
MEETING	Executive
DATE	16 January 2007
PRESENT	Councillors Steve Galloway (Chair), Sue Galloway, Macdonald, Orrell, Reid, Runciman and Waller
APOLOGIES	Councillors Jamieson-Ball and Sunderland

PART B - MATTERS REFERRED TO COUNCIL

140. Revenue Budget 2007/08 to 2009/10

Members considered a report which presented the Council's revenue budget proposals for the 2007/08 financial year and the potential financial position of the Council in 2008/09 and 2009/10.

The proposals represented a balanced budget for 2007/08, with the following key features (references in brackets are to the relevant sections of the report):

- a) Revenue investment of £12.106m, the funding for which would be achieved through:
 - Revenue savings of £4.799m (Table 2)
 - An additional £3.416m from a Council Tax rise of 4.5% (Table 2)
 - Meeting £1.312m one-off expenditure from reserves (para. 50)
 - Additional Revenue Support Grant funding of £1.191m (Table 14)
 - An £850k share of the projected 2006/7 collection fund surplus (para. 45)
 - Other adjustments on corporate budgets totalling £538k (Annex 1);
- b) A net revenue budget of £104.538m, to be funded by:
 - Council Tax income of £64.883m (para. 74)
 - Government grant of £38.343m (Table 12)
 - Use of reserves of £1.312m (para. 50);
- c) Funding for pupil-led aspects of education, primarily schools, of £83.835m, to be met by the Dedicated Schools Grant (Table 16).

It was stressed that the proposed budget was very 'tight' in a number of key areas. The report highlighted the following issues as likely to add significant pressure either to the 2007/08 budget or to future Council budgets:

- The deficit on the pension fund (para. 21)
- The introduction of job evaluation (para. 26)
- The future costs of waste management (para. 127A)
- The increasing numbers of elderly persons and costs of services for them (para. 127E)

- The threatened cuts in grants for 'supporting people' (para. 127F)
- The backlog of outstanding works needed to the City infrastructure; in particular, roads and Council buildings (para. 127G).

If the income and expenditure proposals set out in the report were approved, this would result in an increase of 4.5% in the City of York element of the Council Tax. The Director of Resources advised against any increase above 4.5%, as this would significantly increase the chance of government intervention. The total Council Tax increase, including parish, Police and Fire Authority precepts, would be agreed at the Budget Council meeting on 21 February 2007.

Comments were invited from relevant Officers on the points made by UNISON representatives under Public Participation / Other Speakers in relation to specific savings proposals. They indicated that:

- On CXS11, Officers would be happy to work with UNISON and other unions to monitor the effects of this saving;
- On HAS4, it was considered that the Community Base site had capacity to accommodate the transfer, but checks were being made;
- On CXS06, arrangements had been made to consult trades unions and affected staff before bringing the proposal forward. The Chair indicated that the Executive was prepared to delete this proposal.

RECOMMENDED: That Council approve the budget proposals as outlined in the report, in particular:

- a) The net revenue expenditure requirement for 2007/08 of £104.538m, as set out in Table 1 at paragraph 15;
- b) The Housing Revenue Account proposals outlined in Annex 10;
- c) The Dedicated Schools Grant proposals outlined from paragraph 78 onwards;
- d) The revenue growth proposals outlined in Annex 3, which include the post-EMAP amendments detailed at paragraph 42 plus:
 - Investing an additional £40k into increased investment in CCTV allowing the extension of provision into priority areas;
- e) To allow the Chief Executive, if required, to utilise in 2006/07 £50k of the proposed £215k budget for the 2007/08 elections;
- f) The revenue savings proposals for 2007/08 outlined in Annex 4, whilst:
 - Increasing TMS 02 (Debt Restructure) from £100k in 2007/08 to £146k, to reflect the one-off beneficial impact of recent changes in interest rates
 - Deleting CXS06 (Reductions to the Messenger Service, £6k)
 - Replacing CSS20 (Design and Conservation, £14k) with comparable savings secured through vacancy savings within City Strategy;

- g) In terms of the Council's reserves, to:
- Agree the use in 2007/08 of £1.312 of revenue reserves, as outlined in paragraph 50
 - Authorise the transfer of balances held on the Bellwin reserve into the general reserve, as detailed in paragraph 54
 - Endorse the adoption of a risk-based calculation to inform the Director of Resources' opinion on the appropriate minimum level of general reserves, as described in paragraph 52;
- h) The release of further funds to support the job evaluation project, as outlined from paragraph 26 onwards;
- i) The fees and charges proposals set out in Annex 8.

REASON: To provide a balanced set of budget proposals which the Council can consider in reaching its decision on the budget and the resultant Council Tax to be set for 2007/08.

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 3.05 pm].