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**REVENUE MEDIUM TERM FINANCIAL PLAN 2007/08 TO 2010/11**

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**Responsible Cabinet Member - Councillor John Williams, Leader**

**Responsible Directors - Corporate Management Team**

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**Purpose of Report**

1. To allow Cabinet to make its final recommendations to Council on the revenue Medium Term Financial Plan (MTFP).

**Information and Analysis**

2. At the meeting on 30th January, 2007, Cabinet agreed proposed amendments to the MTFP and forwarded its recommendations to Resources Scrutiny Committee for consideration. A copy of the report is attached at **Annex 1**.

**Resources Scrutiny Committee Meeting 16th February, 2007**

3. The Resources Scrutiny Committee, at its meeting held on 16th February, 2007, considered the Review of the Revenue Medium-term Financial Plan 2007/08 together with Cabinet's recommendations thereon and the majority view of the Committee was to support those recommendations.
4. The minority view of the Committee was to accept the information contained in the submitted report but not to accept the recommendations of Cabinet as set out in paragraph 67(a) –(d). The minority view of the Scrutiny Committee was also to request the Council's Chief Internal Auditor to review the risks in respect of the planned use of Council reserves to support revenue expenditure.
5. Several detailed questions were raised and answers were given by the appropriate Members and officers.

**Director of Corporate Services Comment**

6. Paragraph 17 of the report to Cabinet on 30th January, 2007 sets out the key risks that have been taken into account in assessing the minimum prudent level of reserves to be maintained by the Council. Those risks have been assessed in terms of their potential impact and the likelihood of them occurring. Consequently, and using my professional judgement as required by the Local Government Act 2003, I recommend that at least £4.5m should be held as non-committed revenue reserves over the life of the MTFP.

7. The MTFP as proposed by Cabinet on 30th January, 2007 includes planned reserves of £6.3m at the end of 2010/11. I am, therefore, satisfied that the planned use of reserves in the proposed MTFP can be recommended to Members. The planned use of reserves is in accordance with the Reserves Policy that was approved by Council in March 2006.
8. I am satisfied that the Council has arrangements in place to manage the risks that are included in the MTFP, including the medium-term framework for financial and service planning that allows time for plans to be amended if necessary.
9. The Council's financial planning processes, including specifically the use of reserves, is subject to review the Councils' external Auditor.

### **Outcome of Consultation**

10. This report contains the outcome of consultation with Resources Scrutiny Committee.

### **Legal Implications**

11. 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, other than those highlighted in the report.

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

12. 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**

13. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

### **Decision Deadline**

14. For the purpose of the 'call-in' procedure this does represent an urgent matter as the Council must set its budget by 10th March, 2007. However the issues in this report were considered by Resources Scrutiny Committee at their meeting on the 16th February, 2007.

### **Key Decisions**

15. This report does represent a key decision and has been advertised in the forward plan.

### **Recommendation**

16. It is recommended that Cabinet :-

- (a) Note the support given by Resources Scrutiny Committee to the Cabinet's proposed MTFP.
- (a) Recommend the revised MTFP as attached at **Appendix 11 to Annex 1** to Council on 8th March, 2007.
- (b) Recommend to Council on 8th March, 2007 that Council Tax be increased by 3.9% for 2007/08.

### **Reasons**

17. The recommendations are supported to enable the Council to set a budget for 2007/08.

### **Corporate Management Team**

### **Background Papers**

No Background papers were used in the preparation of this report, other than those referred to in the report.

Paul Wildsmith : Extension 2301  
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