

**BUDGET 2005-06 AND MEDIUM TERM PLAN 2006-2010
(Report by Head of Administration)**

1. INTRODUCTION

- 1.1 This report should be read in conjunction with the report by the Corporate Director, Commerce and Technology on the Council's Budget for 2005-06 and 2006-2010 Medium Term Plan.

2. SUPPORTING INFORMATION


- 2.1 A joint meeting of the Overview and Scrutiny Panels considered the report at their meeting on 25th January 2005.
- 2.2 In considering the proposed Council Tax level for 2005/06, Members reaffirmed their support for an increase in Council Tax of £12 per annum for a Band D property. However Members suggested that if a monetary increase was to continue in future years it is unlikely that this would be sufficient to meet the Council's expenditure profile and that consideration would need to be given to an increase in percentage terms rather than a monetary figure to maintain the required level of income from the Council Tax.
- 2.3 In relation to the forecast increase in Council Tax in future years, Members noted that the projected need for a significant increase was now likely to be delayed until 2011/12. In discussing alternative scenarios to avoid a steep increase in a financial year, Members requested that information be made available to them on the level of Council Tax increase required to achieve the forecast level of expenditure without a large increase in any one year. Information was also requested as to the level of expenditure which could be financed in the longer term by the Council Tax if an increase of £12 per annum was to be maintained and the effect that this would have on the approved capital and revenue programme. This information is appended as an Annex to this report.
- 2.4 Members expressed support for the draft MTP in general terms, but noted that the Budget sub group of the Planning & Finance Panel would be continuing their investigations into specific areas of expenditure which would contribute to the budgetary process in future years.

3. CONCLUSION

The Cabinet is invited to note the comments made by the Overview and Scrutiny Panels in formulating their recommendation to Council on the Budget and Medium Term Plan at the meeting to be held on 16th February 2005.

BACKGROUND INFORMATION

Minutes of the meeting of the Overview and Scrutiny Panels held on 25th January 2005.

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