

Title: **Budget Report 2006/07**

Portfolio Holder: **Cllr Carbin – Finance Portfolio Holder**

Reporting Officer: **Ian Jamieson – Head of Finance**

Key Decision: **Yes**

1 Purpose

This report details the revenue budget, capital programme, fees and charges and level of reserves for the 2006/2007 budget. The assumptions in this report are based on the provisional local government settlement, which will be finalised at the end of January.

2 Background

A new system is proposed for grant distribution and the settlement now covers a 2 year period to 31 March 2008. This introduces an element of certainty into the budget process and will be followed by a 3 year settlement in line with the Government's spending reviews. The 2006/07 settlement was better than expected for Shire Districts, where the average grant increase was 4.8%

In 2006/07 in cash terms it is estimated the council will receive an additional £1,302,000 from the settlement, which includes an estimated £500,000 for the additional costs of administering Concessionary Fares. So a net £800,000 will be received compared to £560,000 in the previous year. As a percentage this equates to 11.4% compared to 9.1% in the previous year.

In 2007/08 in cash terms it is estimated the council will receive an additional £610,000 from the settlement compared to £800,000 in the previous year. As a percentage this equates to 9.2% compared to 11.4% in the previous year.

A floor damping block has been introduced to ensure that all authorities receive a minimum grant increase. This is self-funding and is paid for by 'scaling back' the grant increase of authorities above the floor. West Wiltshire is one of these authorities and will contribute £598,000 in 2006/07 (3rd highest contribution withheld) and £320,000 in 2007/08.

We are still awaiting the final release of information from the ODPM, which will allow a detailed breakdown of the settlement to be carried out.

The changes to specific grants are outlined in the table below:

Specific Grant Revenue	Source	2005/06	2006/07	2007/08
		£000's	£000's	£000's
Planning Delivery (75%)	ODPM	300	62	?
Waste Perform/Efficiency	DEFRA	39	103	108
Housing Benefit Admin	DWP	796	821	?

Overall the settlement is good news for West Wiltshire District Council. However, it is important to take a longer-term view to secure investment in corporate priorities, establish a firm financial base and balance the budget for 2006/07 and provide the framework to deliver a balanced budget in 2007/08.

In common with previous years the key to resourcing the budget is the level of central government support. Even with the relatively good settlement this has been another challenging budget round. It has been necessary to balance increased expenditure and service developments against redistribution of resources, government grants and the level of council tax.

3 Budget Overview

3.1 Process

The process has again been driven by the Corporate Plan providing strategic direction and the Medium Term Financial Plan providing the financial framework.

The process got underway in September with Cabinet agreement of the Medium Term Financial Plan, a review of the critical tasks within the Corporate Plan and the launch of the 'Service and Resource Planning Process' with service managers.

There were a number of challenges identified covering the need for budget savings, likely tight government settlement, reduction in income from fees and charges and implementing Customer First and Pay Review.

There was also a need to critically review a number of big areas of spending, consider implications of budget reductions of 5% to 10%, focus growth to areas delivering significant progress against the Corporate Plan and assess opportunities for improving efficiency.

The 'spotlight areas for improvement' priorities and 'getting the job done' supporting principles as detailed in the Corporate Plan were the major drivers in a prioritisation matrix developed to determine bids for service growth and identifying savings options to redistribute resources.

All bids and savings options were scored and prioritised for consideration by Corporate Management Team and Cabinet. This proved to be an invaluable exercise, clearly identifying areas that

supported the delivery of the Corporate Plan to be matched by available resources.

3.2 Presentation

The detailed finance performance plan pages have been sent to the respective Portfolio Holders and are available to all Members via the Council's website. Each page shows the revenue and capital budget, assets giving rise to capital charges, main fees and charges and the key financial and efficiency indicators.

The detailed information on efficiency, service and policy savings options together with revenue and capital and development bids has been sent to Group Leaders with the offer of a meeting to explain the process and provide an opportunity to ask specific questions.

The budget and summary performance plan pages by Portfolio Holder can be found in **Appendix 1**.

3.3 Consultation

The budget proposals have been considered by Service Managers, Corporate Management Team and Cabinet and will be reviewed by Scrutiny on 18 January and 1 February. This is where the detail should be tested and/or alternative proposals developed for consideration by Cabinet on 8 February.

The Cabinet met with Town Councils towards the end of November to discuss likely budget settlement and options. In addition the Portfolio Holder will consult with the business community.

All of this will be helpful in finalising the budget.

3.4 Standing Data

- Inflation has been budgeted at 2.5% for external contractual commitments and 2.95% for the pay award. No increase has been allowed for general inflation on other items. This is being absorbed within existing budgets, generating efficiency savings of around £89,000.
- Investment income has been budgeted at 4.5%.
- Planning delivery grant of £62,000 revenue and £20,000 capital is based on the initial consultation document from the Office of Deputy Prime Minister (ODPM). The grant will not be confirmed until early March.
- Waste Performance and Efficiency Grant is assumed at £103,000 based on notification from the Department of Environment, Food and Rural Affairs (DEFRA).

- Fees and Charges have been reviewed by service managers and increased for inflation after taking into account usage. The exception being: car parking where charges have been decreased in line with the proposals to be discussed at Cabinet on 8 February.

The main charges are included on the individual service page and a detailed listing of the proposed charges can be found in **Appendix 2** of this report.

- Support Services are charged out to services using time recording or actual usage. The budget for 2006/2007 has been based on usage during 2005/06 adjusted for known changes to the service in 2006/2007.

Inevitably these fluctuate and cause variations on comparative costs of services, which can sometimes cause concerns, but it is important to remember that the total cost of support services is contained within the overall budget. The budgeted cost of support services in 2005/06 was £3.574m, in 2006/2007 it is £4.030m, an increase of £456,000. This is primarily due to pay award costs and increased capital charges on computing.

3.5 Pressures

A number of particular pressures have been placed upon the Council in setting the overall budget for 2006/2007, these are detailed below:

- Employer pension contributions 32.3% have increased by £431,000. Implementing the final year of the 2-year stepped contribution to the full rate.
- Pay award at 2.95% and increments have added £348,000.
- Contract inflation on the refuse contract is calculated in accordance with the trade-related index at £84,000. For all other external contracts 2.5% has been applied equating to £92,000.
- Land charges reduction in income due to the current economic climate and personal search option £150,000
- Private Finance Initiative is budgeted at £161,000.
- Planning Delivery Grant has been reduced from £300,000 to and estimated £62,000. A reduction was anticipated and on-going committed expenditure has been limited to £162,000.

3.6 Service Developments

Bids for growth were captured through the Service and Resource Planning process. In total net bids of £863,000 were agreed made up of £187,000 'must do', £106,000 'agreed and committed', £237,000 'one-off' £350,000 'on-going' and £125,000 'self funded'. The detail covering these is given in the table below.

Portfolio	Holder	Description	£
Finance	Trevor Carbin	Revenue costs of capital schemes	90,000
Finance	Trevor Carbin	Revenue contribution to capital programme	50,000
Finance	Trevor Carbin	Institute of rating and revaluation training	7,000
Environmental	Rosemary Brown	Asset valuation for statutory annual accounts	15,000
Planning & Devlmnt	Jeff Osborn	Career grading for planning officers	2,000
Corporate Strategy	Sarah Content	Annual elections canvass	23,000
		Sub Total 'Must Do' bids	187,000
Environmental	Rosemary Brown	Waste and recycling contract costs	15,000
Housing	Tom James	Private Sector Leasing contract liability	30,000
Communications	John Syme	Customer first operating costs	2,000
Housing	Tom James	Private Sector Leasing operating repairs (WWDC)	20,000
Communications	John Syme	Statutory customer satisfaction survey	5,000
Planning & Devlmnt	Jeff Osborn	West Wilts Show and WWEP conferences	20,000
Environmental	Rosemary Brown	Car park income cash collection contract and IT	14,000
		Sub Total 'Agreed and Committed' bids	106,000
Environmental	Rosemary Brown	Grounds maintenance procurement consultancy	10,000
Environmental	Rosemary Brown	Parks maintenance	29,000
Comm and Leisure	Terry Chivers	Leisure Facilities review	15,000
Finance	Trevor Carbin	Internet services current development work	30,000
Planning & Devlmnt	Jeff Osborn	Economic regeneration project fund	100,000
Finance	Trevor Carbin	Asbestos works to operational property	8,000
Finance	Trevor Carbin	Improving burial records - overtime/staff	7,000
Finance	Trevor Carbin	Improving burial records - consultants	10,000
Planning & Devlmnt	Jeff Osborn	Retail and leisure needs assessment	18,000
Housing	Tom James	Landlords accreditation scheme	5,000
Corporate Strategy	Sarah Content	Boundary review	5,000
		Sub Total 'One-off' bids	237,000
Environmental	Rosemary Brown	Streetscene enforcement officers	38,000
Finance	Trevor Carbin	Internet services licensing	50,000
Environmental	Rosemary Brown	Decriminalisation and streetscene enforcement	69,000
Planning & Devlmnt	Jeff Osborn	Economic regeneration project fund	60,000
Finance	Trevor Carbin	ICT data assistant (temp)	22,000
Environmental	Rosemary Brown	Southwick Country Park	15,000
Corporate Strategy	Sarah Content	Administration Assistant - member support	26,000
Policy & Comms	John Syme	Policy Officer	35,000
Comm and Leisure	Terry Chivers	Leisure and Recreational needs resources	35,000
		Sub Total 'Ongoing' bids	350,000
Environmental	Rosemary Brown	Recycling officer secondment	24,000
Environmental	Rosemary Brown	Waste and recycling publicity	20,000
Environmental	Rosemary Brown	Enforcement officer - parking	6,000
Environmental	Rosemary Brown	Hazardous waste asbestos	4,000
Environmental	Rosemary Brown	Procurement consultancy waste	10,000
Environmental	Rosemary Brown	Recycling support officer	22,000
Environmental	Rosemary Brown	Grounds maintenance operative	20,000
Planning & Devlmnt	Jeff Osborn	Planning information officers	19,000
		Total of bids(self funded)	125,000
		Overall Total	1,005,000
		Less self funded Planning Delivery Grant/S.106	(39,000)
		Less self funded Waste Perform/Efficy Grant	(103,000)
		Net Total Cost	863,000

3.7 Savings Option Reviews

Around £708,000 of savings were identified from efficiency (£437,000) and service and policy (£271,000). The main areas are given below:

- Change in Kerbside recycling contract £19,000
- Burial Charges increase £17,000
- Street naming charges £22,000
- Commercial rents increase £79,000
- Investment income increase £47,000
- Local Authority Business Growth £100,000
- Housing Benefit Subsidy increase £100,000
- Wiltshire Wildlife trust £15,000
- Legal and Democratic administration post reduction £22,000
- Communications officer post reduction £17,000
- West Wilts show co-ordination post reduction £19,000
- Trowbridge Museum £130,000

Other options to generate resources were identified in respect of future years and these will be explored in the coming year. The key areas are set out in the table below:

Description
Planning policy grants
Rural regeneration partnership
Conservation grants
Non SLA community grants
Leisure fees and charges
Arts development

Overall Savings EFFICIENCY OPTIONS

Portfolio	Holder	Description	£
Housing	Tom James	Equipment Purchase (PFI)	270
Housing	Tom James	Hillside Hostel – Gas (PFI)	1,000
Environmental	Rosemary Brown	Commercial Properties Advertising	4,500
Housing	Tom James	Ethandune Hostel (PFI)	12,110
Planning & Devmnt	Jeff Osborn	Increase charges - conveyancing in building control	1,000
Housing	Tom James	ODPM Grant Savings (PFI)	25,000
Environmental	Rosemary Brown	Increase in Commercial Rents	29,010
Environmental	Rosemary Brown	Review Water Consumption	2,000
Environmental	Rosemary Brown	Change in WCC kerbside recycling contribution	18,900
Housing	Tom James	Books & Publications (PFI)	350
Environmental	Rosemary Brown	Public Convenience Review – Lock Inn Boar	1,500
Environmental	Rosemary Brown	Increase in Burial Charges	17,000
Environmental	Rosemary Brown	Introduce charge to Developers for Street Naming	21,500
Environmental	Rosemary Brown	Manvers House Rent	50,000
Planning & Devmnt	Jeff Osborn	Dangerous Structures	4,000
Planning & Devmnt	Jeff Osborn	Other Costs (Planning Policy)	5,000
Planning & Devmnt	Jeff Osborn	Printing & Stationery (Planning Policy)	3,150
Environmental	Rosemary Brown	Land Drainage – Sandbags	5,000
Housing	Tom James	Bed & Breakfast (Part PFI = £5,090)	4,000

Housing	Tom James	Review rented equipment, 10% reduction	6,000
Corporate Strategy	Sarah Content	Reduce Computer Software Human Resources	1,000
Planning & Devmnt	Jeff Osborn	Uncommitted amounts (Economic Development)	18,500
Environmental	Rosemary Brown	Increase service & charges pest control	3,000
Housing	Tom James	PFI commitment – per Outline Business Case	(43,820)
		Sub Total	189,970
Finance	Trevor Carbin	Investment income increase	46,912
Finance	Trevor Carbin	Local Authority Business Growth incentive	100,000
Finance	Trevor Carbin	Housing Benefits subsidy	100,000
		Sub Total	246,912
		TOTAL SAVINGS FOR EFFICIENCY OPTIONS	436,882

Overall Savings SERVICE & POLICY OPTIONS

Portfolio	Holder	Description	£
SERVICE & POLICY CHOICES			
Planning & Devmnt	Jeff Osborn	Bio-diversity Grant	1,000
Environmental	Rosemary Brown	Wiltshire Wildlife Trust	15,000
Planning & Devmnt	Jeff Osborn	Wiltshire Wildlife Projects	4,000
Environmental	Rosemary Brown	Don't renew lease on Avoncliffe car park	2,710
Planning & Devmnt	Jeff Osborn	Bio-diversity Records Centre	4,500
Planning & Devmnt	Jeff Osborn	Pull out of South West Tourism	10,500
Corporate Strategy	Sarah Content	Don't fill vacant Administrator post (Legal & Dem.)	21,954
Policy	Duncan Hames	Internal Sustainability co-ordinator	12,599
Planning & Devmnt	Jeff Osborn	Pull out of Sustain the Plain	10,000
Comm and Leisure	Terry Chivers	Remove rural transport contribution	3,060
Communications	John Syme	Reduce editions of West Wilts Matters	2,500
Communications	John Syme	Reduce Communications Officer to part time	16,900
Comm and Leisure	Terry Chivers	Reduction in grants made to Arts	5,000
Communications	John Syme	West Wilts Show event co-ordination	18,910
Corporate Strategy	Sarah Content	Reduce Member training	5,000
Comm and Leisure	Terry Chivers	Reduction in non SLA grants	8,000
		Sub Total	141,633
Finance	Trevor Carbin	Trowbridge Museum (see note below)	129,694
		TOTAL SERVICE & POLICY OPTIONS	271,327

Note: Reduction in Long Term Empty Homes Discount to 10%

This will generate a one-off saving to the Council in 2006/07 of £20,000, with an adjustment through the revenue support grant in future years so that no on-going gain will occur. This will also generate a one-off windfall saving to Wiltshire County Council estimated at £175,000. We are currently exploring options with the County to look at projects where both authorities will benefit. The table below suggests a number of projects currently being considered.

Description	£	One-off	Included in 06/07 budget
Economic regeneration fund	50,000	Yes	Yes
Leisure Facilities Review	15,000	Yes	Yes
Retail and Leisure needs survey	18,000	Yes	Yes
Community safety contribution	20,000	No	Yes
Community area partnership	10,000	No	No
Housing renewal grants	55,000	Yes	No
Total	168,000		

Note: Trowbridge Museum

The cost in 2005/06 was £140,000 and funded as a 'special expense' forming part of the overall District Council's budget. The amount is separately identified on the bill of all Trowbridge taxpayers and is collected by the District and paid over to the Town Council. The District Council precept plus the Museum precept are added together and used by the ODPM to calculate the percentage increase allowable before capping is applied.

Trowbridge Town Council are proposing to precept the majority of the museum cost (all but £10,000) as part of the Town Council's council tax requirement. The museum will no longer be separately identifiable on the bill and the District Council will make a general grant of £10,000 as a contribution towards the museum. Visitor statistics indicate that around 20% of public visitors and 34% of school visits are undertaken by residents of schools located in the District, but outside Trowbridge.

This gives a 'one off' opportunity to the District Council to have expenditure equal to the amount of the costs of the museum covered by an increase in council tax within the current rules for capping.

3.8 History

A summary of the main budget changes is given in the table below:

	£'000	£'000	£'000
Base Budget 2005/06			12,382
Add:			
Pay award and increments	348		
Contract inflation	176		
Pension	431		
Land charges income reduction	150		
Planning delivery grant reduction	100		
Concessionary Fares	480		
Revenue Bids	863	2,548	
Less:			
Service Reviews	(708)		
'One-off' items 2005/06	(112)		
Other minor adjustments	(37)	(857)	
Projected budget 2006/07			14,073
Less:			
Prior years revenue grant adjustment		(56)	
Collection fund surplus		(1)	
Revenue Support Grant		(1,234)	
NNDR Business Rates		(6,430)	(7,721)
Balance raised from Council Tax			6,352
Initial Council Tax increase			4.32%
Trowbridge Museum benefit (one-off)			2.50%
Total Council Tax increase			6.82%

3.9 Medium Term Financial Plan

A prudent approach has been taken with the emphasis on investing in the Corporate Plan and responding to future risks and pressures. The level of uncertainty has decreased following the 2-year settlement, but scaled back grant continues and this remains a significant issue for 2008/09. The uncertainty around central government grant and non-availability of specific revenue grant information means that the estimate for 2008/09 is heavily qualified.

The settlement is better compared to the poor settlements of the past 10 years. However, the Council has a very low base with low levels of expenditure per head of population. A period of continued settlement growth will be required to consolidate and enable the Council to move forward addressing both national and local challenges.

As always there is a balance to be struck between delivering the objectives as set out in the Corporate Plan and keeping Council Tax increase to a minimum.

The detailed plan is in the process of being updated following the changes made in the announcement of the 2-year Local Government Finance settlement. The amended strategy will be presented to Cabinet in February, a summary of assumptions and key figures is set out below.

Assumptions:

- Council Tax increase of 5% in 2007/08 and 2008/09
- Inflation for pay included at 2.95%
- Inflation for contracts at 2.5%
- Pension contributions no increase
- Service growth no allowance made in 2007/08 and 2008/09
- Waste performance and efficiency grant 2007/08, around £80,000 used to support existing budget
- Waste performance and efficiency grant 2008/09 is nil
- Management structure savings of £125,000 in 2007/08 (see below)
- Grant Settlement increase 05/06 9.1%, 06/07 11.4%, 07/08 9.2% and 08/09 2.5%

Revenue Projections	2005/06	2006/07	2007/08	2008/09
	£,000	£,000	£,000	£,000
Projected budget	12,382	14,073	Detail to be calculated	
Projected resources	12,382	14,073		
Surplus/(Shortfall)	0	0	(80)	(396)

3.10 Management Structure

The new management structure is serving the authority well and is generally meeting the objectives stated at the time it was established. In particular it is assisting in providing greater clarity and accountability

as well as a focus on the achievement of the corporate plan.

The management development programme, '*focus on the future*', is an important investment and is designed to benefit all team leaders and service managers. It will help make the changes even more effective by improving leadership throughout the organisation. It is also recognised that continuous improvement relies on the commitment and abilities of managers and other staff throughout the organisation and that the structure is just one part of a successful approach.

The focus achieved by allocating corporate plan priorities to members of the corporate Management Team has also been useful. This has generally enabled the right support to be given to cabinet portfolio holders.

However, the costs of the existing structure are too high in relation to the Council's overall budgets given the requirements to save and Gershon efficiency targets over the next two to three years. It is increasingly evident that to enable good progress to be achieved some further rationalisation is required. The Council already has very low costs and statistical analysis suggests that the council has already achieved a very high level of efficiency. Nevertheless some significant savings can be achieved with only modest changes to management arrangements.

It is proposed that a report will be submitted to the February meeting of Council recommending some changes to the management structure. The aim will be to:

- Minimise the level of change to structures required whilst achieving a significant ongoing cash saving. This will help with the achievement of Gershon efficiency targets.
- Retain the benefits of the new management structures whilst enabling some rationalisation to take place.

The proposals will relate to:

- The number of Corporate Directors; the proposal will be to reduce the number by one;
- Combining Economic development with Community Leadership;
- Researching opportunities for joint working with other Councils.

The target for ongoing savings is £125,000. There are likely to be one off costs in making the changes which will erode much of the saving in the first year 2006/07, consequently no net saving is projected in 2006/07.

Most of the opportunities for improved joint working will relate to 2007/08 and future years. It is intended for these to be addressed in such a way as to strengthen the services to which they relate thereby offering benefits to the public as well as staff.

There will be proper consultation to enable these changes to take place which will mean that most of the change will not take place in the first half of the 2006/07 financial year.

3.11 Budget Robustness

The 2006/2007 budget process has been significantly influenced by the Corporate Plan and delivered through the Service and Resources Planning Process.

The 2005/06 base revenue budget was reviewed for known variations coming through from budget monitoring in the current year. All manpower budgets were confirmed by Service Managers, Human Resources and Finance. The total pay budget was increased for pay award and pension contributions and inflation in accordance with contractual rules was added to all external contracts. All services were invited to bid for service developments and offer options for savings, which would be evaluated against the Corporate Plan.

The draft budget was considered by Corporate Management Team, Service Managers, and Cabinet and will be subject to review by Scrutiny in early February.

The process is tried and tested and proven to deliver reliable accurate budgets.

3.12 General Fund Reserves

The Council has developed a risk-based approach for assessing the appropriate level of reserves it should maintain. This was updated in September 2005 as part of the Medium Term Financial Plan and has recently been reviewed as part of the budget setting process.

At 31 March 2005 the unallocated balance on reserves stood at £1,237,000. Members will be aware that this year's general fund is on budget and any over or under spend at the year end is not expected to significantly impact on balances.

The balance at 31 March 2006 is likely to be around £1,337,000, which is in line with the updated risk-assessed balance.

4 Capital

The main sources of finance are capital receipts from the sale of assets and government grants. Capital resources are cumulative and at 1 April 2006 are estimated to be £2.9m. These will be used to finance the capital programme in future years along with any borrowing option exercised under the prudential code. This will provide greater flexibility in the future and will be considered when the capital strategy is reviewed with the prudential indicators for 2006/07 at Cabinet on 8 February.

A zero-based approach was again used for 2006/07 and service managers were invited to submit bids for schemes, which were evaluated against the Corporate Plan. The draft programme considered by Corporate Management Team stands at £3.2m. This includes affordable housing of £200,000 and PFI of £100,000, both of which will be funded from S.106, Disabled Facilities Grant of £240,000 funded by government grant and vehicles £176,000 self funded over a 5-year period. This gives a net cost to the draft programme of £2.5m

The main items in the draft programme are listed below a detailed programme can be found in **Appendix 3**.

	£000's
Cemeteries	283
Social Housing	200
Empty homes grant	100
Housing renewal disabled facilities	850
Housing renewal grant	110
Sewerage schemes	110
Leisure contract	200
Five Towns initiative	100
Vehicles	365
Telephony system	225
Corporate IT infrastructure	175

We are currently awaiting the results of the Leisure and Recreational Needs Assessment and this may give rise to the need for Capital Resources.

A review is currently being undertaken of the repairs and renewals of the Bradley Road site and this may give rise to the need for Capital Resources.

5 Risk Management Implications

There are 5 main risks associated with this report:

1. Not setting a robust balanced budget. This is considered in paragraph 3.9 Budget Robustness. **The likelihood is low with medium impact.**
2. The budget may not be agreed as proposed which could result in non-delivery of areas detailed in the corporate plan. **The likelihood is low with high impact.**
3. Possibility of capping through the treatment of Trowbridge Museum expenditure. The detail of the current and proposed arrangement is set out in a separate note to paragraph 3.7. There is a set calculation for determining the capping limits. However, this will not be announced until after the budget has been set. The District Council has based its figures on the current capping rules. There is a risk that these could change

resulting in the Council being capped and forced to rebill at a cost of £50,000. **The likelihood is low with high impact.**

External advice will be sought from the ODPM, LGA and external advisors on the proposed treatment.

- 4 A timing risk around the procedure to change the Long Term Empty Homes discount rate. This forms part of the taxbase report to be agreed by Cabinet on 11 January. However, the change to empty homes has to be approved by Council. The earliest Council meeting will be the 22 February at which the budget is approved. **The likelihood is low with medium impact.**
- 5 The capacity to deliver the capital programme detailed in Appendix 3. **The likelihood is medium with medium impact.**

6 Legal Implications

There are no legal implications

7 Human Rights

There are no Human rights implications

8 Conclusion

The draft medium term financial plan considered by Cabinet in September 2005 showed that budgets would be challenging, although projections showed that single figure Council tax increases were achievable.

The big area of uncertainty is the level of central government support and the annual application of the 'floors and scaling factor' making accurate forward planning extremely difficult. However, the move to a 2-year grant settlement has helped in this area and the amount of grant taken to fund 'floor authorities' is reducing.

9 Recommendations

The Cabinet:

- a) approve the Fees and Charges for 2006/2007 as detailed in Appendix 2.
- b) agree the overall budget for each service and the projected General Fund revenue budget of £14,073m for 2006/2007 and recommend a council tax level band d of £136.60 an increase of 6.82% to Full Council on 22 February 2006.

- c) agree each capital project and the capital programme of £2.5m for 2006/2007 as shown in Appendix 3.
- * subject to any comments received from Scrutiny Committee on 1 February and the consideration of those comments at Cabinet on 8 February.

Statement of reasons for key decision	Requirement of constitution
Options considered and rejected	Councillors had opportunities to consider alternatives at various budget meetings
Date of Implementation (not less than 5 days after date of decision)	15 January 2006

Trevor Carbin
Portfolio Holder

Ian Jamieson
Head of Finance

Andrew Pate
Chief Executive

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Background Papers:
Working Papers held in Financial Services: Room F31



Plain English guidance given
30/12/05