
REPORT OF CABINET

MEETING HELD ON 16 DECEMBER 2004

- Chair: * Councillor N Shah
- Councillors: * D Ashton * C Mote
* Burchell * Marie-Louise Nolan
* Margaret Davine O'Dell
* Dighé * Stephenson
* Miss Lyne
- * Denotes Member present

PART I - RECOMMENDATIONS

RECOMMENDATION I - Key Decision - 2005-06 Budget and Medium Term Budget Strategy 2005-06 to 2007-08

The Executive Director (Business Connections) outlined the content of his report, which included a summary of the figures and detailed schedules and all the proposals included in the draft budget. The finance settlement outlined in Appendix F to his report was provisional and the budget might therefore need to be refined when the final settlement was known at the end of January 2005.

Cabinet, having agreed the draft Revenue Budget for 2005-6 for consultation with stakeholders, the draft Medium Term Budget Strategy, the revised Housing Revenue Account for 2004-5, the draft Housing Revenue Account for 2005-6, the draft three year financial strategy for Housing, and having noted the proposed level of capital programme for 2005-6 and that the detailed programme would be reported to Cabinet in January 2005,

Resolved to RECOMMEND:

- (1) That the Council maintain a minimum level of unallocated General Fund Reserves of £4,000,000 at the end of each financial year;
 - (2) that the optimal level of unallocated General Fund Reserves was £7,000,000.
- (See also Minute 658).

PART II - MINUTES

658. **Key Decision - 2005-06 Budget and Medium Term Budget Strategy 2005-06 to 2007-08:**
(See also Recommendation I).

The Executive Director (Business Connections) outlined the content of his report and advised that the provisional settlement had been announced on 2 December 2004. The Council's provisional Formula Spending Share for 2005/6 was £248.3m, an increase of £12m or 5.5%. He emphasised that the settlement was provisional and that the budget might need to be refined once the final settlement was known.

The Executive Director (Business Connections) drew Members' attention to Appendix B of his report which set out a summary of the revenue budget for 2005/6 and which would result in a 1.48% increase in Council Tax. When linked to the GLA precept, this would lead to an increase in Council Tax of 2.5%.

The Executive Director (Business Connections) advised Members that the draft Capital Programme 2005/6 would be reported to Cabinet on 13 January 2005.

In response to Members' questions, the Executive Director (Business Connections) undertook to provide a response in relation to the likely Council Tax charge if the Government were to fully fund the cost of the new licensing regime. He also stated that the funding of the social inclusion proposals (detailed elsewhere on the agenda) could be met from reserves as it would be a one-off expense.

Cabinet, having recommended to Council that a level of unallocated General Fund Reserves of £4m at the end of each financial year be maintained and that the optimal level of unallocated General Fund Reserves was £7m,

RESOLVED: (1) That the draft Revenue Budget of £254.570m for 2005-06 for consultation with stakeholders be agreed;

(2) that the draft Medium Term Budget Strategy be approved;

(3) that the revised Housing Revenue Account (HRA) for 2004-05, the Draft Housing Revenue Account for 2005-06 and the draft three year financial strategy for Housing be approved, and that the draft HRA be referred to the Tenants' and Leaseholders' Consultative Forum on 6 January 2005;

(4) to note the proposed level of the capital programme for 2005/06 and that the detailed programme would be reported to Cabinet in January 2005.

Reason for Decision: To ensure that the Council was planning the use of resources effectively.

(Note: Councillors D Ashton, Miss Lyne and C Mote wished to be recorded as having abstained from voting on the above resolutions due to the late receipt of the report).