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**REVENUE BUDGET 2006/07 AND  
MEDIUM TERM FINANCIAL PLAN 2006/07 TO 2009/10**

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**Responsible Cabinet Member(s) – Councillor Williams, Leader and all Cabinet Members**

**Responsible Director(s) – Corporate Management Team**

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**Purpose of Report**

1. The purpose of the report is to agree the Council's budget requirement for 2006/07 and approve the Medium Term Financial Plan (MTFP).

**Background**

2. A detailed report prepared by the Corporate Management Team (CMT) was presented to Cabinet on 1<sup>st</sup> February 2006 (**Appendix 1**). Cabinet agreed the CMT recommendations set out in paragraph 74 of the attached report.
3. Resources Scrutiny Committee examined the proposed budget and MTFP on 8<sup>th</sup> February, 2006 and supported Cabinet's proposals regarding the MTFP, Council Tax, Directors' revenue budget proposals and schedule of charges. No alternative proposals or amendments were put forward by any member of the Committee.
4. Cabinet considered the report again, together with the views of Resources Scrutiny Committee, on 1st March, 2006.
5. The report to Cabinet on 1st February, 2006 was based on the provisional local government finance settlement. Following the final settlement, the Council was allocated a further £37,329 through the revenue support grant. Consequently, the proposed increase in Council Tax was reduced from 4.5% to 4.38% by Cabinet on 1<sup>st</sup> March 2006. The proposed MTFP (**Appendix 2**) includes this change.

**Budget Requirement**

6. The Council is required by the Local Government Finance Act 1992 to agree its budget for the following financial year. The projected resources of £119,924,000 in the proposed MTFP includes the Dedicated Schools Grant of £54,001,968, projected Local Public Service Agreement Grant of £220,000 and adjustment to the 2004-05 RSG of £13,251. Statutory Regulations require the Council's formal budget requirement to be calculated as:-

	£
MTFP net expenditure/projected resources	119,924,000
Less Dedicated Schools Grant	(54,001,968)
LPSA reward grant	(220,000)
2004-05 RSG Adjustment	(13,251)
Total Budget	<u>65,688,781</u>
Add Parish Precepts	42,748
<b>Budget Requirement</b>	<b><u>65,731,529</u></b>

### **Consultation**

7. The content of this report was not subject to consultation. Consultation was carried out in preparing the Medium Term Financial Plan, as detailed in paragraph 46 of the attached report (**Appendix 1**).

### **Legal Implications**

8. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members.

### **Section 17 of the Crime and Disorder Act 1998**

9. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

### **Council Policy Framework**

10. The issues contained within this report are required to be considered by Council.

### **Conclusion**

11. The Corporate Management Team have prepared a MTFP for the financial years 2006/07 to 2009/10 and a revenue budget for 2006/07. Cabinet has agreed CMT's recommendations and the proposed MTFP and revenue budget are supported by Resources Scrutiny Committee.

### **Recommendation**

12. Council are requested to approve:-
  - (a) The establishment of an earmarked reserve for Single Status costs and that £2.5m be set aside for backdated costs in 2005-06.
  - (b) The Reserves Policy set out in **Appendix 1**

- (c) The Schedules of Charges detailed in **Appendix 1**.
- (d) The Medium Term Financial Plan detailed in **Appendix 2**.
- (e) The Revenue Budget Requirement of £65,731,529, including Parish Precepts.

### **Reasons**

13. The recommendations are supported to enable the Council to set a revenue budget for 2006/07 in accordance with statutory requirements.

### **Corporate Management Team**

### **Background Papers**

No background papers were used in the preparation of this report other than the documents referred to in Appendices 1 and 2.