

LONDON BOROUGH OF HARROW

GOVERNANCE, AUDIT AND RISK MANAGEMENT COMMITTEE

8 APRIL 2010

REFERENCE FROM CABINET - 11 FEBRUARY 2010

Key Decision - Revenue Budget 2010/11 - 2012/13

The Corporate Director of Finance introduced a report, which set out the Revenue Budget for 2010/11 and the Medium Term Financial Strategy (MTFS) for 2010/11 to 2012/13.

The Corporate Director stated that the position on the Revenue Budget had not altered significantly since it was reported to Cabinet in December 2009, but she was pleased to report that the funding gap of £1m, to ensure a balanced budget, had been closed as a result of some technical changes. A zero Council Tax increase for 2010/11 was being recommended. An increase of 2.5% was expected thereafter. The additional information in her report related to the budget book; specific grants and levies; and risk assessment on the budget which she proposed be referred to the Governance, Audit and Risk Management Committee for consideration.

Cabinet was informed that efficiency savings of £7.3m had been made but that the Children's Services continued to face budget pressures. The funding for schools was up 4.1% and this would be ring-fenced. The Corporate Director was confident that the budget proposed was robust and that the Council's reserves were adequate. She confirmed that the Greater London Authority (GLA) had announced a nil increase in its precept. As a result the Council Tax for 2010/11 for Harrow residents would remain the same as in 2009/10.

The Corporate Director reported that consultation on the budget had taken place at various stakeholder meetings, the minutes of which had been circulated on a supplemental agenda. Matters raised at some of the meetings would be addressed separately together with the recommendations from the Standing Scrutiny Review on the Budget. The Council had also engaged with the voluntary sector through the Harrow Strategic Partnership (HSP) Summit meeting.

The Corporate Director drew attention to the challenges for the future, which would impact on the budget, including the adverse economic climate, the growing demand on Council services and the expected decline in funding from the government. The outlook on the budget for future years was set out at appendix 13 of her report and a funding gap of up to £15m beyond 2011 was forecast.

The Chief Executive stated that local authorities faced challenging years ahead, and that, looking forward, Harrow Council's journey would be better placed as a result of its Better Deal for Residents' Programme which would meet the needs of residents.

Resolved to RECOMMEND: (to Council) That

- (1) the revenue budget 2010/11 to 2012/13 be approved to enable the Council Tax for 2010/11 to be set;
- (2) the model Council Tax resolution attached at appendix 1 to the minutes be approved;
- (3) the current approved Members' Allowances Scheme be adopted for 2010/11.

RESOLVED: That

- (1) the Medium Term Financial Strategy at appendix 2 to the report of the Corporate Director Finance be approved;
- (2) the planned investment in services and efficiency programme be noted;
- (3) in relation to schools, the budget and the proposed changes to the formula at appendix 8 to the report of the Corporate Director Finance be approved;
- (4) the risk assessment at appendix 9 to the report of the Corporate Director Finance be referred to the Governance, Audit and Risk Management Committee for consideration;**
- (5) the reserves policy at appendix 10 to the report of the Corporate Director Finance be noted;
- (6) the feedback received from various stakeholders be noted.

Reason for Decision: To ensure that the Council sets a balanced budget together with the Council Tax for 2010/11.

FOR CONSIDERATION

Background Documents:

Report considered by the Cabinet and the minutes of Cabinet held on 11 February 2010.

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