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**REVENUE MEDIUM TERM FINANCIAL PLAN**

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**Responsible Cabinet Member(s) – Councilor John Williams, Leader  
Cabinet Collectively**

**Responsible Director(s) - 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).

**Background**

2. At the meeting on 1st February, 2006, 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 **Appendix 1**.

**Resources Scrutiny Committee Meeting 8th February, 2006**

3. The Committee considered the report reviewing the Council's revenue MTFP. Cabinet's proposals regarding the MTFP, Council Tax, Directors' revenue budget proposals and schedule of charges were supported by the Committee. No alternative proposals or amendments to the MTFP were put forward by any member of the Committee.
4. Several detailed questions were raised and answers were given by the appropriate Members and officers. A copy of the minutes of the meeting is attached at **Appendix 2**.
5. In response to a question regarding the Hackney Carriages budget, it was explained that detailed estimates show the resources that each service manager has responsibility for controlling. Consequently, they exclude internal recharges for management and administration, accommodation and support services, where responsibility for managing those functions is with different service managers. This presentation helps to establish clear accountability for managing financial resources. Internal recharges are added to resource budgets to arrive at the true full cost of services. With regard to Hackney Carriages, the estimated internal recharges for 2006/07 are :-
  - (a) Management and administration £22,000.
  - (b) The proportion of Licensing Officers' time that is spent on Hackney Carriages £39,000.
  - (c) Accommodation and central support services costs £10,000.
  - (d) A small deficit of £4,000 is estimated on the account for 2006/07.

## **Local Government Grant Settlement 2006-07 – Final Settlement**

6. The MTFP review report contains information based on the provisional grant settlement for 2006/07. The final settlement, received on 6th February, provided £37,300 more grant than indicated in the provisional figures. Consequently, the Leader reported to Resources Scrutiny Committee that the proposed increase in Council Tax for 2006/07 is now 4.38%. The revised MTFP taking account of the final settlement is attached at **Appendix 3**.

### **Outcome of Consultation**

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

### **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 do not represent change to Council policy or the Council's policy framework, however this is a matter that is required to be considered by Council.

### **Decision Deadline**

11. For the purpose of the 'call-in' procedure this does represent an urgent matter as the Council must set its budget by 10th March, 2006.. However the issues in this report were considered by Resources Scrutiny Committee at their meeting on the 8th February, 2006.

### **Key Decisions**

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

### **Recommendations**

13. It is recommended that Cabinet
  - (a) Note the support given by Resources Scrutiny Committee to the Cabinet's proposed MTFP.

- (b) Recommend the revised MTFP as attached at **Appendix 3** to Council on 9th March, 2006.
- (c) Recommend to Council on 9th March, 2006 that Council Tax be increased by 4.38% for 2006/07.

### **Reasons**

- 14. The recommendations are supported to enable the Council to set a budget for 2006/07.

## **Corporate Management Team**

### **Background Papers**

Local Government finance final settlement 2006/07

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