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

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

Responsible Director(s) – Corporate Management Team

Purpose of Report

1. The purpose of the report is to agree the Council's budget requirement for 2007/08 and approve the Medium Term Financial Plan (MTFP), for 2007/08 to 2010/11.

Background

2. A detailed report prepared by the Corporate Management Team (CMT) was presented to Cabinet on 30th January 2007 (**Annex 1**). Cabinet agreed the CMT recommendations set out in paragraph 67 of the attached report.
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. 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.
4. The Director of Corporate Services advised cabinet that the key risks taken into account in assessing the minimum prudent level of reserves to be maintained by the Council had been assessed in terms of their impact and the likelihood of them occurring. The planned use of reserves in the proposed MTFP maintains a level above the recommended minimum level. The Director further advised that he is satisfied that the Council has arrangements in place to manage risks, including the medium-term framework for financial and service planning that allows time for plans to be amended if necessary.
5. Cabinet considered the report again, together with the views of Resources Scrutiny Committee, on 28th February 2007. At that meeting, Cabinet agreed to :-
 - (a) delete provision for Pedestrian Heart Transport and
 - (b) recommend to Council the proposed budget and MTFP as amended by (a) above and set out in **Annex 2**.

6. The report to Cabinet on 30th January 2007 was based on the provisional local government finance settlement. The grant figures have now been confirmed without amendment.

Budget Requirement

7. The Council is required by the Local Government Finance Act 1992 to agree its budget for the following financial year. The projected resources of £127,556,000 in the proposed MTFP includes the Dedicated Schools Grant of £57,007,000, projected Local Public Service Agreement Grant of £360,000 and Local Authorities Business Growth Incentive grant of £1,400,000. Statutory Regulations require the Council's formal budget requirement be calculated as:-

	£
MTFP net expenditure/projected resources	127,556,000
Less Dedicated Schools Grant	(57,007,000)
LPSA reward grant	(360,000)
LAGBI grant	(1,400,000)
Total Budget	<u>68,789,000</u>
Add Parish Precepts	<u>47,846</u>
Budget Requirement	<u>68,836,846</u>

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 (**Annex 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 2007/08 to 2010/11 and a revenue budget for 2007/08. 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 Schedules of Charges detailed in **Annex 1**.
 - (b) The Medium Term Financial Plan detailed in **Annex 2**.
 - (c) The Revenue Budget Requirement of £68,836,846, including Parish Precepts.

Reasons

13. The recommendations are supported to enable the Council to set a revenue budget for 2007/08 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 Annex 1.

MEDIUM TERM FINANCIAL PLAN 2007/08 TO 2010/11

	2007/08	2008/09	2009/10	2010/11
	£m	£m	£m	£m
Children's Services	69.246	71.622	74.608	77.788
Community Services	34.670	35.282	35.909	37.010
Development & Environment	12.088	12.438	12.748	13.123
Chief Executive	1.271	1.326	1.367	1.425
Corporate Services	8.523	8.944	9.204	9.484
Joint bodies and levies	0.603	0.622	0.641	0.660
Waste Disposal	0.000	0.000	1.030	1.060
Pensions Contribution Rate	0.000	0.150	0.300	0.450
Change Fund	0.300	0.000	0.000	0.000
Financing costs	3.343	3.688	3.766	3.897
Headroom	0.000	0.500	1.000	1.000
Leading Edge Efficiencies	(0.385)	(1.720)	(2.370)	(2.620)
Contribution to/(from) revenue balances	(2.103)	(1.445)	(1.602)	(0.899)
Total Expenditure	127.556	131.407	136.601	142.378
Total Resources	127.556	131.407	136.601	142.378
Balances				
Planned opening balance	12.701	10.598	9.153	7.551
Planned contribution to/(from) balances	(2.103)	(1.445)	(1.602)	(0.899)
Closing balance	10.598	9.153	7.551	6.652

Council Tax

Council Tax Increase %	3.9%	3.9%	3.9%	3.9%
Weekly Band A Increase	£0.51	£0.53	£0.55	£0.57