

Chair:
Councillor Clare Kober

Deputy Chair:
Councillor Lorna Reith

INTRODUCTION

- 1.1 The Council has reserved to itself the exercise of certain functions including the approval of the budget, levying Council Tax and setting the non-domestic rate multiplier. The full list of functions of the full Council is specified in Part 2 Article 4 of the Constitution – The Full Council.
- 1.2 The budget process timetable provides for consideration by the Council of the Cabinet's budget package prior to the approval of the final budget and the Council Tax on 23 February 2009.
- 1.3 This report covers the budget package which we considered at our meeting on 26 January 2009.

ITEM FOR DISCUSSION

Finance

2. FINANCIAL PLANNING - 2009/10 TO 2011/12

- 2.1 Following our meetings on 15 July and 18 November 2008 we reported to the Council on 13 October 2008 and 19 January 2009 respectively on the key financial planning issues facing the Council and on the process for the detailed consideration of our budget package. At our meeting on 26 January 2009 we considered a report setting out the medium term financial strategy for the three-year period of the current administration which will be reviewed on an annual basis. The initial financial planning report in July identified a budget gap of £7.6 million over the four year period. The business planning process this year has aimed to close this gap as well as reviewing the pre-agreed savings totalling £12.8 million.
- 2.2 The report we considered on 26 January (attached at Appendix 1) proposed a budget package for the period 2009/10 to 2011/12 and was in 12 sections:
 - government support
 - changes and variations
 - strategic approach
 - consultation
 - savings options
 - investment options
 - the children's service budget within the dedicated schools grant
 - the housing revenue account budget
 - the capital programme
 - the treasury management strategy
 - council tax; and

- key risk factors.

The report was supported by various appendices as follows:

- appendix A set out the gross budget trail
- appendix B tracked the resource shortfall over the planning period
- appendix C was the budget report of Overview and Scrutiny Committee and the Cabinet response
- appendix D set out proposed investments
- appendix E set out proposed efficiency savings
- appendix F was the proposed budget for children's services within the dedicated schools grant (DSG)
- appendix G was the housing revenue account budget
- appendices H, I and J related to the capital programme
- appendix K was the treasury management statement.

2.3 We considered a proposed budget package on the basis of a Council Tax increase for 2009/10 of 1.95%. This assumed that the additional investment requirement for children's services arising from the joint area review inspection would be considered in the final budget report to the Council on 23 February 2009. We noted that the package proposed a budget for the schools element of children's services within the ring fenced dedicated schools grant (DSG), a balanced budget for the housing revenue account (HRA) based on an average rent increase of 6.1% and a capital programme based on the existing policy framework for capital expenditure.

2.4 We report that we adopted the recommendations contained in the report which, in accordance with the agreed budget timetable, we refer to the Council for discussion and agreement in so doing noting that the final decision on the budget and Council Tax for 2008/9 would be made at the meeting on 23 February 2009.