

The following table shows how each class of ratepayer would be affected by the allocations of costs and revenues if they were to form the basis of the Council’s Funding Policy. The table is in three sections:

Council Services

This section shows the totals of the costs of benefits for each of the 13 functions outlined on page 8 to 20, the total user charges, and the total revenue from grants. This section is the sum of the first section of each of the 13 tables which follow. The line “Grants Allocations” shows how the grants received by the Council are shared among the various sectors.

Additional Allocations

In addition to meeting the costs of benefits provided to them, ratepayers must also meet certain other costs:—

- **The shortfall** from recovering less than full costs from users of each service, and
- **The cost** of providing services to the institutional, or non-rateable sector.

The first arises because the working party has not recommended moving to full user charges. Ratepayers must therefore meet costs not recovered from customers. The second arises because certain property owners, for example schools and charities are exempt by law from paying general rates. The costs of providing services to these property owners must be met by the other ratepayers.

Net Corporate Expenses (Revenues)

This section has three lines:—

Corporate Surpluses: Two services— Car Parking and Housing — both make a surplus. These surpluses are used to reduce the total rates that must be collected. The table shows the reduction given to each ratepaying sector.

Internal Service Providers: The Council requires certain of its internal service providers to charge sufficient for their services to produce a return on their assets — ie to show a profit. These profits are then returned to ratepayers by reducing the total rates that must be collected. For example, property services charges a full commercial rent to its clients. The resulting surplus is returned to ratepayers.

Net Corporate Revenues: The Council has a number of corporate expenses, and receives revenues from investments, petrol tax and a number of other sources. These revenues are used to reduce the total rates that must be collected.