
Budget and 2005-2010 Medium Term Plan

Report by the Director of Commerce and Technology

1. PURPOSE

- 1.1 The purpose of this report is to allow the Council to consider the Cabinet's recommendations relating to the Medium Term Plan, the 2005/06 Budget and related Prudential Indicators.

2. BACKGROUND

- 2.1 Attached at Appendices D and E are the report and the comments from Overview and Scrutiny considered by the Cabinet on 3rd February 2005.

- 2.2 Cabinet decided to recommend -

- (a) that, subject to appropriate adjustments to reflect revenue implications inherent in resolution (d) in Minute No. 123 ante [Huntingdon Bus Station], the £8,000 reduction in Revenue Support Grant and the resulting impact on interest receipts, the spending proposals summarised in Annex C to the report now submitted be approved;**
- (b) that a Council Tax level of £106.54 for a Band D property for 2005/06 and the indicative levels for 2006/07 onwards as shown in Annex C to the report now submitted be approved;**
- (c) that, subject to any necessary variations relating to the adjustments referred to in resolutions (a) and (b) ante, the Prudential Indicators at Annex F to the report now submitted be approved;**
- (d) that, notwithstanding the uncertainty as to whether the efficiency savings target included in the budget will be achieved, there are still sufficient revenue reserves available to the Council in 2005/06 to ensure that the Director of Commerce and Technology's conclusion on the robustness of the budget, as detailed in Annex G, are still valid; and**
- (e) that the 2005/06 and 2006/07 capital programme be approved to increase the opportunities for achieving lower tender prices.**

- 2.3 Earlier in their meeting the Cabinet decided to accept an officer

recommendation that the scheme for Huntingdon Temporary Bus Station (number 607) be deleted and replaced with a provision of £26k in 2005/06 to allow a feasibility study to be undertaken to inform the Huntingdon Bus Station Scheme programmed for 2009/10 (number 625).

- 2.4 Cabinet were also informed of the final Government Grant announcement which reduced the Council's Government Support by £8k next year.
- 2.5 There was also discussion about the Government's efficiency targets, particularly that it was still not clear what Huntingdonshire's target would be and that there can be no guarantee that the savings target in the budget for 2005/06 would be achieved. The Council has sufficient revenue reserves to avoid this being a financial problem.
- 2.6 Appendices A to C have been amended for the changes referred to above and show:

Appendix	Content
A	Financial Summary
B	Service Budgets
C	Prudential Indicators

3. RECOMMENDATION

3.1 The Council is recommended to approve -

- ◆ **A net revenue budget of £17.373M and a net capital budget of £23.087M for 2005/06.**
- ◆ **Use of revenue reserves of £1.826M in 2005/06.**
- ◆ **A Council Tax increase of £12 on a band D property for 2005/06.**
- ◆ **The 2006/07 capital programme to increase opportunities for obtaining lower tender prices.**
- ◆ **The remainder of the Medium Term Plan for 2006-2010, subject to annual review.**
- ◆ **The Prudential Indicators attached at Appendix C.**

(The consequent formal Council Tax resolutions are included in the next item on your Agenda)

ACCESS TO INFORMATION ACT 1985

Grant Settlement Information – Files in Financial Services
Working Papers - Files in Financial Services

Contact Officer: Steve Couper, Head of Financial Services
☎ 01480 388103

Appendix A

FINANCIAL SUMMARY	Forecast	Budget	MTP			
	2004/ 2005 £000	2005/ 2006 £000	2006/ 2007 £000	2007/ 2008 £000	2008/ 2009 £000	2009/ 2010 £000
Changed items highlighted						
Approved Budget and MTP	16,828	18,880	20,697	22,409	23,923	23,995
MTP Variations	-425	-158	-6	-633	-510	1,164
Sub-total (Annex A)	16,403	18,722	20,691	21,776	23,413	25,159
Huntingdon Bus Station Variation		11	-45	-45	-45	-45
Other Variations						
Cashable Efficiency Savings Target		-402	-826	-1273	-1307	-1,342
Base Budget Reductions (adjusted)	-557	-523	-588	-578	-578	-578
Inflation on revenue variations	0	28	71	27	24	14
Interest adjustment	-340	-566	-658	-714	-788	-897
2003/04 Capital savings	-17	-17	-17	-17	-17	-17
2003/04 Spending brought forward	960					
Extra pension contributions			96	180	300	360
Extra recycling costs	40	120	120	120	120	120
2004/05 Forecast Outturn	196					
TOTAL NET SPENDING	16,685	17,373	18,844	19,476	21,122	22,774
FUNDING						
Forecast Government Support	-8,731	-9,231	-9,742	-10,265	-10,670	-11,251
Consultation		-285	-253	-216	-302	32
Final		8				
Total Government Support	-8,731	-9,508	-9,995	-10,481	-10,972	-11,219
Collection Fund Deficit	14	4				
Council Tax	-5,308	-6,043	-6,790	-7,552	-8,328	-9,120
Contribution from Revenue Reserves	-2,660	-1,826	-2,059	-1,443	-1,822	-2,435
TOTAL FUNDING	-16,685	-17,373	-18,844	-19,476	-21,122	-22,774

COUNCIL TAX	£	£	£	£	£	£
Band D Equivalent	56,149	56,718	57,278	57,850	58,429	59,013
COUNCIL TAX	94.54	106.54	118.54	130.54	142.54	154.54
Increase %	14.5%	12.7%	11.3%	10.1%	9.2%	8.4%

Interest	-3,609	-2,955	-1,941	-1,489	-1,259	-934
Total Net Spending excluding interest	20,294	20,328	20,785	20,965	22,380	23,708

Remaining reserves (end of year)						
Revenue	17,312	15,486	13,427	11,983	10,162	7,727
Capital	43,038	28,051	17,114	14,864	10,837	5,619