

Committee: Council Meeting
Date: 17 December 2002
Agenda Item No: 8
Title: Budgets
Author: John Dickson (01799) 510300

Summary

- 1 This report brings together the budget implications from the last cycle of Committee meetings and also updates Members on the latest information concerning the new formula grant settlement from Government. It recommends that the Community and Leisure and Environment and Transport Committees be asked to find additional savings.

Background

- 2 Committee Budgets

	Recommended Budget to Committee £'000	Savings accepted by Committee £'000
Community & Leisure	1,163	-6
Development Control & Licensing	388	0
Health & Housing	714	0
Environment & Transport	1,820	-113
Resources	4,232	-81
	<hr/> 8,317	<hr/> -200

- 3 The savings of £200,000 above need to be compared with the target of £345,000 approved by the Council on 22 October. This indicates a shortfall of £145,000. In addition, expenditure of £100,000 was added by two committees to the base by a reduction in the "sponsorship" targets. The Committees who did not meet their targets were the Community and Leisure and Environment and Transport Committees. If this position had been maintained, it would have left room for manoeuvre of only £29,000 compared with a sum of £218,000 approved by Council in October.
- 4 Because of the uncertainty regarding certain items of expenditure eg, Stansted Airport campaign, the Resources Committee on 21 November recommended that further savings and additional income be sought from the Environment and Transport and Community and Leisure Committees in order

to meet their cash savings targets agreed at the meeting of the Council on 22 October 2002, to help to achieve the Council's agreed priority of keeping the increase of Council Tax at a sustainable level.

- 5 In effect the above recommendation from the Resources Committee is requesting that further savings and additional income be sought as follows:

Community & Leisure	£116,000
Environment & Transport	£99,000

- 6 Since the Government announced the new provisional Formula Grant Settlement on 5 December Members have received two e-mails as information has been communicated from the various Government Departments. It is extremely difficult to know when all the information will become available but the latest position for 2003/4 is as follows:

Increase in grant cash for 2003/04 over amount received for 2002/03

	£
2.3% increase included in Council's financial projection	87,000
Latest Government information as at 12 December	132,000
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Additional grant above projection	45,000
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- 7 This sum of £45,000 was obviously not included in the base figures presented to the last cycle of Committee meetings when the various budgets were considered. It therefore increases the sum available for manoeuvre from £29,000 to £74,000. However even allowing for this additional £45,000 there is still a shortfall of £144,000 compared with the overall total target approved by Council on 22 October. This was based on a Council Tax increase of 2½% which was updated by the Resources Committee on 21 November to keep the increase of Council Tax at a sustainable level. For information, the Government has announced a District Band D Council Tax (including parishes) for 2003/04 of £181.32 for assumed grant distribution purposes. Uttlesford's actual council tax for 2002/03 is £139.08, including the average parish precept.

RECOMMENDED that further savings and additional income be sought from the Environment and Transport and Community and Leisure Committees in order to meet their cash savings targets agreed at the meeting of the Council on 22 October 2002, to help to achieve the Council's agreed priority of keeping the increase of Council Tax at a sustainable level.

Background Papers: ODPM – Local Government Finance in England 2003/04.

