

EXECUTIVE RESPONSE TO FIRST BUDGET FORECAST

I would like to present the Executive's response to the First Budget Forecast just presented by the Head of Finance.

Firstly it is important to emphasise the fact that the finances of the City Council have been and remain very strong and stable. It is our overriding duty to ensure the financial stability of the authority, and it is the intention of this Executive to ensure that this continues to be the case. We will plan the finances of the authority over a three-year strategic period, as set out in the various policy documents which will be submitted to Council for approval, in so far as this is possible within the annual grant regime adopted by the Government.

However, the financial pressures on the Council remain, resulting from new national and local initiatives and priorities and other economic issues such as the continuing effect of lower forecast interest rates, which affect the Council's investment income.

With that background I would set out the Executives' detailed response.

1. The Executive instructs the Chief Executive and SFPG to generally look for and implement efficiency savings and review base budget estimates

wherever possible throughout the whole authority, particularly in the light of the 2002/03 financial out-turn reports which are considered elsewhere on this agenda.

2. The Executive instructs the Chief Executive and SFPG in consultation with the appropriate portfolio holder, manager and appropriate corporate group to ensure that reports for new spending on priority areas or other identified issues are brought to the Executive in strict accordance with the timetable set out in the Head of Finance report.
3. The above is not comprehensive, and it must be accepted that further detailed reports may additionally be called upon during the course of the year.
4. It is apparent that capacity to increase base level spending is very limited. The Executive therefore instructs the Chief Executive and SFPG to limit any requests, and ensure that any essential bids that are put forward for consideration have had prior consultation with the relevant Portfolio Holder and relevant Corporate Group and all of the funding options have been fully investigated.

All policy decisions taken by the Executive during the course of this budget cycle will be taken in accordance with the priorities agreed, and further guidance may be issued following the Council's prioritisation exercise which is scheduled to take place shortly. All policy decisions will represent necessary changes and will reflect the underlying philosophical outlook of this Executive and the Conservative members of the Council.

Finally, I would like to make a reference to the Council Tax. At present the Council Tax constitutes a small percentage of the overall turnover of this authority. It is the belief of this Executive as set out in the Medium Term Financial Plan, and underlying philosophy of the Conservative Party that taxation should be set at reasonable levels. This Executive does not accept that the local taxpayer should unnecessarily be called upon to bear the largest burden for any future financial requirements by this authority. It is therefore our intention to ensure that any increase in the Council Tax over the course of the next 2 or 3 years is kept to a minimum that would be fair and reasonable.

That concludes my response to the Head of Finance's report. I would like to thank the Head of Finance and her team for their work and I look forward to receiving the various reports from other officers over the course of the next two to three months.

*Angela
Alison
Shelagh
in partic*