

Leicester
City Council

**FINANCE, RESOURCES AND EQUAL
OPPORTUNITIES SCRUTINY COMMITTEE
CABINET
COUNCIL**

**19 FEBRUARY 2003
24 FEBRUARY 2003
5 MARCH 2003**

REVENUE BUDGET STRATEGY 2003/04 TO 2005/06

Report of the Chief Finance Officer

1. Purpose of the report

- 1.1 This is one of two reports concerned with setting the Council's General Fund Revenue Budget for 2003/04.
- 1.2 The purpose of this report is ask Cabinet to consider a proposed Corporate Revenue Strategy; and a proposed Departmental Revenue Strategy (DRS) for each department up to 2005/06, as recommended by the relevant Cabinet Lead Member.
- 1.3 If Cabinet approves the proposed DRSs, the second report recommends a consequent budget.

2 Summary

- 2.1 The Council's existing budget strategy was approved by Council in March 2002 and extends to 2004/05. The 3 year strategy builds upon previous strategies and enables the development of long term planning corporately and within departments in order to deliver commitments on spending and tax levels. A feature of this approach is that it allows a longer period of consultation on draft proposals. For the third consecutive year, proposals have been made to scrutiny committees well in advance of presenting final budget proposals.
- 2.2 A major uncertainty affecting the current strategy was the introduction of a new system for grant distribution from 2003/04, which meant forecasting has been considerably more difficult than usual (and we are still unable to roll forward revenue forecasts for 2004/05 and 2005/06). The timing of the new system has also coincided with significant pressure being encountered, locally and nationally, within Social Services. The budget strategy agreed by Council last March determined Social Services as the main priority for further funding, although the extent of any possible support remained unclear until after the outcome of the new system was known.
- 2.3 The Council has been vigorous in its efforts to secure a fair deal under the new system. Our fears that the new system, called Formula Spending Shares (FSS) would extend the inequity of the previous Standard Spending Assessment, fortunately have not materialised and the new system has resulted in an above average grant increase for Leicester for the first time for

many years and is clearly a step in the right direction. However, it is worth noting that Leicester remains in the lowest 5% of all similar authorities for grant increases over the past 7 years, and the grant settlement still requires a trade-off between tax rises and spending cuts. Key features of the new system are:-

- The FSS is the key determinant of entitlement to general grant and is based upon a formulaic assessment of authorities' relative need and ability to raise council tax;
- The Government has been explicit that FSS is **not** Government's view of how much individual authorities should spend on specific services (except in the case of education "passporting"), but is simply a method of determining entitlement to grant;
- The spending blocks remain the same as in the SSA, being Education, Social Services, Police, Fire, Environmental, Protective and Cultural Services, Highways and Capital. There is, however, a new sub-division of the education FSS reflecting funding for schools separately from funding of the LEA.
- The FSS is still largely based upon client data (such as pupils and population) multiplied by a standard cost, with add ons for deprivation and other additional needs; and an area cost adjustment (primarily for regional variations in rates of pay);
- The formula remains complex, although data sources have generally been updated;
- There is an expectation that authorities "passport" the full year on year cash increase in Schools FSS directly to schools spending. This is a change from previous "passporting" expectations which were directed at the totality of the Education SSA.

2.4 Since approving the 2002/03 budget the difficult position in Social Services has deteriorated further. A continuing raft of government and legislative changes combined with demographic changes means the present level of Social Services funding is inadequate to provide the level of service required now and in the future. Therefore it is recommended that Social Services are the main priority for additional funding in 2003/04 in order to provide a more sustainable position in future years. **The proposed corporate revenue strategy and budget for 2003/04 provide for ongoing growth of £3.5m p.a. for Social Services over and above previous plans, together with one-off funding of £1.1m.** As well as providing for a more stable Social Services budget, this funding will also facilitate the Council's response to the Climbié enquiry.

2.5 The proposed budget delivers the commitment to schools set out in the "Leicester Pledge", which stated that education funding would increase to 1% above the Governments SSA by 2003/04 (the additional earmarked funding has been included in Education's budget, notwithstanding the changes in the formula).

2.6 The introduction of the FSS has meant that at this point it is not possible to project the Council's financial position up to 2004/05 and beyond. The Government has not released all of the information required to roll forward resources forecasts, which is likely to be the case for several months. This uncertainty, along with possible introduction of a new system of capital control, the "Prudential Framework" from as early as 2004/05, which will require capital and revenue decisions to be taken at the same time, is reflected in the proposed corporate revenue strategy at Appendix 1.

3. Recommendations

3.1 Cabinet is asked to consider and make recommendations to Council on:-

- i. a proposed new Corporate Revenue Strategy up to 2005/06, attached at Appendix 1;
- ii. Departmental Revenue Strategies proposed by Cabinet Lead Members, shown at Appendix 2;
- iii. proposed one off support to Social Care and Health of £1.1m; to be funded from the Council Tax Collection Fund Surplus of £1.1m which was agreed by Council on 30 January 2003;
- iv. additional spending on Crime and Disorder of £71,400 per annum from 2003/04, on schemes identified in the supporting information;
- v. the utilisation of £1.8m of general fund reserves, reducing the estimated balance of reserves to £4.4m as at 1 April 2003, such reserves being required to fund the proposed departmental revenue strategies;
- vi. the proposed repayment of £0.3m to general reserves from future savings made by Cultural Services and Neighbourhood Renewal with at least £0.1m per annum to be repaid each year from 2004/05 to 2006/07.

3.2 Cabinet is also asked to:

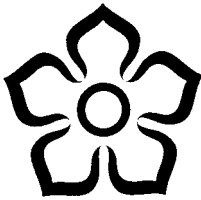
- i). note that the budget involves use of reserves, taking them to a level of £4.4m, which is below the Chief Finance Officer's recommended minimum working balance; by the time of the budget's approval by Council, it is expected that the arbitrator will have assessed the Council's entitlement to compensation in respect of the Swan Bridge claim. At present, £1.5m of expenditure is unfunded – to the extent that damages received are less than this, the difference will reduce reserves further.
- ii). (subject to the approval of the budget by Council on 5 March) authorise Corporate Directors to take any action necessary to achieve budget proposals for 2004/05 and 2005/06;
- iii). agree that it will increase its contribution to the Fire Authority, subject to approval of Council on 5th March, if this is necessary because of increased pay costs which cannot be offset by modernisation savings;
- iv). Request the Director of Social Care and Health to report in April with a detailed plan demonstrating how the department can achieve long term budget sustainability;
- v). Approve a revised schedule of determinations under Financial Procedure Rules, at Appendix 3 (which reflects changes in departmental responsibilities).

4. Financial and Legal Implications

4.1 This report is exclusively concerned with financial issues. S106 of the Local Government Finance Act 1992 applies to this report in respect of members with arrears of council tax.

5 Author

Graham Feek
Financial Strategy Manager



Leicester
City Council

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REVENUE BUDGET STRATEGY 2003/04 TO 2005/06

SUPPORTING INFORMATION

Report of the Chief Financial Officer

1 Summary

1.1 The Council has had a 3 year corporate revenue budget strategy since 2000/01. The current strategy, approved by Council in March 2002, runs up to 2004/05. Normal practice would have been to consult on a further strategy for the period 2003/04 to 2005/06 over the summer. However, on 23 September Cabinet agreed that, because of the uncertainty over the Government's funding review, the strategy would not be rolled forward to 2005/06 at that point. Cabinet agreed that, given the uncertainty, the focus should be to:

- Ensure that the then existing 3 year revenue strategy was delivered;
- Ask directors to update departmental revenue strategies over the autumn using existing planning targets; reporting to scrutiny committees as normal in December;
- Update the corporate revenue strategy and (if necessary) revise departmental revenue strategies when there was greater certainty in respect of Government funding.

1.2 All departments, except Education and Lifelong Learning and Social Care and Health, presented draft revenue strategies to scrutiny committees in December. The new funding system has had the greatest impact upon Education and Social Services, which meant that it was not possible to take draft revenue strategies for these departments to Scrutiny as early as had been hoped. Both departments subsequently reported draft proposals in January.

1.3 Whilst the Government has informed authorities of the new system of grant distribution, resources for future years are difficult to predict at present because the Government has not released all the information required to roll forward estimates. This uncertainty is reflected in the proposed budget strategy for 2003/04 to 2005/06, which is attached.

2 Revenue Budget Strategy 2002/03 to 2004/05

2.1 The strategy determined spending priorities and provided pledges on council tax levels. The current strategy includes 4 main priorities for additional spending, which are;

- i. Raising educational standards;
- ii. Social Care and Health;
- iii. Reducing Crime and Disorder;
- iv. Neighbourhood Renewal.

2.5 When the budget was set for 2002/03 it was agreed there were two fundamental issues which could affect the delivery of the strategy. It was recognised that the position within Social Services was difficult and that the service should be the main priority for any additional funding arising during the remaining period of the strategy. The second major issue, which would affect the Council's ability to address Social Services funding, was the Government's review of grant distribution, the effects of which could not be accurately forecast at that time.

2.6 The position in respect of Government funding for 2003/04 was finalised on 3rd February. Comparisons with assumptions made in the previous revenue strategy are difficult to make, due to changes in both expenditure and resources (there has, for instance, been an increase of £4.5m in teachers' pension costs, which has been fully funded by additional Government support). However, after allowing for increases in the amount which the Council has little choice but to "passport" to schools, and disregarding spending changes which are one-off in nature, the final resources position provides resources of approximately £1m over and above departmental planning figures issued in the summer.

3 The New Grant Distribution System

3.1 For the past 2 years or so, the Government has been reviewing the current Standard Spending Assessment (SSA) in order to introduce a new system of grant distribution from 2003/04. Whilst the Council welcomed a review of the present system, which has consistently disbenefitted Leicester, it was concerned that a new system could extend the inequities of the present system further. This was primarily because of the fear that the Government's desire for a simpler and more understandable system could mean more funding being allocated on a per capita basis, with less weighting for social and economic factors that cause authorities, such as Leicester, to need to spend more than less needy areas. There was also concern that the significant amount of money that Leicester presently receives in recognition of the additional demands faced by authorities with large culturally diverse populations was at risk. The Council has pressed its case vigorously for a fair deal from the new system.

3.2 From 2003/04 the SSA will be replaced by Formula Spending Shares (FSS), which will be used to determine grant. The new system has led to Leicester receiving an above average grant increase for the first time for many years and starts to reverse the decline in funding suffered over recent years through the SSA. Although the outcome of the funding review is better than expected, Leicester's average grant increase over the last 7 years remains poor and is still within the lowest 5% of all similar authorities.

3.3 The Council's original planning assumptions were based on a poor outcome from the new system, and therefore the actual position is better than planned for, although still challenging. This, however, needs to be seen in the context of growing cost pressures since the planning assumptions were set, particularly pay. No money has been made available in the funding settlement for the costs of the Chancellor's increase in national insurance, and pressures in Social Services continue to outstrip funding made available.

4 Social Services

4.1 When setting the 2002/03 budget, the Council agreed that the position of Social Services required careful monitoring throughout the year. In common with many authorities, the service continues to be faced with increasing pressures caused by legislation, government policy and funding changes and local demography that are increasing demand on services. The

corporate revenue strategy consequently provides for a substantial increase of £3.5m per annum (on top of the £0.5m included in the previous strategy). It is also likely, because of the increased pressures faced in 2002/03, that the department will overspend in 2002/03, despite action being implemented to reduce spending. It is therefore further proposed that one off funding of £1.1m from the Collection Fund surplus is also provided to the department in 2003/04 to enable the department to manage any overspending which is carried forward into 2003/04.

- 4.2 The Departmental Revenue Strategy (DRS) for Social Care and Health has been constructed on the basis of this additional funding. Proposals made by the Cabinet Lead for Health and Social Services set out how the department will utilise additional funding in order to provide a sustainable budget in future years.

5 Education

- 5.1 The Department for Education and Skills has introduced a new funding system for education from 2003/04. Previously authorities were expected to “passport” increases in education Standard Spending Assessment through to the education service. The Council adopted a policy of “passporting”, which was subsequently enhanced by further increases in education funding through the “Leicester Pledge for Education Standards” that committed to raise spending on education to 1% above SSA by 2003/04.
- 5.2 From 2003/04 DfES have introduced the concept of the “schools” and “LEA” funding blocks; and the new Education Formula Spending Share (FSS), which replaces the SSA, identifies funding for each block. DfES now expects that authorities “passport” the cash increase in schools FSS directly to the schools block. Authorities must report to the Secretary of State by 31 January whether they intend to “passport” resources. In cases where full “passporting” is not applied, the Secretary of State has a reserve power to direct authorities to set a schools budget at an appropriate level. On 27 January, Cabinet agreed it was minded to recommend to Council a schools budget that guarantees a full “passporting” of FSS increase, and this has been communicated to the Secretary of State.
- 5.3 In addition to “passporting”, the Council previously agreed additional resources of £1.5m to fund the cost of the Leicester Pledge. The 2003/04 education budget includes the final installment of £0.5m of the £1.5m.
- 5.4 The overall position of the Education Department, as a consequence of the proposed budget, is funding growth amounting to:-
- £3.8m for schools;
 - £1m for the LEA functions.

6 Consultation

- 6.1 The present corporate budget strategy has been shaped by various consultations, including a public consultation exercise undertaken in October 2001. Specific proposals contained in DRSs have been subject to consultation with:-
- Scrutiny Committees
 - Trades Unions
 - Business Community

6.2.1 Scrutiny Comments

A number of comments were made by Scrutiny Committees in relation to directors' proposed Departmental Revenue Strategies. These are shown below:

6.2.2 Chief Executive's Department

Finance, Resources and Equal Opportunities Scrutiny Committee wished Cabinet to consider the method of funding of two policy officers required to support the scrutiny process.

6.2.3 Cultural Services and Neighbourhood Renewal

The Arts, Leisure and Environment Scrutiny Committee expressed concern at the continuing cuts within Cultural Services and the truncated nature of the consultation period.

6.2.4 Education and Lifelong Learning

Education and Lifelong Learning Scrutiny made a number of detailed responses which were passed for consideration to the Schools Forum. Concerns were expressed in relation to the proposal to fund secondary and primary reviews and for a new post of Manager of Educational Innovation and it was suggested that these items took away funding which could be used to support schools.

6.2.5 Environment, Regeneration and Development Department

The Arts, Leisure and Environment Scrutiny Committee were not supportive of the proposed reductions and expressed concern about the introduction of charges for the disposals of refrigerators and the knock-on effects of a reduction of toilet provision within the City.

Highways and Transportation Scrutiny Committee expressed concerns at the proposed reduction in the service subsidy to bus companies as it was strongly felt that the existing levels of subsidy should remain.

Strategic Planning and Regeneration Scrutiny Committee requested that appropriate measures be included within the budget for the department to address recruitment and retention issues in the Planning Service. The committee also expressed concern about the reduction in contributions made to the Leicester Regeneration Agency of £20,000. Concern was also expressed about the cut in funding for Northfields Employment Development Initiative of £58,000: the Committee felt that funding should continue until the group had secured alternative sources of funding.

6.2.6 Housing

Housing Scrutiny Committee made no comments on the General Fund Budget.

6.2.7 Social Care & Health

Social Services and Personal Health Scrutiny Committee have met on 2 occasions to consider proposals. The Scrutiny Committee are to consider further proposals on 25 February. Any comments made by Scrutiny Committee on 25 February will be reported to Council. The Committee expressed concerns at the requirement to raise charges or to cut services in order to balance the budget and requested that the Cabinet look at a strategy for Social Services funding which addresses the long term shortfall in funding and not resort to short-term measures.

The Forum for Older People also asked the Cabinet to note that the department plays an important role in caring for the most vulnerable members of society and urged that the budget for the department is not cut, and if at all possible, it should be increased.

6.2.8 Resources, Access & Diversity

No specific comments were made by Finance, Resources and Equal Opportunities Scrutiny Committee.

6.3 Trades Unions Comments

No comments had been received from the Trades Unions at the time of writing this report – any comments subsequently received will be reported at your meeting.

6.4 Business Community Comments

Representatives from the business community are being consulted and any comments received will be made available at your meeting.

6.5 Changes made to proposed budgets as a result of comments are shown in paragraph 9 below.

7 **Resources Position**

7.1 Government Grant

Despite the huge uncertainty caused by the Government's funding review, planning targets have proved robust in light of the resources received in the final settlement: funding review options ranged from -£10m to +£20m. Total government grant funding for 2003/04 amounts to £272.2m. Whilst the headline increase in resources since the Cabinet report of 23 September is significant (£16.7m increase): a significant amount of this increase is due to funding changes or the movement from specific grant funding to general grant funding.

7.2 Council Tax

The corporate revenue strategy will increase Council tax by 5.3% in 2003/04 to £937, and produce income of £67.9m. The Council has achieved stable tax rises in 3 successive years, and it is expected that the tax rise will be below the national average in 2003/04:-

	City Increase	National Average
2001/02	4.9%	6.4%
2002/03	5.3%	8.2%
2003/04	5.3%	-

7.3 Collection Fund Surpluses

On 30 January the Council agreed a Council Tax Collection Fund surplus of £1.1m.

7.4 General Fund Reserves

General Fund Revenue reserves are estimated at £6.2m as at 31 March 2003. Proposals are reliant upon £1.8m of general fund reserves being used to support the budget, which will reduce the balance to £4.4m. Further reductions may occur as a consequence of the imminent judgement in respect of Swan Bridge.

8 Crime and Disorder

8.1 Initiatives to reduce crime and disorder are one of the 4 priorities for additional funding in the corporate revenue strategy. The Lead Member for Housing and Neighbourhood Renewal recommends the following schemes be added to the budget in 2003/04.

	2003/04 £000s	2004/05 £000s	2005/06 £000s	Responsible Department
Youth Offending Team (YOT)	60.0	60.0	60.0	Social Care & Health
Multi-Agency Public Protection Panel	11.4	11.4	11.4	Social Care & Health
Total Growth Bids	71.4	71.4	71.4	

8.2 Spending on combating crime and disorder has now increased by £0.4m (cumulatively) since 2001/02. The Council spends approximately £3m on work which directly combats crime and disorder.

9. Departmental Revenue Strategies

9.1 Appendix 2 shows each proposed Departmental Revenue Strategy for the period 2003/04 – 2004/05. It should be noted that on 27 January, Cabinet agreed it was minded to recommend a schools budget of £149.8 to Council on 5 March.

9.2 There have been several changes to department's Revenue Strategies subsequent to Scrutiny Committees in December and January. The final strategies reflect the actual level of resources available in 2003/04.

9.3 Proposed strategies now contain a number of new growth proposals that were not included in the original consultation draft. These are as follows:

- £3,500,000 ongoing increase to Social Services budget from 2003/04 onwards (on top of the previously agreed £0.5m);
- £1.1m to Social Services in 2003/04 to meet pressures facing the department. This is to be funded from the Collection Fund Surplus of £1.1m;
- one-off funding of £0.3m in 2003/04 to Cultural Services and Neighbourhood Renewal, together with a loan of £0.3m, to enable a more significant review to be phased effectively.
- £71,400 for Crime and Disorder; this is one of the 4 main priorities in the revenue strategy. Paragraph 8 sets out the proposed schemes.

9.4 There have also been a number of other changes made to the Revenue Strategies, some as a result of Scrutiny comments. These are listed below:

9.5 Chief Executive's Department

£10,000 has been included on an ongoing basis for the African Caribbean community.

9.6 Environment, Regeneration and Development

The following draft proposals have now been withdrawn:-

	<u>£000</u>
Reduction in bus subsidies	100
Public Toilets – charging	81
Charge for the disposal of fridges	38

A one off contribution to the City Cleansing DSO in 2003/04 of £100,000 is included in the proposals to help address the present budget shortfall in the service. The long term position of the DSO needs to be addressed in 2004/05.

A further £230,000 has been added to the budget to maintain bus subsidies at present levels.

9.7 Education

Education proposals have been amended subsequent to consideration by the Schools Forum and Scrutiny Committee. Proposals to fund secondary and primary reviews and for a new post of Manager of Educational Innovation have been deleted.

9.8 Social Services

The Social Services proposals have been significantly reshaped as a consequence of the additional funding injection. Key changes include:-

- Significant reduction in the amount to be raised from increased charges
- Removal of proposed cuts in community care services
- Removal of proposals to reduce voluntary sector services level agreements.

10 **Neighbourhood Renewal Fund**

10.1 The Council has been allocated £8m of Neighbourhood Renewal Fund (NRF) grant for 2003/04, part of a total allocation of £18m over the period 2001/02 to 2003/04.

10.2 The purpose of the NRF is to enable authorities to address the gap between the most deprived communities and other communities in terms of outcomes for issues such as education, crime, health and jobs.

10.3 Authorities, in consultation with their Local Strategic Partnership, are responsible for spending the government allocation in order to address national and local targets for the renewal of deprived areas. The Government actively encourages the use of NRF to support mainstream services where there is a risk of service failure.

10.4 The agreed approach involves allocating provisional sums to each of the main LSP sub-partnerships to develop programmes that best meet the stated aims of the NRF. The final programme was agreed by Cabinet in April 2002.

11 **Risk Assessment**

11.1 Good practice now dictates that budget reports to members contain an analysis of risks to the budget, particularly in respect of expenditure and income forecasts (this is now a feature of the CPA assessment). The Local Government Bill, when enacted, will impose a statutory duty on the Chief Finance Officer to comment on the adequacy of the Council's reserves, although this is good practice anyway, and something we have always done.

I give below:

- (a) commentary on the main areas of volatility in the income and expenditure budgets, as I see them;
- (b) commentary on reserves and balances;

(c) the impact of the budget on 2004/05 and later years.

11.2 In my view, each of the departmental budgets in 2003/04 (whilst very tight in some cases) is achievable, and this is also the view of the respective directors. Inevitably, some individual reduction proposals will not achieve the full expected savings, and issues will surface during the course of the year, which will unexpectedly cost money. However, the flexibility given to directors to manage within the overall bottom line should prevent an overspend by any department. The key areas of risk are:

- (a) the Social Services budget: despite the significant injection of funding, this budget will continue to require careful management, particularly given the continued growth in service need. I do, however, believe that the budget is capable of delivery;
- (b) pressures within the Education budget in relation to special needs, although specific provision has been made for potential growth in this area;
- (c) inability of the review of cultural services provision to deliver the anticipated savings, although this is solely an issue in respect of future years. Tight project management to secure these savings is essential;
- (d) further unexpected influx of Persons from Abroad, over and above that for which provision has been made; particularly in the context of current international tensions.

11.3 2003/04 is the first year of the new Supporting People programme which will bring together grants of up to £15m. It is not yet possible to be precise about the overall financial impact, although initial estimates suggest that the commissioning body will need to achieve savings of around £0.2m on current spending programmes to prevent overall resource levels being exceeded.

11.4 In respect of corporate budgets, I believe it is unlikely that the capital finance budget will overspend. The key risk is interest rates falling from their present levels, although the budget reflects the recent reduction in base rates to 3.75%.

11.5 The proposed budget for 2003/04 will result in the Council's level of reserves falling to £4.4m; the imminent arbitration decision in respect of Swan Bridge could result in a further reduction (a maximum of £1.5m). Whilst the Council has successfully managed previous budgets without unexpected spending pressures reducing reserves to levels we did not expect, I remain of the view that the Council ought to retain a balance of £5m to be able to respond to a sudden, unexpected cash requirement. If the Council does decide to reduce balances below £5m, I believe the the next budget strategy ought to identify means to replenish them.

11.6 The Council's earmarked reserves are not substantial. The key area to note is the insurance fund, which had a balance of £4.7m on 31.3.02. An actuarial review has identified a need to increase the balance and it is planned to increase funding over 3 years to a more appropriate level (the equivalent of £6m as of 31.3.02). Departmental insurance budgets include provision for this in 2003/04.

11.7 It has not been possible to project forward the effects of this budget on future years, given lack of data from the Government in respect of the settlement. The following, however, is worthy of note:

- a) as stated above, if the Council chooses to reduce reserves below £5m, the next budget strategy ought to include provision to increase them back to £5m. This will require at least £0.6m. Given that the current budget utilises £1.2m of one-off funding to support recurrent expenditure, this will result in additional monies to "make up", either in 2004/05, or in

2004/05 and later years. The precise figure will depend upon the outcome of the Swan Bridge arbitration. The Council can expect some repayments in respect of Cultural Services (£0.3m) and Education (£0.2m in respect of the International Youth House); although the former depends on savings not yet achieved.

- b) the current budget strategy has £1m of savings built in to 2004/05 over and above 2003/04. This was a requirement arising from previous resource projections, and there is a reasonable expectation that it will continue to be required once new projections are completed;
- c) unusually, the Council's resources in 2003/04 have suffered from a £0.5m transitional reduction, which we will (all other things being equal) get back in 2004/05 (normally, the Council receives transitional protection as a consequence of a poor settlement).

11.8 Other issues affecting the Council's budget in future years are described in the attached corporate revenue strategy. My expectation is that the budget setting process for 2004/05 will (once again) require difficult choices to be made. This has, however, been the pattern at Leicester since unitary status.

12 Financial Implications

12.1 This report is exclusively concerned with financial issues.

13.1 Legal Implications

13.1 S106 of the Local Government Finance Act 1992 applies to this report.

14 Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	No	
Policy	YES	2,4,5,9
Sustainable and Environmental	No	
Crime and Disorder	YES	8
Human Rights Act	NO	
Elderly/People on Low Income	NO	

15. Background Papers – Local Government Act 1972

Draft Revenue Budget Strategy 2003/04 to 2005/06: Cabinet 23 September 2002.

Base Budget Preparation 2003/04: Cabinet 23 September 2002.

Draft Departmental Revenue Strategies: Scrutiny Committees December / January 2003.

Collection Fund Surpluses: Cabinet 27 January 2003.

Council Tax - Taxbase: Council 30 January 2003.

Education Budget Strategy 2003/2004: Cabinet 27 January 2003.

Local Government Finance Settlement 2003/04: ODPM 3 February 2003.

Budget Strategy – 2002/03 – 2004/05: Cabinet 24 February 2003.

The Council's General Fund Budget 2003/04: Cabinet 24 February 2003.

16. Report Author

Graham Feek
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