

## **Financial Context**

### **Council Position**

- 1 The position facing the Council is particularly difficult this year as there are a number of known uncertainties. These include:
  - The outcome of the Lyons Review;
  - Comprehensive Spending Review 2007 (CSR07);
  - Additional cost to meet legislation and EU directives on waste; and
  - Continued availability of Transitional Income Support (TIS).
- 2 The provisional budgets for 2007/08 and 2008/09 included amounts of £1.1 million and £4.05 million for efficiencies which need to be identified.
3. The provisional budget for 2007/08 assumes that £2.155 million will be taken out of reserves.
4. CSR07 will cover the years 2008/09, 2009/10 and 2010/11. The Medium Term Planning Process is looking to match this period by developing four-year budget projections.
5. The long-term goal of the Council is to achieve a balanced budget. In view of this, the Cabinet agreed a set of savings targets at the meeting held on 12 June 2006.

### **Neighbourhood Savings Targets**

6. The savings target set by the Cabinet for the Neighbourhood Directorate were:
  - £3,111,501 for 2007/08;
  - £3,204,929 for 2008/09.

### **Officer Illustrations**

7. As a result of the savings targets in paragraph 6 above, officers have prepared illustrations totalling £3.022 million for 2007/08. These are set out in Annex A.

### **Neighbourhood Budget**

8. The provisional budget for 2007/08 agreed as part of the 2006/07 budget setting exercise is £44.685 million for the services provided by the Neighbourhood Directorate which are charged to the General Fund.