

MILTON KEYNES COUNCIL

27 FEBRUARY 2007

RECOMMENDATIONS FROM CABINET 20 FEBRUARY 2007

Reports from Cabinet and Committees (Item 4[b])

Cabinet - 27 February 2007

(i) Council Wide Revenue Budget 2007/08 – 2010/11

RECOMMENDED –

1. That the changes proposed to the consultation budget, in the light of the consultation and the final formula grant settlement, be agreed (detailed at **Annex D** to the report).
2. That £1m be set aside from reserves as a restructuring fund for the workforce efficiency project.
3. That the Council's four-year financial strategy be approved and the implications of the 2007/08 budget in the draft budgets for 2008/09 – 2010/11 be acknowledged.
4. That a General Fund budget for 2007/08 of £152.947m (an increase of 5.32%, or £7.732m over the 2006/07 budget), be agreed (**Annex E** to the report), and that, subject to final pupil numbers, the final detail of the expenditure within the Schools and LEA budgets be agreed by the Group Director School Improvement and Planning and Section 151 Officer in consultation with the relevant Cabinet Member(s) having regard to the dedicated schools grant.
5. That the reserves strategy of protecting balances wherever possible to allow the option of supporting future years' budgets, aiming for a minimum level of unallocated general fund reserves of £7.5m at the end of 2007/08 having regard to the outcome of the financial risk assessment be confirmed.
6. That £600,000 of the projected 2006/07 Revenue Budget underspending be set aside as a reserve for the purposes of meeting the unpredicted costs of pressures in Children's Services during 2007/08 after taking into account the £1.4m additional funding on top of demography and inflation.
7. That the Council Tax be increased by 3.6% for 2007/08, for the Council's own purposes, thus excluding police, fire and parish precepts.

8. That the anticipated income and projected spending of the surplus of the 2007/08 Parking Account be taken account of in the budget, subject to those limitations and choices set out in the provisions of section 55 of the Road Traffic Regulation Act 1984 and subject to the final position for the spending of the projected surplus from the 2007/08 Parking Account being finally determined at a review at the close of the financial year.
9. That the Fees and Charges set out in **Annex L** be approved.

The Cabinet also resolved:

1. That the feedback from consultation with the public, organisations and the Policy Development Committees, be welcomed.
2. That the Council's representations on the provisional formula grant settlement be noted.
3. That the projected 2006/07 outturn position be noted.
4. That the issues and risks detailed in the Section 151 Officer's statement on the robustness of estimates and the adequacy of the reserves be acknowledged.
5. That the additional posts added as part of the budget process be approved.
6. That the levy requirements be considered as part of the report to the Council on 27 February 2007 and that adjustments be made through the Council's reserves should the actual amounts differ from the information presented in this report.
7. That the Head of Planning and Transport together with the S151 Officer be authorised to determine the allocation of the projected surpluses of the 2006/07 and 2007/08 Parking Accounts, and for each financial year thereafter.
8. That the proposals submitted by the Labour Group be noted, together with the opinion of the Head of Finance, that in her professional opinion as the Council's Section 151 Officer, the proposals were not robust.

(ii) Capital Programme 2007/08 to 2011/12

RECOMMENDED -

1. That the Capital Programme for 2007/08 (**Annexes A1 to A7** to the report) amounting to £128.094m be approved.
2. That the financing of the Capital Programme for 2007/08 (paragraph 3.15 and **Annex B** of the report) be approved
3. That the capital reserve be set at £3.45m during 2007/08 to be

administered for the prudent management of the Authority's financial position.

4. That Cabinet be authorised, once the programme has been set, to approve new capital schemes, and variations to existing schemes, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.

(iii) Treasury Strategy 2007/08 to 2009/10

RECOMMENDED -

That the Treasury Strategy for 2007/08 to 2009/10 be approved, incorporating:

- (a) the Capital Financing and Borrowing Strategy for 2007/08 to 2009/10 as required by the Council's Treasury Management Policy Statement (TMP6);
- (b) the Investments Strategy for 2007/08 to 2009/10 as required by the Guidance on Local Government Investments.; and
- (c) the Affordable Borrowing Limit for 2007/08 to 2009/10 as required by the Local Government Act 2003.

(iv) Prudential Indicators for Capital Finance 2007/08 to 2010/11

RECOMMENDED -

1. That the prudential indicators required under the CIPFA Prudential Code for Capital Finance in Local Authorities, as part of setting the Council's budget for 2007/08 to 2010/11, be approved, subject to the following changes to the Non-Housing Revenue Account Prudential Indicators in relation to affordability, set out in paragraph 3.7 of the report being noted:

Ratio of financing costs to net revenue stream				
	2006-07 Latest Estimate %	2007-08 Estimate %	2008-09 Estimate %	2009-10 Estimate %
Non-HRA	9.67	11.02	13.13	14.38

2. That the existing delegated authority to the Head of Finance to make adjustments between the "borrowing" and "other long term liabilities" categories within the indicators be confirmed.