

APPENDIX 1



SCRUTINY COMMISSION – 5TH FEBRUARY 2008

SUPPLEMENTARY NOTE OF THE DIRECTOR OF CORPORATE RESOURCES

MEDIUM TERM FINANCIAL STRATEGY 2008/09-2010/11

ADDITIONAL INFORMATION

Introduction

1. This note sets out additional information which has become available since the report was approved by Cabinet on 10th January.

Formula Grant

2. The finance settlement was published on 24th January. For the County Council the revised position is as follows:-

Settlement Formula grant	£92.769m
Change from consultation	-0.063m
Increase on adjusted 2007/08 grant	4.399m (4.98%)

3. Apart from incorporating data changes the main change relates to the treatment of the increase in the cost of family law court proceedings (see spending pressures below). As a new responsibility this should have been included in the adjustments to the 2007/08 grant figure which is used in the damping system to calculate final grant entitlements.
4. The effect of now including it in the base means that 'floor' authorities get an increase in the grant, but as there is no more grant in the system this is paid for by reductions to the grant entitlement of non floor authorities.

Collection Fund Deficit

5. The final figure on collection fund deficits notified by the districts is £95,000 lower than the provisional figure built into the draft 2008/09 budget of £500,000.

Spending Pressures

6. The family law court fees are to increase from 1st April to £4,000 from the current figure of £300 per case. The estimated cost is £150,000 per annum.

Cabinet decisions

7. At its meeting on 15th January the Cabinet agreed to incorporate £50,000 per annum into the MTFs for the tree planting programme commencing in 2008/09.
8. The Community Services Scrutiny Committee was informed by the Lead Member at its meeting on 21st January that the Cabinet was intending to remove the saving for the County Hall Library.

Summary

	<u>£000</u>
Reduction in Formula grant	63
Collection fund reduced deficit	(95)
Family law court costs	150
Tree Strategy	50
County Hall Library saving	<u>25</u>
Net additional spending	<u>193</u>