CABINET 8TH FEBRUARY 2006
GENERAL FUND BUDGET 2006/2007

BUDGET MOTION FROM COUNCILLOR RICHARD BROOKS
LEAD MEMBER FOR RESOURCES

I propose the following motion in relation to agenda item 10.1:

**Final Formula Grant Settlement**

1. Note the final Formula Grant settlement for 2006/07 set out in the Addendum to the report.

**Budget Consultation**

2. Note the outcome of the various consultations carried out in relation to this budget as summarised in section 4 of the report and especially the results of public consultation detailed at Appendix B.

**Committed Growth**


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<tr>
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<th>Amount</th>
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<tbody>
<tr>
<td>Social Services</td>
<td>£4,218,000</td>
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<tr>
<td>Environment &amp; Culture</td>
<td>£975,000</td>
</tr>
<tr>
<td>Corporate (covering all services)</td>
<td>£3,663,000</td>
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<td><strong>£8,856,000</strong></td>
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4. Agree that the additional £2.0m identified as Committed Growth in relation to Social Services be included in a corporate contingency, to be allocated by the Cabinet during the financial year as necessary.

5. Agree that for the following items of committed growth, officers be instructed to:
   a) keep the level of demand and other factors leading to an additional funding requirement under continuous review
   b) continue to explore options to mitigate the cost identified, and
c) report progress to Cabinet by September 2006
   - Growth in Children’s Commissioning (GRO/SS/01)
   - Home Care – increased demand (GRO/SS/05)
   - Learning Disabilities Commissioning (GRO/SS/06)
   - Cost pressures in residential nursing home care for Adults Mental Health (GRO/SS/07)
   - Parks Maintenance Contracts (GRO/EC/02).

Waste Performance & Efficiency Grant

6. Note the increase in Waste Performance & Efficiency Grant for 2006/07 of £0.395m set out in the addendum to the report and agree that this be applied to further improve waste management services.

Efficiency Savings

7. Agree to take efficiency savings options totalling £3,938,000 as summarised at Appendix D to the report, excluding SS 09 and note the implications for 2007/08 and 2008/09.

7a. Request officers to investigate the re-provision of higher quality services to the users of Mayfield House within existing budgets and report to Cabinet by September 2006

Inflation

8. Agree an updated figure for pay and price inflation of £6.152m.

Housing Stock Reduction

9. Note that as a result of reductions in the size of the Housing Revenue Account, the value of General Fund services funded from the Housing Revenue Account will reduce by £3.696m in 2006/07.

10. Agree to accept mitigating savings to the value of £1.902m to offset the budgetary impact on the General Fund, and note that these comprise a mixture of efficiency savings, workload reductions and income generation.

11. Agree to fund the balance of £1.794m from the existing recurrent General Fund provision of £5m established to provide for the corporate implications of Housing Choice.

12. Instruct officers to continue to explore options for cost reduction in those corporate and support services where the impact is most significant, and to report to Cabinet by September 2006.

Budget Risk: Balances/Reserves & Contingencies

13. Note the review of reserves, strategic budget risks, and assessment of the robustness of the estimates.
14. Approve the funding of risk mitigation measures as follows:
   a) Olympic Legacy development: £400,000 a year for the period 2006/07 – 2008/09 to be funded from LPSA Reward Grant achieved in 2004/05,
   b) Asset and Programme/Project Management: £150,000 to be included in the General Fund Budget for Corporate Costs,

15. Agree that a contribution to general reserves of £1.5m be made as part of the General Fund budget for 2006/07.

**Budget Requirement & Council Tax**

16. Taking account of the decisions above, recommend Council to agree:
   a) a total budget requirement for the Council in 2006/07 of £267,894,000 (not including Dedicated Schools Grant) and,
   b) no increase in Tower Hamlets’ Council Tax for 2006/07.

17. Note that the Greater London Authority precept, which is due to be set on 15th February 2006, will be added to the authority’s Council Tax to arrive at the total Council Tax for residents of the borough.

**Medium Term Financial Projection**

18. Approve the medium term financial projection as set out in Appendix G to the report.

**Target Adjustments and Technical Resolutions**

19. Note the target adjustments relating to asset rentals and the adjustments for support service charges.

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