

Chair:  
Councillor Charles Adje

Deputy Chair:  
Councillor Harry Lister

## **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 are specified in Part E.1 of the Constitution – The Full Council Article.
- 1.2 The budget process timetable provides for consideration by the Council of the Executive's budget package prior to the approval of the final budget and the Council Tax on 20 February 2006.
- 1.3 This report covers the budget package which we considered at our meeting on 31 January 2006.

## **ITEM FOR DISCUSSION**

### **Finance**

#### **2. FINANCIAL PLANNING - 2006/7 TO 2008/9**

- 2.1 Following our meetings on 5 July, 1 November and 20 December 2005 we have reported to the Council on the key financial planning issues facing the Council and proposed a process for the detailed consideration of our budget package. The Council will recall that the financial strategy for the four-year period of the current administration was originally agreed in February 2003 and was updated in setting the 2005/6 budget. At that time, the budget was balanced with assumed Council Tax increases of 2.5% in 2006/7 and 2.5% in 2007/8 and further targeted efficiency savings of £2.5m in 2007/8. The report following our July 2005 report added 2008/9 to the planning horizon, with a notional budget gap (before any efficiency savings) of £3.8m and a 2.5% Council Tax increase.
- 2.2 We have now considered a report which proposed a budget package for decision by the Council. At the time of our meeting a number of the figures contained in the report were subject to finalisation and an amended version is now attached as Appendix 1. We noted that it was expected that the Council Tax increase for 2006/7 would be 2.5% subject to the finalisation of the issues in paragraph 18.4. We noted that the provisional plans for tax levels for the next two years were subject to the identification of further savings as set out in paragraph 18.5. We noted that a budget was proposed for the schools element of the Children's Services within the ring-fenced dedicated schools grant (DSG) with the remainder of Children's Services included in the Council's mainstream budget plans. We also noted that the report proposed a balanced budget for the HRA based on an average rent increase of 4.99% and proposed a capital programme based on the existing policy framework for capital expenditure together with the treasury management statement including the Council's prudential limits.
- 2.3 We report that we adopted the recommendations contained in the report which, in accordance with the agreed budget timetable, we referred to the Council for discussion

noting that the final decision on the budget and Council Tax for 2006/7 would be made at the meeting on 20 February 2006. An additional recommendation in relation to the proposed rent increase for 2006/7 at an average of 4.99% in line with the public consultation process has also been added.