

- (i) Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act. **(Gross expenditure)** £445,197,540
- (ii) Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act. **(Gross income including use of reserves)** £202,243,400
- (iii) Being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Council, in accordance with Section 32(4) of the Act, **as its budget requirement for the year.** £242,954,140
- (iv) Being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with Section 97 (4) of the Local Government Finance Act 1988 (Collection Fund Deficit). £156,045,853
- (v) **Being the amount to be raised from Council Taxes** calculated at (B) (iii) above less the amount at (B) (iv) above. £86,908,287
- (vi) Being the amount at (v) divided by the Council Tax Base, calculated by the Council at its meeting on 22 January 2004 in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year. **(The average Band D Council Tax)** £1,038.93
- (vii) Valuation Bands

	A	B	C	D	E	F	G	H
£	692.62	808.06	923.49	1,038.93	1,269.80	1,500.68	1,731.55	2,077.86

Being the amounts given by multiplying the amount at (vi) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (C) That it be noted that for 2004-05 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	160.89	187.70	214.52	241.33	294.96	348.59	402.22	482.66

- (D) That having calculated the aggregate in each case of the amounts at (B) (vi) and (C) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2004-05 for each of the categories of dwellings shown below

Valuation Bands

	A	B	C	D	E	F	G	H
£	853.51	995.76	1,138.01	1,280.26	1,564.76	1,849.27	2,133.77	2,560.52

Scheme of Virement

(E) That the Council agree that until the review of Financial Regulations is completed there should be no change to the Virement Rules as set out in the Budget and Policy Framework Rules approved by the Council on the 28 May 2002.

(3) that an initial Medium Term Budget Strategy to cover the period 2004-2005 to 2006-2007 based on the approved budget for 2004-2005, as set out in Appendix 1, be approved;

(4) that the Council maintain a minimum level of unallocated General Fund Reserves of £4m at the end of each financial year;

(5) that the optimal level of unallocated General Fund Reserves is £7m;

(6) that the Council aims to achieve the optimal level of reserves over the medium to long term by taking opportunities to increase reserves by sound in-year financial management;

(7) that until the review of Financial Regulations was completed there should be no change to the Virement Rules set out in the Budget and Policy Framework Procedure Rules approved by the Council on 28 May 2002;

(8) that Council make a decision on Members' Allowances as set out in Appendix 7 to the report of the Chief Executive and Executive Director (Business Connections).

(See also Minute 428).

LONDON BOROUGH OF HARROW
BUDGET REVIEW 2003-2004 TO 2004-2005

APPENDIX 1

	2003-2004 Original Budget	2003-2004 Forecast Budget	2004-2005 Original Budget
	£	£	Base Position £
Local Demand - Borough Services			
Corporate	0	0	3,123,700
Business Connections	15,799,480	15,951,330	8,991,200
Organisational Development	1,172,000	1,561,000	1,968,170
Chief Executive's Office	1,091,000	1,033,000	1,045,630
People First	189,673,920	189,413,000	202,828,510
Urban Living	43,799,930	43,666,000	46,759,720
Corporate Savings	0	-1,621,000	0
Total Directorate Budgets	251,536,330	250,003,330	264,716,930
Capital Financing adjustments	-16,534,370	-16,534,370	-17,498,790
Interest on Balances	-3,788,000	-3,901,000	-4,038,000
Contributions to Earmarked reserves	0	500,000	630,000
Total - Baseline	231,213,960	230,067,960	243,810,140
Capitalisation	-1,338,000	-1,338,000	-856,000
Adjustment to Balances	-105,000	1,041,000	
Total Net Expenditure	229,770,960	229,770,960	242,954,140
Contribution re Collection Fund Deficit b/f	321,000	321,000	17,424
National Non-Domestic Rate (NNDR)	-60,892,560	-60,892,560	-59,119,000
Revenue Support Grant (RSG)	-86,161,181	-86,161,181	-96,944,000
Other Grants			
Local Demand on Collection Fund	83,038,219	83,038,219	86,908,564
<u>Funds / Balances</u>		0	
Balances Brought Forward	4,651,560	5,273,000	6,314,000
Adjustment to Balances	-105,000	1,041,000	
Balances Carried Forward	4,546,560	6,314,000	6,314,000
<u>Council Tax for Band D Equivalent</u>			
Harrow (£)	1001.16	1001.16	1038.93
<u>Increase</u>			
Harrow (%)			3.77%
Taxbase	82,942	82,942	83,652