

## Report for Resolution

**Report to** Council  
21 February 2012  
**Report of** Head of finance  
**Subject** General revenue fund budget

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Item  
**6**

### Purpose

To set a budgetary requirement and level of Council Tax for the financial year 2012/13

### Recommendations

That council approves cabinet's recommendations of 15 February for the 2012/13 financial year:

- (1) that the prudent level of reserves for the council be set at £4.42 million in accordance with the recommendation of the Head of Finance;

**and**

- (2) that the council's Council Tax Requirement to be set at £9,282,105 (para 11.2);
- (3) that Council Tax should be set at £225.87 for Band D, which is an increase of 0%;
- (4) that the precept of the collection fund for 2012/13 be calculated in accordance with Sections 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 as per the statutory determination at Annex 3.

**or**

- (5) that the council's Council Tax Requirement to be set at £9,588,673 (para 12.4);
- (6) that Council Tax should be set at £233.33 for Band D, which is an increase of 3.3%;
- (7) that the precept of the collection fund for 2012/13 be calculated in accordance with Sections 32-36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011 as per the statutory determination at Annex 4.

### Financial Consequences

This report sets the council tax and the general fund budgetary requirement for 2012/13

## **Risk Assessment**

The risk assessment of the report is described in paragraph 8 and annex 2 of the report

## **Strategic Priorities**

The report helps to meet the strategic priorities “Aiming for excellence – ensuring the Council is efficient in its use of resources, is effective in delivering its plans, is a good employer and communicates effectively with its customers, staff and partners”, “Safe and healthy neighbourhoods – working in partnership with residents to create neighbourhoods where people feel secure, where the streets are clean and well maintained, where there is good quality housing and local amenities and where there are active local communities”, and “Strong and prosperous city – working to improve quality of life for residents, visitors and those who work in the city now and in the future”

### **Cabinet Member:**

Councillor Waters - Resources, performance and shared services

**Ward:** All wards

### **Contact Officer**

Barry Marshall, Head of Finance

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## Report

### 1. Background

- 1.1 The recession since 2007/8 has had a major impact on public and private sector organisations. Reductions in public sector spending have had a significant impact on Norwich City Council. In order to balance the councils general revenue fund budget expenditure had to be cut by £3,800,000 in 2009/10, £6,100,000 in 2010/11 and £4,600,000 in 2011/12

### 2. Public sector borrowing

- 2.1 The graph below shows the pattern of the public sector borrowing since 1999 expressed as a proportion of GDP, and this clearly shows the high levels of borrowing occurring during the period of the international financial crisis and the recession that followed on from this.



(Source: [ONS Main Statistics November 2011](#))

- 2.2 The borrowing is made up of two main elements; structural and cyclical deficit. The structural deficit results from a fundamental imbalance in government receipts and expenditures whereas the cyclical deficit is usually based on one-off or short term factors. The cyclical element in a government deficit will normally be addressed by normal economic growth whereas the structural element will require direct government intervention through higher taxes or reductions in public expenditure or a combination of the two.

### 3. Coalition government policies

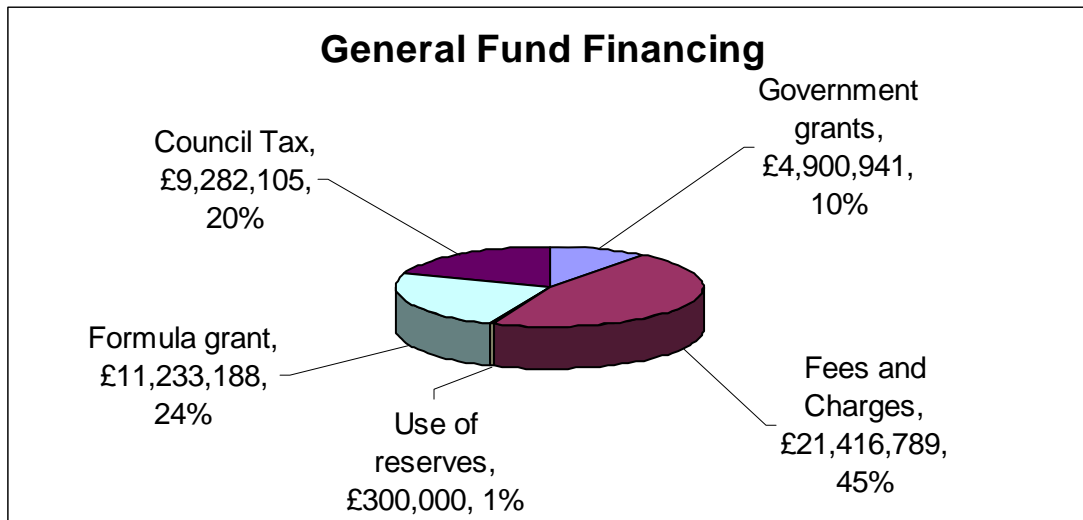
- 3.1 The coalition government have stated that they will continue to reduce public spending to reduce the level of public sector borrowing. The government have announced the grant settlement for 2012/13 and have also commenced a fundamental review of the local government finance system.

#### 4. Medium Term Financial Strategy (MTFS)

- 4.1 The Council's Head of Finance has updated the assessment of the impact of the ongoing reductions on the council's medium term financial position alongside other budget pressures including inflation and unavoidable expenditure requirements.
- 4.2 This shows a need to make savings of £14 million over the next 4 years.
- 4.3 The council's budget is underpinned by the Medium Term Financial Strategy (MTFS). The financial projections forming the part of the MTFS have been revised to reflect changes in assumptions, the government's financial settlement and the changing risk environment in which the council operates.
- 4.4 In assessing the longer term financial stability of the council, consideration has been given to global and macro-economic risks that may cause the government to increase its austerity measures, e.g., risks associated with defaults within the euro-zone, prospects of low interest rates in the long term, continuing UK recession with recovery in employment falling behind recovery in production. In order to mitigate against these risks the reserves level has been increased by £750,000 annually from 2013/14 onwards.
- 4.5 The table below show the medium term financial projections up to 2016/17.

General Fund	Current year	2012/13	2013/14	2014/15	2015/16	2016/17
Employees	20,471,403	21,256,390	21,500,597	22,435,538	23,411,504	24,430,313
Premises	8,456,614	8,947,681	9,467,385	9,921,998	10,298,587	10,689,604
Transport	300,483	316,962	334,351	349,342	361,500	374,089
Supplies & Services	19,237,041	20,276,293	21,372,141	22,313,146	23,072,077	23,857,331
Third Party Payments	451,300	453,557	455,824	458,103	460,394	462,696
Capital Charges	5,550,210	5,575,219	5,640,374	5,742,241	5,840,321	5,845,639
Transfer Payments	73,448,570	73,448,570	73,448,570	73,448,570	73,448,570	73,448,570
Receipts	-20,665,360	-21,416,789	-22,195,742	-23,003,233	-23,840,316	-24,708,083
Centrally Managed	1,447,897	1,528,706	1,614,052	1,687,960	1,748,308	1,810,842
Government Grants (Benefit subsidy)	-73,058,920	-73,058,920	-73,058,920	-73,058,920	-73,058,920	-73,058,920
(Benefit admin grant)	-1,518,503	-1,518,503	-1,518,503	-1,518,503	-1,518,503	-1,518,503
(PFI credit)	-1,428,700	-1,428,700	-1,428,700	-1,428,700	-1,428,700	0
(NDR admin grant)	-273,790	-273,790	-273,790	-273,790	-273,790	-273,790
(misc)	-81,000	-81,100	-81,201	-81,303	-81,406	-81,510
(Council tax freeze bonus)	-230,195	-462,487	-230,195	-230,195	0	0
(Homelessness)	-337,000	-337,000	-337,000	-337,000	-337,000	-337,000
(New Homes Bonus)	0	-1,189,011	-1,425,718	-1,663,608	-1,902,687	-2,142,962
Recharge Expenditure	24,463,383	24,543,451	24,624,121	24,705,400	24,787,292	24,869,801
Recharge Income	-31,928,084	-31,966,610	-32,005,390	-32,044,427	-32,083,722	-32,123,278
Unavoidable re-occurring costs	0	500,000	500,000	500,000	500,000	500,000
Unavoidable one-off costs	0	500,000	500,000	500,000	500,000	500,000
Transition Grant	-881,660	0	0	0	0	0
Savings requirement	-852,927	-3,945,698	-3,520,113	-1,807,174	-1,682,711	-2,757,313
Use of Reserves	-1,000,000	-300,000	750,000	750,000	750,000	750,000
<b>Budgetary requirement</b>	<b>21,570,762</b>	<b>20,515,293</b>	<b>20,333,520</b>	<b>20,546,706</b>	<b>20,844,884</b>	<b>21,228,903</b>
Formula Grant						
NDR (exc CTFG)	-9,360,217	-11,015,199	-11,098,289	-11,265,300	-11,517,071	-11,854,450
RSG	-2,893,270	-217,989	0	0	0	0
Council tax	-9,207,820	-9,282,105	-9,235,230	-9,281,407	-9,327,814	-9,374,453
Collection Fund Surplus	-109,455	0	0	0	0	0
<b>Budgetary resources</b>	<b>-21,570,762</b>	<b>-20,515,293</b>	<b>-20,333,519</b>	<b>-20,546,706</b>	<b>-20,844,885</b>	<b>-21,228,902</b>
Reserves	4,900,000	4,600,000	5,350,000	6,100,000	6,850,000	7,600,000
<i>Reserves (as a % of Budget Requirement)</i>	<i>23%</i>	<i>22%</i>	<i>26%</i>	<i>30%</i>	<i>33%</i>	<i>36%</i>

- 4.6 Expenditure in the General Fund is financed from both income within the budget requirement and from government grant and council tax within budget resources. The overall financing position can be illustrated as:



## 5. Preparation for the 2012/13 budget

- 5.1 Taking into account the initial savings targets for 2012/13 estimated in the medium term financial projections of £4.6m, it was essential to prepare for how and where to make these savings well in advance of setting the final budget. Any budget savings that require savings in jobs require up to 6 months to achieve, taking into account statutory consultation processes and notice periods. Also, the size of the budget savings for 2012/13 means that it is necessary to make some direct savings to services, and the Cabinet is committed to consulting the public on budget savings that would directly impact services.
- 5.2 In this context proposals for budget savings were presented to Cabinet on 13 July 2011, in order to allow time for public consultation and staff consultation, where relevant.
- 5.3 The outcome of both public and staff consultations were reported to Cabinet on 9 November 2011, and Cabinet then confirmed a schedule of budget savings that are being implemented, to make it possible to propose a budget in line with the medium term financial projections to council on 15 February 2012.
- 5.4 The updated medium term financial projections show a savings requirement of £3.95m for 2012/13, though the 2013/14 requirement has increased to £3.52m. The draft budget has been prepared on the basis of implementing the initial savings requirement of £4.6m, since significant provision has had to be made in the contingency to cover the risk of delayed or underachieved savings.

## 6. Local Government Financial Settlement

- 6.1 The government announced the provisional grant settlement on 8 December 2011, confirmed on 1 February, and this is set out below.

## Changes to grant position

(From BR1 form)

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
Redistributed non-domestic rates payable to General Fund	13,896,051	9,360,217	11,245,394
Revenue Support Grant payable for year	2,017,836	2,893,270	217,989
Amount (if any) in respect of the billing authority's share of estimated Collection Fund deficit (+) / surplus (-)	-100,000	-109,000	0
Aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant increased by the amount of the sum which the Council estimates will be transferred in the year to its general fund from its collection fund	16,013,887	12,362,487	11,463,383

## 7. Redundancy costs

- 7.1 The Council is committed to avoiding staff redundancies where possible and so every post that becomes vacant is thoroughly reviewed and only filled if it is assessed as being absolutely essential.
- 7.2 However, given the scale of savings to be made and the current level of staff turnover it will not be possible now or in the future to avoid making staff redundant.
- 7.3 The cost of redundancies has to be met from the council's revenue budgets, and so additional savings need to be made to meet these costs. This is shown in the MTFs table above as additional one-off costs amounting to £0.5m per annum.

## 8. MTFs Assumptions

- 8.1 Payroll inflation has been estimated at 3%, this is based on estimates for annual settlement 1%, incremental and other payroll drift 1.3%, -5% for the increase in pension contribution and -2% for other misc items. 5% inflation has been allowed for premises costs, supplies and services and transport.
- 8.2 Grant settlement figures for 2012/13 have been confirmed by the Department for Communities & Local Government. Years 2013/14 and 2014/15 have been estimated at 2012/13 levels with a prudent allowance for growth in tax bases. The MTFs assumes no increases in Council Tax and the receipt of Council Tax Freeze Grants for 2011/12 (ongoing) and 2012/13 (one-off).
- 8.3 The government is conducting a fundamental review the financing of local government for the settlement in 2013/14 and beyond which will offer the possibility of increased resources, but includes an increased level of financial risk. Changes arising from this review are not yet clear enough to be modelled in the MTFs.

## 9. Budget & Resource Movements

- 9.1 Movements in the budgets mirror the movements in Budgetary Resources as shown in the MTFs:

Formula Grant 2011/12	- £12,253,487
Council Tax 2011/12	- £9,317,275
<b>Budget Resources 2011/12</b>	<b>- £21,570,762</b>

+ Movement in Formula Grant	£790,104
+ Movement in Council Tax	£35,170
<b>+ Movement 2011/12 to 2012/13</b>	<b>£825,274</b>
= Formula Grant 2012/13	- £11,463,383
= Council Tax 2012/13	- £9,282,105
<b>= Budget Resources 2012/13</b>	<b>- £20,745,488</b>

9.2 This Budget Resources 2012/13 figure can be reconciled to the MTFs through adjusting for the movement of Council Tax Freeze Grant 2011/12 from general grant within the Budget Requirement to within Formula Grant within Budget Resources:

Budget Resources 2012/13	- £20,745,488
Adj for Council Tax Freeze Grant	£230,195
<b>MTFS Budget Resources 2012/13</b>	<b>- £20,515,293</b>

9.3 The corresponding movements in the general fund revenue budget, the Budget Requirement, are summarised in the following table:

Budget Requirement 2011/12	£21,570,762
Unavoidable Budget Movements	£4,817,696
Increased Income	- £2,242,504
Reduced Income	£1,911,090
Savings	- £5,919,437
Recommended Growth	£427,522
<b>Budget Requirement 2012/13</b>	<b>£20,515,293</b>

9.4 These movements are detailed in Annex 1.

## 10. Risks and sensitivity analysis

- 10.1 The key mitigation for expenditure/income risks is the chief financial officer's estimate of a prudent level of reserves. An amount has been built into the prudent level of reserves to cover estimated levels of risk, as set out in Annex 2.
- 10.2 There are still risks around the level of unavoidable expenditure and income loss from 2013/14 onwards. Historically this has been in excess of £1 million per annum, but it is expected that rigour applied in the budgeting process and the impact of council's new established transformation programme, should keep this at the levels used in the projections. The unavoidable one-off costs refer mainly to redundancy costs resulting from the savings programme; these are subject to a level of uncertainty as there can be significant differences in levels of redundancy costs as these are dependant on age and length of service.
- 10.3 The government's proposals for changes to the financing of local government will, if enacted, increase the level of financial risk to the council – principally in the areas of business rates and council tax benefit. Consequently, the MTFs seeks to raise the level of reserves over the planning period to provide a higher level of cover against adverse contingencies.

## 11. Council Tax calculation

- 11.1 Budget movements contributing to the calculation of the Budgetary Requirement and Council Tax Requirements are shown in Annex 1 to this report.
- 11.2 The following table shows the calculation of the level of Council Tax consistent with the government's policy of a continuing Council Tax freeze at the rate of 2010/11, a rate of £225.87 per Band D property. This is the basis of the statutory resolution set out in Annex 3.

<b>Council Tax Calculation 2012/13</b>	
Budget Total	£20,745,488
<b>Budget Requirement</b>	<b>£20,745,488</b>
Formula Grant	-£11,463,383
<b>Council Tax Requirement</b>	<b>£9,282,105</b>
Band D Equivalent properties	41,095
<b>Council Tax (Band D)</b>	<b>£225.87</b>

## 12. Possible Council Tax Increase

- 12.1 The draft budget proposals are based on acceptance of the government's offer of a one-off grant equivalent to a council tax increase of 2.5%, conditional upon the council agreeing a 0% increase in council tax.
- 12.2 The grant offered amounts to £232,292 in 2012/13. As a one-off grant, this will not recur in subsequent years, and maintains the council tax base at 2010/11 levels. The impact of this is that the council's resources would be reduced by £1m over the period of the MTFs compared to the product of a 2.5% increase in 2012/13.
- 12.3 The government has announced the criterion for a Council Tax Referendum under section 72 of the Localism Act 2011. Increases in the Basic Amount of Council Tax (i.e., excluding council tax attributable to precepts and levies) of over 3.5% (for district councils) would require that a referendum is held to obtain residents' ratification of the increase, failing which the council tax would need to be reverted to a lower level of increase. For the city council, this equates to a 3.3% increase in the aggregate council tax (including precepts and levies).
- 12.4 An increase of 3.3% would generate an additional £74,143 in resources for 2012/13. If members are so minded, they can identify where this additional resource should be allocated.
- 12.5 The council tax resolution required to implement a 3.3% increase is set out in Annex 4.



### **13. Report by the Chief Finance Officer on the robustness of estimates, reserves, and balances**

13.1 Section 25 of the Local Government Act 2003 requires that the Chief Finance Officer of the council (which in the case of Norwich City Council is the Head Finance) reports to members on the robustness of the budget estimates and the adequacy of council's reserves.

13.2 The Head of Finance is required to provide professional advice to the council on the two above matters and is expected to address issues of risk and uncertainty.

#### **13.3 Estimates**

13.3.1 The main driver in the current budget round has been the council's transformation programme this has been subject to rigorous review by both members and officers and is directly linked to the service planning process ensuring a strong link between the council's priorities and the financial resources available to deliver them. As with all future estimates there is a level of uncertainty and this has been taken into when assessing the levels of reserves.

13.3.2 Allowing for the above comment on uncertainty it is the opinion of the Head of Finance that in the budgetary process all reasonable steps have been taken to ensure the robustness of the budget.

#### **13.4 Reserves**

13.4.1 A risk assessment has been undertaken to determine the level of general reserves required by the council. In making a recommendation for the level of reserves the Head of Finance has followed guidance in the CIPFA LAAP Bulletin 77 – Guidance notes on Local Authorities Reserves and Balances.

13.4.2 The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

13.4.3 Earmarked reserves remain legally part of the General Fund although they are accounted for separately.

13.5 There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:

- the balanced budget requirement (England, Scotland and Wales) (sections 32, 43 and 93 of the Local Government Finance Act 1992)
- Chief finance officers' duty to report on robustness of estimates and adequacy of reserves (under section 25 of the Local Government Act 2003 when the authority is considering its budget requirement (England and Wales))
- the requirements of the Prudential Code

13.6 Auditors will consider whether audited bodies have established adequate arrangements to ensure that their financial position is soundly based.

13.7 Whilst it is primarily the responsibility of the local authority and its chief financial officer to maintain a sound financial position, external auditors will, as part of their wider responsibilities, consider whether audited bodies have established

adequate arrangements to ensure that their financial position is soundly based. However, it is not the responsibility of auditors to prescribe the optimum or minimum level of reserves for individual authorities or authorities in general.

#### **14. Role of the Chief Finance Officer**

14.1 Within the existing statutory and regulatory framework, it is the responsibility of the chief finance officer to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use. Reserves should not be held without a clear purpose.

14.2 The risk analysis shows that an adequate level of reserves for 2012/13 the council will be in the order of £4.42 million as shown in Annex 2.

#### **15. Progress in reducing the council's carbon footprint**

15.1 The council achieved an 8% reduction in its carbon emissions (CO<sub>2</sub> reduction for local authority operations) during 2010/11 contributing to a total reduction of 16.9% in the last three years. The calculation of the council's carbon footprint for 2011/12 will be completed in June 2012.

**Movements in budget 2012/13**

<b>Unavoidable Budget Movements</b>	<b>£000s</b>
Removal of one-off budgets & savings from base	1,066
Non-Pay Inflation	859
Reduction in use of reserves	700
Payroll & Oncost Inflation	526
Increase in risk-assessed Contingency	496
Increased Transportation budgets to be recharged	306
Increase in Airport pension contribution costs	278
Change in customer base for NCAS charges	157
Increases in Business Rates liability	99
Annual cost of new Customer Contact systems	78
Increase in Integrated Waste Management contract variation	54
Cessation of Choice Based Lettings scheme	50
Other unavoidable growth	148
<b>Total Unavoidable Budget Movements</b>	<b>4,818</b>

<b>Increased Income</b>	<b>£000s</b>
New Homes Bonus	-870
Increased government grants	-319
Increased Highways income offsetting budget increases	-306
Increased investment income & interest	-151
Increases in Recycling credits and other waste income	-142
Increased in Private Sector Leasing income	-123
Grant towards freeze of Council Tax	-48
New & increased contributions toward costs incurred	-45
Increases in asset rentals & service charges	-10
Other increases in income	-230
<b>Total Increased Income</b>	<b>-2,243</b>

<b>Reduced Income</b>	<b>£000s</b>
Reduction in government grants	1,302
Reduction in income from reduced demand/activity	243
Reduced income due to asset disposals	198
Grants, contributions, recharges no longer receivable	11
Other reductions in income	157
<b>Total Reduced Income</b>	<b>1,911</b>

<b>Savings</b>	<b>£000s</b>
Transformation & Efficiency Programme (Approved)	-3,847
Transformation & Efficiency Programme (Budget Challenge)	-566
Transformation & Efficiency Programme (Approval Pending)	-389
<i>Subtotal Transformation &amp; Efficiency Programme</i>	<i>-4,802</i>
Reduction in provision for redundancy costs	-500
Savings to be identified in-year	-206
Reduction in legal services costs	-108
Reduction in costs funded from expired grants	-78
Mousehold Heath savings & use of balances	-34
Miscellaneous efficiencies & budget reductions	-192
<b>Total Savings</b>	<b>-5,919</b>

<b>Recommended Growth</b>	<b>£000s</b>
Increase in PSL team costs funded from increased income	141
Memorial safety testing programme for cemeteries	100
Facilitation of New Ways of Working (inc. scanning)	62
Increase in Discretionary NNDR Relief to match costs	26
Financial inclusion projects funded from 2011 strike savings	20
Housing Needs & Stock Condition Survey amortisation	9
Replacement/Maintenance of new Grit Bins	5
Other provision for corporate priority objectives	65
<b>Total Recommended Growth</b>	<b>428</b>

**Calculation of Minimum Prudent Balance**

<b>Estimate of prudent level of General Fund reserves 2012/13</b>			Page 1/2
<u>Description</u>	<u>Level of risk</u>	<u>Amount at risk</u>	<u>Risk</u>
Employee Costs	<i>Medium</i>	19,064,907	38,130
Premises Costs	<i>Medium</i>	8,508,380	31,906
Transport Costs	<i>Medium</i>	301,681	1,697
Supplies & Services	<i>Low</i>	20,010,989	200,110
Third Party Payments	<i>Medium</i>	547,243	4,104
Transfer Payments	<i>Medium</i>	67,218,863	201,657
Centrally Managed Expenditure	<i>Medium</i>	1,505,332	45,160
Receipts	<i>Medium</i>	21,505,953	112,906
Grants & Contributions	<i>Low</i>	92,379,992	138,570
Total One Year Operational Risk			774,240
<b>Allowing three years cover on operational risk</b>			<b>2,322,721</b>
<b>Balance Sheet Risks</b>			
Issues arising from Annual Governance Report	0	@ 100%	0
<b>General &amp; Specific Risks</b>			
Unforeseen events	1,500,000	@ 50%	750,000
Clawback risk on New Deal for Communities Impementation costs of Community Right To Buy	2,000,000	@ 50%	1,000,000
Legal action – counsels’ fees	500,000	@ 20%	100,000
St Andrews Car Park – additional income loss	100,000	@ 100%	100,000
	145,000	@ 100%	145,000
<b>ESTIMATED REQUIRED LEVEL OF GENERAL FUND RESERVES</b>			<b>4,417,721</b>

## Operational cost risk profiles

		<i>Low Risk</i>	<i>Med Risk</i>	<i>High Risk</i>
Employee Costs	overspend probability amount at risk	1.00% 15.0% 28,597	2.00% 10.0% 38,130	3.00% 5.0% 28,597
Premises Costs	overspend probability amount at risk	2.50% 10.0% 21,271	5.00% 7.5% 31,906	7.50% 5.0% 31,906
Transport Costs	overspend probability amount at risk	5.00% 10.0% 1,508	7.50% 7.5% 1,697	10.00% 5.0% 1,508
Supplies & Services	overspend probability amount at risk	5.00% 20.0% 200,110	10.00% 10.0% 200,110	15.00% 5.0% 150,082
Third Party Payments	overspend probability amount at risk	5.00% 10.0% 2,736	10.00% 7.5% 4,104	15.00% 5.0% 4,104
Transfer Payments	Shortfall probability amount at risk	1.00% 25.0% 168,047	2.00% 15.0% 201,657	3.00% 10.0% 201,657
Centrally Managed Expenditure	Shortfall probability amount at risk	10.00% 20.0% 30,107	20.00% 15.0% 45,160	30.00% 10.0% 45,160
Receipts	Shortfall probability amount at risk	2.00% 25.0% 107,530	3.50% 15.0% 112,906	5.00% 5.0% 53,765
Grants & Contributions	Shortfall probability amount at risk	1.00% 15.0% 138,570	1.50% 10.0% 138,570	2.00% 5.0% 92,380

**Statutory Council Tax Resolution – Council Tax Freeze**

The Council is recommended to resolve as follows:

- 1 That it be noted that on 31 January 2012 the Council calculated the Council Tax Base 2012/13 for the whole Council area as 41,095 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the 'Act')] and,
- 2 To calculate that the Council Tax requirement for the Council's own purposes for 2012/13 (excluding Parish precepts) is £9,282,105
- 3 That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:
  - (a) £185,188,054 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £175,905,949 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £9,282,105 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
  - (d) £225.87 being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
  - (f) £225.87 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
City	£150.58	£175.68	£200.77	£225.87	£276.06	£326.26	£376.45	£451.74

- 4 That it be noted that for the year 2012/13 the Norfolk County Council and the Norfolk Police Authority have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
County	£763.38	£890.61	£1,017.84	£1,145.07	£1,399.53	£1,653.99	£1,908.45	£2,290.14
Police								

- 5 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings.

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
City	£150.58	£175.68	£200.77	£225.87	£276.06	£326.26	£376.45	£451.74
County	£763.38	£890.61	£1,017.84	£1,145.07	£1,399.53	£1,653.99	£1,908.45	£2,290.14
Police								
<b>Total</b>								

- 6 To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2012/13 is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC.



**Statutory Council Tax Resolution – Council Tax Increase of 3.3%**

The Council is recommended to resolve as follows:

- 1 That it be noted that on 31 January 2012 the Council calculated the Council Tax Base 2012/13 for the whole Council area as 41,095 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the 'Act')] and,
- 2 To calculate that the Council Tax requirement for the Council's own purposes for 2012/13 (excluding Parish precepts) is £9,606,755
- 3 That the following amounts be calculated for the year 2012/13 in accordance with Sections 31 to 36 of the Act:
  - (a) £185,494,622 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - (b) £175,905,949 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £9,588,673 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31A(4) of the Act).
  - (d) £233.33 being the amount at 3(c) above (Item R), all divided by Item T (2 above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
  - (f) £233.33 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
City	£155.55	£181.48	£207.40	£233.33	£285.18	£337.03	£388.88	£466.66

- 4 That it be noted that for the year 2012/13 the Norfolk County Council and the Norfolk Police Authority have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated in the table below.

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
County	£763.38	£890.61	£1,017.84	£1,145.07	£1,399.53	£1,653.99	£1,908.45	£2,290.14
Police								

- 5 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2012/13 for each part of its area and for each of the categories of dwellings

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
City	£155.55	£181.48	£207.40	£233.33	£285.18	£337.03	£388.88	£466.66
County	£763.38	£890.61	£1,017.84	£1,145.07	£1,399.53	£1,653.99	£1,908.45	£2,290.14
Police								
<b>Total</b>								

- 6 To determine in accordance with Section 52ZB Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2012/13 is not excessive in accordance with principles approved by the Secretary of State under Section 52ZC.