	309,030
Inflation	8,589
Commitments	14,841
Improved use of resources and efficiencies	(16,562)
Income fees and charges	(746)
Proposed budget 2009/10	315,152

Council Tax

9. All local authorities are required to set their council tax by 11 March 2009. This Council will set its own tax on 23 February 2009 (the date to which this report refers). As in previous years, any delay to this date will mean the Council would have to move its instalment date beyond the 1 April 2009. This would result in a loss of income to the Council from cash flow and could also put at risk the ability of the Council's contractor to meet its collection targets with the resulting cost to the Council.
10. In proposing a zero increase in council tax for 2009/10, Southwark's council tax will have increased by 10% in the last five years. The general trend in comparative data on council tax for the last six years up to 2008/09 is given in appendix 2. Southwark's council tax for 2008/09 (including GLA) is 11.0% below the national average, 5.4% below the London average (including GLA) and 7.1% below the London average (excluding GLA).

GLA Precept

11. The Mayor of London's consolidated budget for 2009/10 is to be presented and approved by the London Assembly on the 11 February 2009. The proposal put out for consultation recommends an increase of 0% on the GLA precept but this is subject to approval by the London Assembly at the above meeting.

	2008/09	2009/10	Increase
GLA precept	£309.82	£309.82	0.0%
Southwark precept	£912.14	£912.14	0.0%
Total band D Council Tax	£1,221.96	£1,221.96	0.0%

Community Impact Statement

12. The purpose of this report is to outline budget proposals for Council services, following the final local government settlement and with a recommended council tax increase of 0%. Future decisions made on the basis of the agreement of the 2009/10 budget may require detailed consideration of the impact on local people and communities as appropriate including consultation where required.

Consultation

13. The Council consults with relevant stakeholders with regards the wider policy and resources strategy process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Legal and Democratic Services

14. The statutory requirement to calculate and agree the Council's annual budget of the Local Authority is derived from section 32 of the Local Government Finance Act 1992 ("the 1992 Act"). Section 65 of the 1992 Act imposes a duty on the Council to consult with representatives of the business ratepayers in the borough before making the calculation required under section 32 of the 1992 Act.

15. Section 67 of the Act provides that the council assembly must make final decisions on the budget and council tax level for 2009/10. The functions cannot be delegated to the Executive or to a committee. This provision is reflected in the Council's constitution article 3.

BACKGROUND INFORMATION

Background Papers	Held At	Contact
Policy and Resources Strategy and budget working papers	Town Hall	Cathy Doran, Extension 54396 Stephen Gaskell, Extension 57293

APPENDICES

No.	Title
Appendix 1	Executive Report (10 February 2009) Policy and Resources Strategy 2009/10 – 2010/11 - The Council's 2009/10 Revenue Budget (The Budget and Policy Framework)
Appendix 2	Council tax comparisons 2003/04 – 2008/09

AUDIT TRAIL

Lead Officer	Duncan Whitfield, Finance Director	
Report Author	Simon Hughes, Assistant Finance Director Cathy Doran, FMS Stephen Gaskell, Corporate Planning and Performance	
Version	Final	
Dated	11 February 2009	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal and Democratic Services	Yes	Yes
Finance Director	Yes	Yes
List other Officers here – all Chief Officers	Yes	Yes
Executive Member(s)	Yes	Yes
Date final report sent to Constitutional Support Services	11 February 2009	