

Council Meeting

7 March 2006

SUPPLEMENTAL REPORT OF THE DEMOCRATIC SERVICES MANAGER
Agenda item 11

7. MEMBERS' ALLOWANCES SCHEME 2006 – 2007

The Council is required under the Local Authorities (Members' Allowances) (England) Regulations 2003 to make a Members' Allowances Scheme before the beginning of each year providing for the payment of a basic allowance to each Member. The scheme may also provide for the payment of a Special Responsibility Allowance, Childcare and Dependent Carers Allowance, Travel and Subsistence Allowance and Co-optees Allowance.

Before making or amending a Scheme, the Council must have regard to the recommendations of an independent remuneration panel.

The Council considered such recommendations from the Independent Remuneration Panel in July 2003 covering all of the above requirements. The Panel's report dated 16 July 2003 is still current and valid and is the basis of the Scheme for 2006/7.

The Scheme provides for an annual adjustment of allowances commencing from July 2003 by reference to an index specified by the Council, and where that is the only change made, the Scheme is deemed not to have been amended. The Scheme authorises the Borough Treasurer (now the Chief Finance Officer) to increase allowances from 1 April in line with the Retail Price Index (RPI) but the actual increases cannot be confirmed until the April RPI is published.

Members of the Panel have been consulted, and the Panel has approved the application of the RPI increase from 1 April 2006.

The Chief Finance Officer confirms that provision has been made in the Council Budget 2006-07 in respect of the increased allowances for that year.

RECOMMEND

That, having regard to the recommendations of the Independent Remuneration Panel, the Members' Allowances Scheme attached as Appendix A for the year 2006/7 be approved for the period 1 April 2006 to 31 March 2007.

8. AMENDMENTS TO ITEMS ON THE AGENDA: AGENDA ITEM 8, REPORT OF CABINET DATED 27 FEBRUARY, 2006:

(i) Amendment in the name of Councillor Alison Moore.

The amendment is attached at Appendix B.

(ii) Amendment in the name of Councillor Monroe Palmer

The amendment is attached as Appendix C.

John Marr
Democratic Services Manager.

LONDON BOROUGH OF BARNET

MEMBERS' ALLOWANCES SCHEME

2006/2007

1. The Scheme

This scheme is made by Barnet London Borough Council under the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended) and the Local Government Pension Scheme and Discretionary Compensation (Local Authority (Members in England) Regulations 2003 ("the Regulations").

- 1.1 The scheme may be cited as the Barnet London Borough Council Members' Allowances Scheme and replaces the Scheme previously approved by the Council for 2005/2006.
- 1.2 It has effect for the period 1 April 2006 to 31 March 2007.
- 1.3 In this scheme,
 - 1.3.1 "councillor" means an elected member of the Council of the London Borough of Barnet.
 - 1.3.2 "year" means the twelve months ending with 31 March.
 - 1.3.3 "Co-optee" and "co-opted member" means a person not a councillor who is appointed by the Council to a committee discharging a statutory local authority function.

2. Basic Allowance

- 2.1 A basic allowance of £8,500 shall be paid to each councillor.
- 2.2 Payment of the basic allowance is subject to the conditions set out in sections 9, 10, 12 and 13.

3. Special Responsibility Allowance

- 3.1 Allowances are payable to recognise the special responsibilities attached to certain positions to which councillors may be appointed. The allowances are graded in bands which are multiples of the basic allowance excluding the travel allowance.
- 3.2 The bands, the multiples of the basic allowance which they represent, the positions concerned and the sums payable are set out in Schedule 1. During that period a councillor other than the Leader of the Council may receive more than one special responsibility allowance subject to a maximum equivalent to 2 times the basic allowance.
- 3.3 Other conditions attached to the payment of special responsibility allowance are set out in sections 9, 10, 12 and 13.

4. Childcare and Dependent Carers' Allowance

- 4.1 An allowance shall be payable to any councillor or co-opted member or member of an appeals committee established under the Education Act 1996 who incurs expenditure for the care of dependent relatives or children whilst undertaking the approved duties listed in section 4.3 below.
- 4.2 Dependent relatives and children are defined as:-
- children aged 15 years or less
 - elderly relatives requiring full-time care
 - relatives with disabilities who receive full-time care
- 4.3 The approved duties referred to in section 4.1 above are:-
- (a) The attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
 - (b) The attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and at least one other local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee, provided that –
 - (ii) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or
 - (iii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited.**
 - (c) The attendance at a meeting of any association of authorities of which the authority is a member;
 - (d) The attendance at a meeting of the executive or a meeting of any of its committees;
 - (e) The performance of any duty in pursuance of a standing order requiring a member or members to be present while tender documents are opened;
 - (f) The performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
 - (g) The performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools); and
 - (h) The carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purposes of, or in connection with, the discharge of the functions of the authority or any of its committees or sub-committees.
- 4.4 The allowance shall be paid, on a “per cared for” basis, at the rate of £5.20 per hour for up to 8 hours’ care.

5. Travel and Subsistence Allowance

- 5.1 A lump sum annual allowance of £350 shall be paid to each councillor to recognise the cost of all travel within the Borough. The duties which qualify for the payment of travel outside the Borough are set out in Schedule 2 with the amounts payable set out in Schedule 3.
- 5.2 The duties which qualify for the payment of travel allowance to a co-opted member or member of an appeals committee established under the Education Act 1996 are set out in Schedule 2 with the amounts payable set out in Schedule 3.
- 5.3 The duties which qualify for the payment of subsistence allowances to a councillor, co-opted member or member of an appeals committee established under the Education Act 1996 are set out in Schedule 2 with the amounts payable set out in Schedule 3.
- 5.4 The payment of allowance is subject to the conditions set out in sections 9 and 10.

6. Co-optees' Allowance

- 6.1 An allowance of £240 per annum shall be paid to co-opted members for attendance at committee meetings.
- 6.2 Payment of the allowance is subject to the conditions set out in sections 9, 10, 12 and 13.

7. Annual Adjustment

For the period of 4 years from 1 April 2004 the basic allowance, childcare and dependants' allowance, in-borough travel allowance and co-optees' allowance shall be adjusted annually by the Borough Treasurer (now Chief Finance Officer) on 1 April in accordance with the Retail Price Index.

8. Pensions

With effect from 1 September 2003 all councillors shall be eligible to join the Local Government Pension Scheme and both basic allowance and special responsibility allowance shall be pensionable.

9. Financial Limits

Any payment under this scheme is subject to the budget provision for members' allowances during the year not being exceeded.

10. Suspension

Allowances shall be withdrawn where a councillor or co-opted member has been wholly or partially suspended because of a breach of the Local Code of Conduct.

11. Renunciation

A councillor or co-opted member may decline to receive any part of his or her entitlement to an allowance under this scheme by notifying the Borough Treasurer (now Chief Finance Officer) in writing.

12. Part-year Entitlements

- 12.1 This section regulates councillors' entitlement to allowances if during the year
- the scheme is amended
 - the councillor is newly elected
 - the councillor ceases to be a councillor
 - the councillor accepts or gives up a position eligible for a special responsibility allowance.
- 12.2 If the scheme is amended so as to change the basic allowance or the special responsibility allowance then the annual amount to be paid to each councillor shall be re-calculated. The councillor will be paid a proportion of the old allowance and a proportion of the new allowance. The proportions will reflect the number of days in the year before and after (starting with the day on which the change takes effect) the change. Further amendments will be treated in the same way.
- 12.3 If during the year
- a councillor is newly elected or ceases to be a councillor,
 - a councillor accepts or gives up a position eligible for a special responsibility allowance, or
 - a councillor becomes or ceases to be eligible to a special responsibility allowance because of an amendment to the scheme
- then the annual amount to be paid to the councillor will be altered. The alteration will discount a proportion of the relevant allowance, to reflect the number of days in the year that the councillor was not a councillor, or was not eligible for the special responsibility allowance, as the case may be. If the scheme is amended during the year as set out in 12.2 above, then the alteration will be calculated separately for the periods before and after each amendment, in accordance with the Regulations.

13. Claims, Payments, Repayments, Restriction to entitlement

- 13.1 Payments of basic allowance and special responsibility allowance will be made in twelve equal monthly instalments at the end of each month.
- 13.2 If making a payment of one twelfth of the annual entitlement of basic allowance and special responsibility allowance for any member would result in a breach of the restrictions set by Section 12 of the scheme, then actual payments must be reduced to comply with those restrictions.
- 13.3 Where an allowance has already been paid for any period during which the councillor concerned:
- (a) is suspended or partially suspended for a breach of the Local Code of Conduct;
 - (b) ceases to be a councillor; or
 - (c) is otherwise not entitled to receive the allowance for that period,

such part of the allowance as relates to any such period shall be repaid to the Council.

- 13.4 Where a member of the authority is also a member of another authority that member may not receive allowances from more than one authority in respect of the same duties.

Special Responsibility Allowances 1 April 2006 to 31 March 2007

Allowance	Scale	Factor	Amount
			£
Leader	1	3	25,500
Deputy Leader (if appointed)	3	1	8,500
Leader of major opposition group	2	1.5	12,750
Leader of smaller political group	3	1	8,500
Cabinet Members	2	1.5	12,750
Chairman of the Audit Committee	4	5	4,250
Chairman of Planning and Environment Committee	5	33	2,833
Vice-Chairman of Planning and Environment Committee	7	15	1,275
Chairman of General Functions Committee	5	33	2,833
Chairman of Area Planning Committee	5	33	2,833
Vice-Chairman of Area Planning Committee	7	15	1,275
Chairman of Area Environment Committee	5	33	2,833
Vice-Chairman of Area Environment Committee	7	15	1,275
Chairman of Cabinet Overview and Scrutiny Committee	4	5	4,250
Vice-Chairman of Cabinet Overview and Scrutiny Committee	6	25	2,125
Chairman of Overview and Scrutiny Committee	4	5	4,250
Chairman of Standards Committee	7	15	1,275
Chairman of Area Forum	6	25	2,125
Group Secretaries	5	33	2,833
Group Whip	6	25	2,125
Shadow cabinet members of major opposition group	7	15	1,275
Member of Licensing Committee	7	15	1,275
Chairman of Licensing Committee	6	25	2,125
Panel of Chairman of Licensing Sub- Committee	5	33	2,833

Approved Duties

The following are approved duties for the payment of travel and subsistence allowances.

(For Councillors the meeting must take place takes place outside the borough of Barnet):

1.

- (a) The attendance at a meeting of the authority or of any committee or sub-committee of the authority, or of any other body to which the authority makes appointments or nominations, or of any committee or sub-committee of such a body;
- (b) The attendance at any other meeting, the holding of which is authorised by the authority, or a committee or sub-committee of the authority, or a joint committee of the authority and at least one other local authority within the meaning of section 270(1) of the Local Government Act 1972, or a sub-committee of such a joint committee, provided that –
 - (ii) where the authority is divided into two or more political groups it is a meeting to which members of at least two such groups have been invited; or
 - (iii) if the authority is not so divided, it is a meeting to which at least two members of the authority have been invited.***
- (c) The attendance at a meeting of any association of authorities of which the authority is a member;
- (d) The attendance at a meeting of the executive or a meeting of any of its committees;
- (e) The performance of any duty in pursuance of a standing order requiring a member or members to be present while tender documents are opened;
- (f) The performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and empowering or requiring the authority to inspect or authorise the inspection of premises;
- (g) The performance of any duty in connection with arrangements made by the authority for the attendance of pupils at any school approved for the purposes of section 342 of the Education Act 1996 (approval of non-maintained special schools; and
- (h) Attendance at training courses arranged by the Council.
- (i) The carrying out of any other duty approved by the authority, or any duty of a class so approved, for the purposes of, or in connection with, the discharge of the functions of the authority or any of its committees or sub-committees.

(The following bodies or their committees or sub-committees are specifically included in the above definition:

Welsh Harp Joint Consultative Committee
Hampstead Heath Management Committee
London government statutory bodies, joint committees, forums, consortiums, employers' associations, etc
Standing Advisory Council for Religious Education (SACRE)
Local Government Association
Association of London Government
Joint Negotiating Councils for Council employees
Local Government Management Board)

2. Subject to the Base Budget not being exceeded, duties undertaken by members in receipt of Special Responsibility Allowances who are members of the Executive, provided that they are undertaken outside the borough of Barnet and that the Chief Executive is satisfied that the duties are for the purposes of, or connected with, the discharge of the functions of the Council.
3. Attendance as the council's duly authorised representative at meetings of the following bodies.
 - (a) School admission, exclusion and reinstatement appeals panels
 - (b) Statutory complaints boards or panels relating to the council's education or social services functions
4. Conferences and meetings convened by a person or body whose objects are neither wholly nor partly political, and otherwise than in the course of a trade or business, for the purpose of discussing matters which in the council's opinion will relate to the interests of Barnet or its inhabitants or of part of Barnet or the inhabitants of part of it are approved for the purposes of payment of travel and subsistence allowance. They are those conferences and meetings convened by outside bodies being conferences where it is considered that there is a direct connection with a function of this council.

The IRP will review uptake of allowances in connection with attendance at such conferences and meetings annually to ascertain whether any recommendations need to be made to the council in this respect.

Travel and Subsistence Allowances

Travel

1. An allowance of £350 per annum shall be payable to each councillor to recognise the cost of all travel within the borough.
2. Other travel allowance shall be paid at the same rates as those applying at the time to council staff for motorcar, motorcycle and bicycle use.

For public transport actual expenditure shall be reimbursed.

Subsistence

3. For a councillor attending an approved duty that takes place inside the borough of Barnet the rate of subsistence and travel allowance shall be nil.

Other subsistence allowance for meals taken on duty shall be paid at the same rates as those applying at the time to council staff.

For overnight costs reasonable approved expenses shall be paid.

Other Reimbursements allowed:

1. Not more than the amount of any expenditure incurred on tolls, ferries or parking fees.
2. Where day subsistence is payable, the reasonable cost of meals taken on trains, subject to a reduction of subsistence allowance of four hours for each meal taken, and a maximum of one main meal during an absence of more than four hours, two for more than eight hours' absence and three for more than twelve hours' absence.
3. The actual cost of overnight garaging of a car or other vehicle.

Payment

4. Evidence of expenditure incurred shall be required when claims are made and any unreasonable claim shall be referred to the Chief Executive.

NOTE:

The Council has agreed that an allowance of £41.40 for any period of 24 hours (for which purpose a period of 24 hours shall begin at 3am) and £20.70 for a 12 hour may be paid to reimburse financial loss incurred by external witnesses giving evidence at any of the Council's overview and scrutiny committees and by external members of the Independent Remuneration Panel for members' allowances.

Council Meeting – 7 March 2006

Amendment to be moved in the name of Councillor Alison Moore

To amend 1.1	replace		£10m	with	£8.3m
			See note		
To amend 1.4 [a]	replace		£715,210,640	with	£714,911,930
To amend 1.4 [b]	replace		£499,485,045	with	£500,495,045
To amend 1.4 [c]	replace		£215,725,595	with	£214,416,885
To amend 1.4 [e]	replace		£1,010.82	with	£1,001.13
	replace	Band A	£673.88	with	£667.42
	replace	Band B	£786.19	with	£778.66
	replace	Band C	£898.51	with	£889.89
	replace	Band D	£1,010.82	with	£1,001.13
	replace	Band E	£1,235.45	with	£1,223.60
	replace	Band F	£1,460.07	with	£1,446.08
	replace	Band G	£1,684.70	with	£1,668.55
	replace	Band H	£2,021.64	with	£2,002.26
To amend 1.6	replace	Band A	£866.29	with	£859.83
	replace	Band B	£1,010.66	with	£1,003.13
	replace	Band C	£1,155.05	with	£1,146.43
	replace	Band D	£1,299.43	with	£1,289.74
	replace	Band E	£1,588.20	with	£1,576.35
	replace	Band F	£1,876.95	with	£1,862.96
	replace	Band G	£2,165.72	with	£2,149.57
	replace	Band H	£2,598.86	with	£2,579.48

The Labour Group Budget Proposals for 2006-07

£

PART 1 - REVENUE

Variations in Expenditure

Reverse cut to media fund for library books	200,000	
Reverse cut to East Finchley library	57,000	
Re-open Edgware library on Sundays	15,000	
Reverse cut to schools library resources service	5,000	
Youth Service - staffing	50,000	
Youth Service - prudential borrowing	50,000	
Parks patrols to tackle anti-social behaviour (part-year)	50,000	
Noise nuisance service 24 hours / 7 days	95,000	
Graffiti removal team (part-year)	40,000	
Increase Anti-Social Behaviour Orders (ASBOs) issued (part-year)	50,000	
Real jobs in sheltered workshops for blind people	46,000	
Subsidy for allotment rents	16,000	
Director, Head of Service, two Exec Assts	(355,000)	
Customer Services Officer	(25,000)	
Valuer	(40,000)	
GIS Officer	(30,000)	
Council Tax Collection Officer	(30,000)	
Head of Corporate Performance Office	(104,440)	
Roads & pavements budget	(200,000)	
Communications and marketing	(100,000)	
Cabinet support	(65,500)	
Members training	(13,330)	
Civic entertainment and ceremonial	(7,760)	
Councillors free CPZ permits	(1,000)	
Parks budget (Mayor making flowers)	(680)	(298,710)

Variations in Income

Land search charges	(10,000)	(10,000)
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Variation in net service expenditure (308,710)

Contribution from balances (1,000,000) (1,000,000)

Variation to revenue budget recommended by Cabinet (1,308,710) (1,308,710)

continued overleaf >>>

PART 2 - CAPITAL PROGRAMME

Variation in Capital Programme

Increase general provision to young people (youth services)	500,000
	<u>500,000</u>

Recommendation 1.1

We believe that £8.3m is an adequate level of balances on the basis of previous experience of tight financial management in year. We would thus not be formally allocating any contribution to balances within the forward plan. However, in recognition of the position taken by the Council's Section 151 Officer we would of course be stringent in returning in-year savings to the centre and to balances where appropriate. The Council must determine the appropriate level of balances taking into account recommendations of the Chief Finance Officer and advice from the External Auditor. The forecast of General Fund balances (excluding schools) over the years is as follows, before allowing for any in-year drawings on balances:- for all years 2006/7, 2007/8, 2008/9 and 2009/10 the forecast B/fwd is £8.28m, contributions to / (from) balances is £0m, and the forecast is £8.28m.

Note on Youth Service

The £500,000 for capital expenditure is a general provision, which we would seek to increase by a further £200,000 through Section 106, strengthened by new provision from Children's Trust legislation. Details of projects this might be spent on would be worked up during the financial year with a view to having new services operational from April 2007. A provision of £200,000 has been included in the Forward Plan for the ongoing revenue costs, which would need to be refined as part of the 2007/08 budget process.

Council Meeting – 7 March 2006

Amendment to be moved in the name of Councillor Monroe Palmer

To amend 1.1 [a]	replace		£10m	with	£8m
To amend 1.1 [b]	replace		Appendix G	with	Attached App. G
To amend 1.4 [a]	replace		£715,210,640	with	£715,225,850
To amend 1.4 [b]	replace		£499,485,045	with	£502,145,045
To amend 1.4 [c]	replace		£215,725,595	with	£213,080,805
To amend 1.4 [e]	replace		£1,010.82	with	£0.00
	replace	Band A	£673.88	with	£0.00
	replace	Band B	£786.19	with	£0.00
	replace	Band C	£898.51	with	£0.00
	replace	Band D	£1,010.82	with	£0.00
	replace	Band E	£1,235.45	with	£0.00
	replace	Band F	£1,460.07	with	£0.00
	replace	Band G	£1,684.70	with	£0.00
	replace	Band H	£2,021.64	with	£0.00
To amend 1.6	replace	Band A	£866.29	with	£0.00
	replace	Band B	£1,010.66	with	£0.00
	replace	Band C	£1,155.05	with	£0.00
	replace	Band D	£1,299.43	with	£0.00
	replace	Band E	£1,588.20	with	£0.00
	replace	Band F	£1,876.95	with	£0.00
	replace	Band G	£2,165.72	with	£0.00
	replace	Band H	£2,598.86	with	£0.00

The Liberal Democrat Group Budget Proposals for 2006-07

£

PART 1 - REVENUE

Variations in Expenditure

Reduce Cabinet from 10 to 8	(25,500)	
Delete post of Cabinet Officer	(65,500)	
Corporate Performance Office - reduce consultation budget	(29,000)	
Delete Head of Corporate Performance	(104,440)	
Delete 1 Chief Officer and Executive Assistant	(142,000)	
Members training	(5,000)	
Amend scheme to achieve around 5% reduction in Members Allowances	(56,350)	
Reduce highway maintenance	(200,000)	
Reduce civic entertainment and courtesy	(3,000)	
Reduce frequency of Barnet First publication	(60,000)	
Reinstate 1 mobile library (part year)	50,000	
Increase libraries media fund	155,000	
Reduction in prudential borrowing costs (Highways)	(25,000)	
Reverse reduced opening hours in East Finchley	57,000	
Noise Service - delete saving to refocus to times of peak demand	94,000	
Street Enforcement Service - 10 additional staff from October 2006	150,000	
Reinstate use of Wood Street Registrars Office	75,000	
Improve weekend skip service	10,000	
Delete Valuer post	(40,000)	
LA 21 Grant	30,000	
Youth Service - detached youth workers	150,000	15,210

Variations in Income

Ravensfield House and Park House - rent income (part year)	(60,000)	(60,000)
Variation in net service expenditure		(44,790)
Contribution from balances	(2,600,000)	(2,600,000)
Variation to revenue budget recommended by Cabinet	(2,644,790)	(2,644,790)

continued overleaf >>>

PART 2 - CAPITAL PROGRAMME

Variation in Capital Programme

Reduce highway reconstruction (amount earmarked for Partingdale Lane) (250,000)

Totteridge Library

It is recognised that the re-marketing the site may generate bids for just the surrounding area. If this arises, it would be our intention to consider how such a bid might generate the necessary capital funding to re-open the library and make it DDA compliant. We appreciate it would be necessary to work up detailed costings for these capital works and the ongoing operational revenue costs and we would seek to undertake this during 2006/07.

Recommendation 1.1(a)

It is recommended that an appropriate level for General Fund balances should be £8m. It is acknowledged that this is below the amount being recommended by the Chief Finance Officer.

Recommendation 1.1(b)

A revised Financial Forward Plan (Appendix G) is attached, which summaries the 2006/07 budget proposals above and sets out the proposed contribution to balances in future years to get to the target level of £8m.

Note on S.106 Monies

We would seek during 2006/07 to identify areas where the use of S.106 funding could be used to support the revenue budget, but appreciate that without making specific proposals at this time it is not possible to validate a figure for inclusion in the formal budget amendments above.

Global Forecast 2006/7 to 2009/10
Liberal Democrat Group (changes are shaded)

	2006/7	2007/8	2008/9	2009/10
	£M	£M	£M	£M
Base Budget (including collection fund)	369.64	217.15	225.03	229.67
1 Dedicated Schools Grant	(163.16)			
3 Pay Awards & Inflation (excluding Schools Budget)	6.38	5.53	5.68	5.84
Full Year Effects of Previous Decisions (inc. LPSA)	4.34	0.99	0.81	0.00
6 Base Pressures, New Responsibilities, Developments	12.65	7.21	0.27	1.74
5 Efficiencies, Base Reductions	(12.08)	(6.69)	(2.12)	(3.12)
Formula Grant Amending Reports 2004/5 & 2005/6	(0.57)	0.57		
Liberal Group Alternative Budget Proposals	(0.05)	0.26		
	217.15	225.03	229.67	234.13
4 Contribution to / (from) Balances	(2.60)	1.00	0.32	0.00
2 Formula Grant	(80.63)	(82.28)	(83.93)	(85.61)
Income from Council Tax	133.92	143.53	146.53	149.30
Council Taxbase (Band D Equivalents)	135,103	135,103	135,103	135,103
Council Tax (Band D)	£991.24	£1,062.38	£1,084.55	£1,105.12
Increase in Government Formula Grant	4.6%	2.0%	2.0%	2.0%
Increase in Council Tax	0.00%	7.2%	2.1%	1.9%

Assumptions :-

- From 2006/07, the Schools Budget (devolved and centrally managed items) is funded by the Dedicated Schools Grant, leaving the remainder of council services to be funded from Formula Grant and Council Tax.
- Formula grant in 2007/08 is in line with the Government's provisional announcement in December 2005. For later years it is assumed that there will be a grant floor of 2% a year (after removal of one-off funding), which Barnet would be on. Further announcements are expected in July 2007 in the Government's next Spending Review.
- No allowance has been made for cost pressures beyond basic Inflation and pay awards.
- The Council must determine the appropriate level of balances taking into account recommendations of the Chief Finance Officer and advice from the External Auditor. The forecast of General Fund balances (excluding schools) over the years based on the above Forward Plan is as follows, before allowing for any in-year drawings on balances:-

Balances	2006/07	2007/08	2008/09	2009/10
	£m	£m	£m	£m
Forecast B/fwd	9.28	6.68	7.68	8.00
Contributions to / (from) balances - per above	(2.60)	1.00	0.32	0.00
Forecast C/fwd	6.68	7.68	8.00	8.00

- The figures incorporate an aspirational target of £6.44m efficiency savings in 2007/08 and £3.22m a year thereafter. The figure of £6.44m is the annual Gershon target (cashable + non-cashable) for the period 2005/06 to 2007/08, although the 2006/07 proposed budget will result in the council having largely achieved the whole target a year early, entirely from cashable savings.
- Includes the expected loss of specific grants supporting Adults and Children's Services.